

338 A.3d 43

ENGLEWOOD HOSPITAL & MEDICAL CENTER, HUDSON HOSPITAL OPCO, LLC, D/B/A CHRIST HOSPITAL, IJKG OPCO, LLC, D/B/A BAYONNE MEDICAL CENTER, HUMC OPCO, LLC, D/B/A HOBOKEN UNIVERSITY MEDICAL CENTER, CAPITAL HEALTH REGIONAL MEDICAL CENTER, CAPITAL HEALTH MEDICAL CENTER - HOPEWELL, ST. FRANCIS MEDICAL CENTER, AND PRIME HEALTHCARE SERVICES - ST. MARY'S PASSAIC, LLC, D/B/A ST. MARY'S GENERAL HOSPITAL, PLAINTIFFS-APPELLANTS, v. THE STATE OF NEW JERSEY, THE STATE OF NEW JERSEY DEPARTMENT OF HUMAN SERVICES, SARAH ADELMAN IN HER CAPACITY AS COMMISSIONER OF THE DEPARTMENT OF HUMAN SERVICES, STATE OF NEW JERSEY DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES, MEGHAN DAVEY, IN HER CAPACITY AS DIRECTOR OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES, STATE OF NEW JERSEY DEPARTMENT OF HEALTH, AND DR. KAITLAN BASTON, IN HER CAPACITY AS COMMISSIONER OF THE DEPARTMENT OF HEALTH, DEFENDANTS-RESPONDENTS.

A-16 September Term 2024

089696

Argued April 1, 2025—Decided July 16, 2025—
Caption Revised July 17, 2025

Synopsis

Background: Hospitals that qualified as “disproportionate share hospitals” under New Jersey’s charity care program brought action against state agencies and officials, alleging that program’s requirements to provide free or reduced-cost care to indigent patients without full reimbursement from state constituted an unconstitutional taking of private property without just compensation under federal and state constitutions. The Superior Court, Law Division, Mercer County, granted summary judgment to the state defendants. Hospitals appealed. The Superior Court, Appellate Division, 478 N.J.Super. 626, 317 A.3d 967, affirmed. Certification was granted.

Holdings: The Supreme Court, Fasciale, J., held that:

- (1) use of medical supplies from hospitals' inventories in treating indigent patients under charity care program did not constitute a per se taking of hospitals property without just compensation;
- (2) requiring hospitals to provide medical services to indigent patients as part of charity care did not constitute a per se taking as to services furnished by hospitals;
- (3) requirement that hospitals provide charity care to indigent patients did not constitute an unconstitutional physical invasion or occupation of hospital facilities, and thus was not a per se taking; and
- (4) requirement that hospitals provide medical services to indigent patients did not constitute a regulatory taking of hospitals' property rights.

Affirmed as modified.

1. Constitutional Law ¶656

In non-First Amendment federal law cases, a plaintiff cannot succeed on a facial challenge to a statute's constitutionality unless he establishes that no set of circumstances exists under which the law would be valid, or he shows that the law lacks a plainly legitimate sweep. U.S. Const. Amend. 1.

2. Constitutional Law ¶656

Under New Jersey law, it is clear that a statute is not facially unconstitutional if it operates constitutionally in some instances.

3. Constitutional Law ¶657

Unlike a facial challenge, an as applied challenge to the constitutionality of a statute requires an analysis of the facts of a particular case to determine whether the application of a statute, even one constitutional on its face, deprived the plaintiff to whom it was applied of a protected right.