

SENATE, No. 2759

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 18, 2018

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Expands per adjusted admission charge on hospitals to create supplemental funding pool for State's graduate medical education subsidy.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2018)

1 AN ACT concerning the assessment of a per adjusted admission
2 charge on hospitals and amending P.L.1992, c.160.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 7 of P.L.1992, c.160 (C.26:2H-18.57) is amended to
8 read as follows:

9 7. a. Effective January 1, 1994, the Department of Health shall
10 assess each hospital a per adjusted admission charge of \$10.

11 Of the revenues raised by the hospital per adjusted admission
12 charge, \$5 per adjusted admission shall be used by the department
13 to carry out its duties pursuant to P.L.1992, c.160 (C.26:2H-18.51 et
14 al.) and \$5 per adjusted admission shall be used by the department
15 for administrative costs related to health planning.

16 Effective July 1, 2018, the assessment shall apply to all general
17 acute care hospitals, rehabilitation hospitals, and long term acute
18 care hospitals. Any General Fund savings resulting from the
19 assessment meeting the permissibility standards set forth in 42
20 C.F.R. s.433.68 shall be used to create a supplemental funding pool,
21 known as Safety Net Graduate Medical Education, for the State's
22 graduate medical education subsidy.

23 b. Effective July 1, 2004, the department shall assess each
24 licensed ambulatory care facility that is licensed to provide one or
25 more of the following ambulatory care services: ambulatory
26 surgery, computerized axial tomography, comprehensive outpatient
27 rehabilitation, extracorporeal shock wave lithotripsy, magnetic
28 resonance imaging, megavoltage radiation oncology, positron
29 emission tomography, orthotripsy, and sleep disorder services. The
30 Commissioner of Health may, by regulation, add additional
31 categories of ambulatory care services that shall be subject to the
32 assessment if such services are added to the list of services provided
33 in N.J.A.C.8:43A-2.2(b) after the effective date of P.L.2004, c.54.

34 The assessment established in this subsection shall not apply to
35 an ambulatory care facility that is licensed to a hospital in this State
36 as an off-site ambulatory care service facility.

37 (1) For Fiscal Year 2005, the assessment on an ambulatory care
38 facility providing one or more of the services listed in this
39 subsection shall be based on gross receipts for the 2003 tax year as
40 follows:

41 (a) a facility with less than \$300,000 in gross receipts shall not
42 pay an assessment; and

43 (b) a facility with at least \$300,000 in gross receipts shall pay an
44 assessment equal to 3.5**[%]** percent of its gross receipts or
45 \$200,000, whichever amount is less.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 The commissioner shall provide notice no later than August 15,
2 2004 to all facilities that are subject to the assessment that the first
3 payment of the assessment is due October 1, 2004 and that proof of
4 gross receipts for the facility's tax year ending in calendar year 2003
5 shall be provided by the facility to the commissioner no later than
6 September 15, 2004. If a facility fails to provide proof of gross
7 receipts by September 15, 2004, the facility shall be assessed the
8 maximum rate of \$200,000 for Fiscal Year 2005.

9 The Fiscal Year 2005 assessment shall be payable to the
10 department in four installments, with payments due October 1,
11 2004, January 1, 2005, March 15, 2005, and June 15, 2005.

12 (2) For Fiscal Year 2006, the commissioner shall use the
13 calendar year 2004 data submitted in accordance with subsection c.
14 of this section to calculate a uniform gross receipts assessment rate
15 for each facility with gross receipts over \$300,000 that is subject to
16 the assessment, except that no facility shall pay an assessment
17 greater than \$200,000. The rate shall be calculated so as to raise the
18 same amount in the aggregate as was assessed in Fiscal Year 2005.
19 A facility shall pay its assessment to the department in four
20 payments in accordance with a timetable prescribed by the
21 commissioner.

22 (3) Beginning in Fiscal Year 2007 and for each fiscal year
23 thereafter through Fiscal Year 2010, the uniform gross receipts
24 assessment rate calculated in accordance with paragraph (2) of this
25 subsection shall be applied to each facility subject to the assessment
26 with gross receipts over \$300,000, as those gross receipts are
27 documented in the facility's most recent annual report to the
28 department, except that no facility shall pay an assessment greater
29 than \$200,000. A facility shall pay its annual assessment to the
30 department in four payments in accordance with a timetable
31 prescribed by the commissioner.

32 (4) Beginning in Fiscal Year 2011 and for each fiscal year
33 thereafter, the uniform gross receipts assessment shall be applied at
34 the rate of 2.95【%】 percent to each facility subject to the
35 assessment with gross receipts over \$300,000, as those gross
36 receipts are documented in the facility's most recent annual report
37 submitted to the department pursuant to subsection c. of this
38 section, except that no facility shall pay an assessment greater than
39 \$350,000. A facility shall pay its annual assessment to the
40 department in four payments in accordance with a timetable
41 prescribed by the commissioner.

42 c. Each ambulatory care facility that is subject to the
43 assessment provided in subsection b. of this section shall submit an
44 annual report including, at a minimum, data on volume of patient
45 visits, charges, and gross revenues, by payer type, for patient
46 services, beginning with calendar year 2004 data. The annual
47 report shall be submitted to the department according to a timetable
48 and in a form and manner prescribed by the commissioner.

1 The department may audit selected annual reports in order to
2 determine their accuracy.

3 d. (1) If, upon audit as provided for in subsection c. of this
4 section, it is determined that an ambulatory care facility understated
5 its gross receipts in its annual report to the department, the facility's
6 assessment for the fiscal year that was based on the defective report
7 shall be retroactively increased to the appropriate amount and the
8 facility shall be liable for a penalty in the amount of the difference
9 between the original and corrected assessment.

10 (2) A facility that fails to provide the information required
11 pursuant to subsection c. of this section shall be liable for a civil
12 penalty not to exceed \$500 for each day in which the facility is not
13 in compliance.

14 (3) A facility that is operating one or more of the ambulatory
15 care services listed in subsection b. of this section without a license
16 from the department, on or after July 1, 2004, shall be liable for
17 double the amount of the assessment provided for in subsection b.
18 of this section, in addition to such other penalties as the department
19 may impose for operating an ambulatory care facility without a
20 license.

21 (4) The commissioner shall recover any penalties provided for
22 in this subsection in an administrative proceeding in accordance
23 with the "Administrative Procedure Act," P.L.1968, c.410
24 (C.52:14B-1 et seq.).

25 e. The revenues raised by the ambulatory care facility
26 assessment pursuant to this section shall be deposited in the Health
27 Care Subsidy Fund established pursuant to section 8 of P.L.1992,
28 c.160 (C.26:2H-18.58).
29 (cf: P.L.2012, c.17, s.222)

30
31 2. This act shall take effect immediately.

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STATEMENT

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36 This bill provides that, effective July 1, 2018, the per adjusted
37 admission charge of \$10 assessed pursuant to Section 7 of
38 P.L.1992, c.160 (C.26:2H-18.57) shall apply to all general acute
39 care hospitals, rehabilitation hospitals, and long- term acute care
40 hospitals. Any General Fund savings resulting from the assessment
41 meeting the permissibility standards set forth in 42 C.F.R. s.433.68
42 shall be used to create a supplemental funding pool, known as
43 Safety Net Graduate Medical Education, for the State's graduate
44 medical education subsidy.