

ASSEMBLY, No. 501

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ROBERTS

1 AN ACT concerning certificate of need application fees and amending
2 and supplementing P.L.1971, c.136.

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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. Section 10 of P.L.1971, c.136 (C.26:2H-10) is amended to read
8 as follows:

9 10. a. Application for a certificate of need shall be made to the
10 department, and shall be in such form and contain such information as
11 the department may prescribe. The department shall charge a
12 nonreturnable fee for the filing of an application for a certificate of
13 need according to the following schedule, except as provided in
14 subsection b. of this section. The minimum fee for the filing of an
15 application shall be \$5,000. For a project whose total cost is greater
16 than \$1 million but less than \$10 million, the fee shall be \$5,000 plus
17 .05% of the total project cost, and for a project whose total cost is
18 \$10 million or more, the fee shall be \$5,000 plus 1.0% of the total
19 project cost, except that, the maximum fee for the filing of an
20 application shall be \$100,000. Upon receipt of an application, copies
21 thereof shall be referred by the department to the appropriate local
22 advisory board and the State Health Planning Board for review.

23 These appropriate boards shall provide adequate mechanisms for
24 full consideration of each application submitted to them and for
25 developing recommendations thereon. Such recommendations,
26 whether favorable or unfavorable, shall be forwarded to the
27 commissioner within 90 days of the date of referral of the application.
28 A copy of the recommendations made shall be forwarded to the
29 applicant.

30 Recommendations concerning certificates of need shall be governed
31 and based upon the principles and considerations set forth in section
32 8 of P.L.1971, c.136 (C.26:2H-8).

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

Matter underlined thus is new matter.

1 No member, officer or employee of any planning body shall be
2 subject to civil action in any court as the result of any act done or
3 failure to act, or of any statement made or opinion given, while
4 discharging his duties under this act as such member, officer, or
5 employee, provided he acted in good faith with reasonable care and
6 upon proper cause.

7 b. Notwithstanding the provisions of subsection a. of this section
8 to the contrary, in the case of a certificate of need application by a
9 health care facility or service which qualifies for an expedited review
10 process as provided by regulation of the department, the department
11 shall charge a nonreturnable application filing fee as follows. The
12 minimum fee for the filing of an application shall be \$1,250. For a
13 project whose total cost is greater than \$1 million, the fee shall be
14 \$1,250 plus .0125% of the total project cost, and for a project whose
15 total cost is \$10 million or more, the fee shall be \$1,250 plus .25% of
16 the total project cost, except that, the maximum fee for the filing of an
17 application shall be \$25,000.

18 (cf: P.L.1991, c.187, s.36)

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20 2. (New section) A health care service licensed by the Department
21 of Health as an assisted living residence or a comprehensive personal
22 care home shall qualify for the expedited certificate of need application
23 review process established by regulation of the department.

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25 3. This act shall take effect immediately.

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STATEMENT

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30 This bill reduces from the current \$5,000 minimum to \$1,250 the
31 minimum certificate of need application fee for certificate of need
32 (CN) applications which have been designated by the Department of
33 Health as subject to an expedited review process. The bill provides for
34 a similar percentage reduction in the fee for these CN applications for
35 projects which have a total cost exceeding \$1 million, as well as in the
36 maximum CN application fee that may be charged. The bill also
37 stipulates that health care services licensed by the department as
38 assisted living residences and comprehensive personal care homes shall
39 qualify for the expedited CN application review process.

40 This bill is intended to facilitate the development and availability of
41 this level of long-term care in an environment which is less restrictive
42 and costly than nursing home care. These two types of services are
43 designed to provide a homelike setting and permit their recipients to
44 enjoy greater independence and dignity than they would have in an
45 institutional setting.

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3 Reduces certificate of need application fee for applications which
4 qualify for expedited review.