

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3003

STATE OF NEW JERSEY

DATED: JUNE 24, 2010

The Assembly Budget Committee reports favorably Assembly Bill No. 3003.

The bill amends current law by uncapping the .53% assessment imposed on a hospital's operating revenue and raising the cap on the gross receipts assessment on certain ambulatory care facilities in order to generate additional State funds to draw down a greater amount of federal matching funds for the purposes of increasing charity care funding.

Specifically, the bill provides as follows:

- The \$40 million cap on the .53% assessment on a hospital's total operating revenue, established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), is removed.
- Any monies paid by hospitals in excess of \$40 million, federal matching funds received on account of such monies, and interest received on such payments and funds shall be allocated exclusively to support funding to hospitals. (The first \$40 million is allocated, by statute, to the support of federally qualified health centers.) In the event that any approval, application, or other condition necessary for the implementation of this allocation to hospitals and the distribution of funds pursuant thereto consistent with the Fiscal Year 2011 annual appropriations act is not obtained, granted, or satisfied, the Departments of Health Senior Services and Human Services shall jointly prepare a plan concerning charity care and related hospital funding, which shall be subject to the approval of the Joint Budget Oversight Committee.
- With respect to the ambulatory care facility gross receipts assessment, established pursuant to section 7 of P.L.1992, c.160 (C.26:2H-18.57), the per facility assessment cap of \$200,000 is increased to \$350,000. Ambulatory care facilities that are subject to the assessment include facilities with gross receipts over \$300,000 that provide the following ambulatory care services: ambulatory surgery, computerized axial tomography, comprehensive outpatient rehabilitation, extracorporeal shock wave lithotripsy, magnetic resonance

imaging, megavoltage radiation oncology, positron emission tomography, orthotripsy, and sleep disorder services.

- The assessment shall be applied at the rate of 2.95%, beginning July 1, 2010.

FISCAL IMPACT:

The Office of Legislative Services cannot determine the fiscal impact of this bill at this time.