

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4201

STATE OF NEW JERSEY

DATED: JUNE 11, 2020

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 4201.

As amended, this bill defers the ambulatory care facility (ACFs) gross receipts assessment payment due on June 15, 2020 by 90 days. Since March of 2020, ACFs have experienced a significant drop in patient volume, and hence revenue, due to the coronavirus disease 2019 (COVID-19) pandemic.

Currently, Section 7 of P.L.1992, c.160 (C.26:2H-18.57) provides for an assessment on the gross receipts of certain ACFs at a rate of 2.95 percent to each facility subject to the assessment, with a per facility assessment cap of \$350,000. ACFs 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.

Pursuant to State regulations at N.J.A.C.8:31A-1.1 et seq. each covered facility is required to pay the annual assessment, based on an annual report submitted by the ACF for the previous State fiscal year, in four equal installments on October 1, January 1, March 15, and June 15. This bill defers the payment due on June 15, 2020 by 90 days. This June payment is based on gross receipts from the previous fiscal year and it would be a hardship to impose such an assessment on ACFs at a time when revenues are significantly less.

COMMITTEE AMENDMENTS:

The committee amendments change the deferment period for the ambulatory care facility gross receipts assessment payment from nine months to 90 days.