

ASSEMBLY, No. 453

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ROMA and Assemblywoman HECK

1 AN ACT concerning certificates of need and supplementing chapter 2H
2 of Title 26 of the Revised Statutes.

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

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7 1. The requirement to obtain a certificate of need for the transfer
8 of ownership interest in an acute care hospital pursuant to section 7 of
9 P.L.1971, c.136 (C.26:2H-7) shall apply to a change of ownership as
10 a result of a change in the membership of the corporation which owns
11 the hospital, regardless of whether the corporation is established as a
12 for-profit or nonprofit corporation, and regardless of whether there
13 has been a purchase or sale of assets.

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15 2. This act shall take effect immediately and be retroactive to July
16 1, 1991.

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19 STATEMENT

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21 This bill requires that the Department of Health issue a certificate
22 of need (CN) prior to the transfer of ownership of an acute care
23 hospital through a change in the membership of the corporation which
24 owns the hospital, regardless of whether the corporation is for-profit
25 or nonprofit in nature, and regardless of whether there has been a
26 purchase or sale of assets. Under section 19 of P.L.1992, c.160
27 (C.26:2H-7a), the requirement for a CN for the transfer of ownership
28 interest in a health care facility applies only to acute care hospitals.
29 Currently, the regulations governing the CN program (at
30 N.J.A.C.8:33-3.3(g)3) exempt from the CN requirement a "change in
31 the membership of a nonprofit corporation, where the members are
32 individuals or nonprofit corporations, and there is no purchase or sale
33 of assets."

34 The provisions of this bill are retroactive to July 1, 1991.

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3 Requires certificate of need for transfer of ownership interest in a

4 hospital by change in membership of corporation.

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