

ASSEMBLY, No. 1088

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Exempts specialty heart hospital from 0.53 percent hospital assessment under certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning hospital assessments and amending P.L.1992,
2 c.160.

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

6
7 1. Section 12 of P.L.1992, c.160 (C.26:2H-18.62) is amended
8 to read as follows:

9 12. a. (Deleted by amendment, P.L.2005, c.237).

10 b. (Deleted by amendment, P.L.2005, c.237).

11 c. (1) Notwithstanding any law to the contrary, each general
12 hospital and each specialty heart hospital shall pay **【.53%】** 0.53
13 percent of its total operating revenue to the department for deposit
14 in the Health Care Subsidy Fund , except that a specialty hospital
15 shall be exempt from this payment if it certifies to the Department
16 of Health and the Department of Banking and Insurance that it
17 waives any right to bill any patient directly for health care services
18 provided by the hospital. The hospital shall make monthly
19 payments to the department beginning July 1, 1993. The
20 commissioner shall determine the manner in which the payments
21 shall be made.

22 For the purposes of this subsection, "total operating revenue"
23 shall be defined by the department in accordance with financial
24 reporting requirements established pursuant to N.J.A.C.8:31B-3.3
25 and shall include revenue from any ambulatory care facility that is
26 licensed to a general hospital as an off-site ambulatory care service
27 facility.

28 (2) The commissioner shall allocate the monies paid by
29 hospitals pursuant to paragraph (1) of this subsection as follows:

30 (a) In State fiscal years 2006 and 2007, \$35 million of those
31 monies shall be allocated to the support of federally qualified health
32 centers in this State, and the remainder shall be allocated to the
33 support of (i) the infant mortality reduction program in the
34 Department of Health, (ii) the primary care physician and dentist
35 loan redemption program established in the Higher Education
36 Student Assistance Authority by article 3 of P.L.1999, c.46
37 (C.18A:71C-32 et seq.), and (iii) the development and use of health
38 information electronic data interchange technology pursuant to
39 P.L.1999, c.154 (C.17B:30-23 et al.); and

40 (b) In State fiscal year 2008 and thereafter, \$40 million of those
41 monies shall be allocated to the support of federally qualified health
42 centers in this State.

43 Monies allocated to the support of federally qualified health
44 centers in the State under this paragraph shall be used for the
45 purpose of compensating them for health care services provided to
46 uninsured patients.

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 d. The monies paid by the hospitals and allocated under
2 subsection c. of this section for the support of federally qualified
3 health centers shall be credited to the federally qualified health
4 centers account.

5 e. (1) Monies paid by hospitals under subsection c. of this
6 section in excess of \$40 million, federal matching funds received on
7 account of such monies, and interest received on such payments and
8 funds shall be allocated exclusively to support funding to hospitals.

9 (2) In the event that any approval, application, or other
10 condition necessary for the implementation of this subsection and
11 the distribution of funds pursuant thereto consistent with the Fiscal
12 Year 2011 annual appropriations act is not obtained, granted, or
13 satisfied, the Departments of Health and Human Services shall
14 jointly prepare a plan concerning charity care and related hospital
15 funding, which shall be subject to the approval of the Joint Budget
16 Oversight Committee.

17 (cf: P.L.2012, c.17, s.235)

18

19 2. This act shall take effect immediately and apply to taxable
20 years beginning on or after the January 1 next following the date of
21 enactment.

22

23

24

STATEMENT

25

26 This bill would exempt a specialty heart hospital from the .53
27 percent total operating revenue assessment if the hospital certifies
28 to the Department of Health and the Department of Banking and
29 Insurance that it waives any right to bill any patient directly for
30 health care services provided by the hospital.

31 The 0.53 percent assessment currently generates approximately
32 \$120 million in total revenue for the State annually, dedicated to the
33 Health Care Subsidy Fund. This fund supports State expenditures
34 to subsidize federally qualified health centers, charity care, NJ
35 FamilyCare, and other health care programs.