LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1998

CHAPTER:40

NJSA: 30:6D-43 to 30:6D-55 "Intermediate care facilities -- mentally retarded"

BILL NO: A2141(Substituted for S1157)

SPONSOR(S): Blee

DATE INTRODUCED: June 1, 1998

COMMITTEE: ASSEMBLY:Senior Issues; Appropriations SENATE: ~~~~

AMENDED DURING PASSAGE:No

DATE OF PASSAGE: ASSEMBLY:June 25, 1998 SENATE: June 25, 1998

DATE OF APPROVAL: June 30, 1998

THE FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Original (Amendments during passage denoted by superscript numbers)

A2141

SPONSORS STATEMENT: Yes (Begins on page 4 of original bill)

COMMITTEE STATEMENT:

ASSEMBLY: Yes Appropriations Senior Issues

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

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S1157

SPONSORS STATEMENT: *Yes* (Begins on page 4 of original bill) (Bill and Sponsors Statement identical to A2141)

COMMITTEE STATEMENT:

ASSEMBLY: No

SENATE: Yes <u>Budget</u> (Identical to Assembly Appropriations Statement for A2141) <u>Senior Citizens</u> (Identical to Assembly Senior Issues Statement for A2141)

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: *Yes* (Identical to estimate for A2141)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

THE FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

ASSEMBLY, No. 2141 STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JUNE 1, 1998

Sponsored by: Assemblyman FRANCIS J. BLEE District 2 (Atlantic)

Co-Sponsored by: Senators Bassano and Connors

SYNOPSIS

Establishes assessment on intermediate care facilities for the mentally retarded.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/26/1998)

A2141 BLEE

2

1 AN ACT establishing an assessment on intermediate care facilities for 2 the mentally retarded and supplementing Title 30 of the Revised 3 Statutes. 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. This act shall be known and may be cited as the "Division of 9 Developmental Disabilities Community Placement and Services Assessment Act." 10 11 12 2. The Legislature finds and declares that: 13 a. It is in the public interest to generate revenue to be used by the 14 Division of Developmental Disabilities in the Department of Human Services to reduce the number of disabled persons awaiting placement 15 in a community residence or program; and 16 17 b. By establishing an appropriate assessment on intermediate care 18 facilities for the mentally retarded, to the extent possible under federal law, additional funding will be available for more placements of 19 20 disabled persons in community residences or programs. 21 22 3. As used in this act: "Commissioner" means the Commissioner of Human Services. 23 "Gross revenue" means all revenue received by an ICF-MR from 24 25 patients or third parties, including, but not limited to, persons, 26 Medicaid and other payers related to patient services. "Intermediate care facility for the mentally retarded" or "ICF-MR" 27 28 means any institution licensed by the Department of Health and Senior 29 Services as an ICF-MR or operated by the Department of Human 30 Services as a certified ICF-MR. "Medicaid" means the Medicaid program established pursuant to 31 32 P.L.1968, c.413 (C.30:4D-1 et seq.). 33 34 4. Beginning July 1, 1998, all ICF-MRs in the State shall annually pay an assessment of 5.8% annually of gross revenue. This assessment 35 shall be paid on a quarterly basis to the Director of the Division of 36 37 Revenue in the Department of the Treasury. The Director of the Division of Revenue, in consultation with the Director of the Division 38 39 of Taxation in the Department of the Treasury, shall establish 40 appropriate procedures and forms for the purpose of collecting and recording this assessment. The provisions of the State Tax Uniform 41 42 Procedure Law, R.S. 54:48-1 et seq. shall apply to the extent that its 43 provisions, including the confidentiality, protest and appeal provisions, 44 are not inconsistent with the provisions this act. 45

46 5. An ICF-MR shall submit appropriate gross revenue reports to

A2141 BLEE 3

1 the Director of the Division of Revenue on a quarterly basis. The 2 Director of the Division of Revenue shall develop procedures, forms 3 and appropriate time lines for an ICF-MR to follow in making its 4 reports.

5

6 6. An ICF-MR that fails to pay the assessment imposed under this 7 act when due, shall be liable to a penalty of 10% on the amount of the 8 underpayment of the assessment. In addition, the ICF-MR shall pay 9 interest at the rate of 6% per month on the amount of the 10 underpayment of the assessment and the interest shall continue to 11 accrue on the unpaid balance of principal assessment due until the date 12 of the actual payment.

13

14 7. If an ICF-MR fails to pay an assessment for two or more 15 quarters, the Director of the Division of Revenue shall seek to set off so much of the Medicaid reimbursement payment which is due the 16 ICF-MR as is necessary to satisfy the indebtedness. The Director of 17 the Division of Revenue, in consultation with the Director of the 18 19 Division of Taxation and the Department of Human Services, shall 20 establish procedures and methods to effect the set-off. The Director 21 of the Division of Taxation shall give notice to the ICF-MR and 22 provide the opportunity for a hearing pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et 23 seq.), but no request for a hearing or any subsequent appeal shall stay 24 25 the collection of the indebtedness, nor shall any protest or appeal 26 provided for in section 4 of this act stay such collection. No Medicaid 27 reimbursement payment shall be made to the ICF-MR pending resolution of the indebtedness. Neither the State Treasurer nor any 28 29 other State agency, official or employee shall be held liable to the ICF-MR for any damages sustained by the ICF-MR resulting from the set-30 31 off provided for in this section.

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33 8. Excluding any interest and penalty, the assessment imposed by 34 this act shall be considered an allowable cost for Medicaid reimbursement purposes. 35

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37 9. a. The State Treasurer shall establish the Division of 38 Developmental Disabilities Community Placement and Services Fund 39 in the Department of the Treasury. All monies collected from the 40 assessments set forth in this act shall be deposited in this fund. 41 Subject to appropriation by the Legislature, the monies in this fund shall be transferred to the Department of Human Services in full to be 42 used for reducing the Division of Developmental Disabilities' waiting 43 44 list, making appropriate community placements and providing support 45 services. The fund shall not be used to supplant appropriations from the General Fund to the Department of Human Services for use in 46

1 making community placements. 2 b. The State Treasurer shall issue a quarterly report concerning the 3 status of collections to the commissioner. 4 5 If any part of this act is found by a court of competent 10. jurisdiction to be invalid, unconstitutional, or otherwise in violation of 6 7 federal law or regulations, that portion of the act shall be of no force 8 and effect, and all other portions of the act shall be in full force and 9 effect so long as the remaining portion of the act continues to be in 10 compliance with federal law. 11 12 11. If the federal government alters the law to prohibit the use of 13 provider assessments to generate a matching amount from Medicaid, 14 this act shall be nullified. 15 16 12. Notwithstanding any provision of law to the contrary, there shall be no health care related fee, assessment or tax as defined in 42 17 CFR s.433.55 imposed on any ICF-MR by any State board, bureau or 18 19 agency without prior notice to and approval by the State Treasurer and 20 the commissioner. Any fee or assessment imposed on an ICF-MR 21 without express approval of the State Treasurer and the commissioner 22 shall be void. 23 24 13. The State Treasurer, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and 25 26 regulations to effectuate the purposes of this act and to comply with 27 the requirements of Pub.L.104-193; except that, notwithstanding any 28 provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the 29 State Treasurer may adopt, immediately upon filing with the Office of Administrative Law, such regulations as the State Treasurer deems 30 31 necessary to implement the provisions of this act, which shall be 32 effective for a period not to exceed six months and may thereafter be amended, adopted or re-adopted in accordance with the requirements 33 34 of P.L.1968, c.410 (C.52:14B-1 et seq.). 35 14. This act shall take effect on July 1, 1998. 36 37 38 39 **STATEMENT** 40 41 This bill establishes an annual assessment of 5.8% of gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) 42 in the State, which shall be used by the Division of Developmental 43 Disabilities in the Department of Human Services to reduce the 44 45 number of disabled persons awaiting placement in a community residence or program. 46

1 These assessments shall be paid on a quarterly basis to the Director 2 of the Division of Revenue in the Department of the Treasury, who, in 3 consultation with the Director of the Division of Taxation, shall 4 establish the necessary forms and collect and record these assessments. 5 The bill provides for penalties for an ICF-MR which fails to pay the Also, excluding any interest and penalties, the 6 assessment. 7 assessments imposed by this bill are to be considered an allowable cost 8 for Medicaid reimbursement purposes. 9 The revenue gained from the assessments shall be held in a special

fund in the Department of the Treasury and shall be transferred in full
to the Department of Human Services to be used to reduce the
Division of Developmental Disabilities' waiting list.

13 It is expected that the 5.8% assessment on ICF-MRs would 14 generate \$10 million in federal reimbursements from the Medicaid 15 program, for use in the Governor's fiscal year 1999 <u>Community</u>

16 Services Waiting List Reduction Initiative.

ASSEMBLY, No. 2141 STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JUNE 1, 1998

Sponsored by: Assemblyman FRANCIS J. BLEE District 2 (Atlantic)

Co-Sponsored by: Senators Bassano and Connors

SYNOPSIS

Establishes assessment on intermediate care facilities for the mentally retarded.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/26/1998)

A2141 BLEE

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1 AN ACT establishing an assessment on intermediate care facilities for 2 the mentally retarded and supplementing Title 30 of the Revised 3 Statutes. 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. This act shall be known and may be cited as the "Division of 9 Developmental Disabilities Community Placement and Services Assessment Act." 10 11 12 2. The Legislature finds and declares that: 13 a. It is in the public interest to generate revenue to be used by the 14 Division of Developmental Disabilities in the Department of Human Services to reduce the number of disabled persons awaiting placement 15 in a community residence or program; and 16 17 b. By establishing an appropriate assessment on intermediate care 18 facilities for the mentally retarded, to the extent possible under federal law, additional funding will be available for more placements of 19 20 disabled persons in community residences or programs. 21 22 3. As used in this act: "Commissioner" means the Commissioner of Human Services. 23 "Gross revenue" means all revenue received by an ICF-MR from 24 25 patients or third parties, including, but not limited to, persons, 26 Medicaid and other payers related to patient services. "Intermediate care facility for the mentally retarded" or "ICF-MR" 27 28 means any institution licensed by the Department of Health and Senior 29 Services as an ICF-MR or operated by the Department of Human 30 Services as a certified ICF-MR. "Medicaid" means the Medicaid program established pursuant to 31 32 P.L.1968, c.413 (C.30:4D-1 et seq.). 33 34 4. Beginning July 1, 1998, all ICF-MRs in the State shall annually pay an assessment of 5.8% annually of gross revenue. This assessment 35 shall be paid on a quarterly basis to the Director of the Division of 36 37 Revenue in the Department of the Treasury. The Director of the Division of Revenue, in consultation with the Director of the Division 38 39 of Taxation in the Department of the Treasury, shall establish 40 appropriate procedures and forms for the purpose of collecting and recording this assessment. The provisions of the State Tax Uniform 41 42 Procedure Law, R.S. 54:48-1 et seq. shall apply to the extent that its 43 provisions, including the confidentiality, protest and appeal provisions, 44 are not inconsistent with the provisions this act. 45

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33 8. Excluding any interest and penalty, the assessment imposed by 34 this act shall be considered an allowable cost for Medicaid reimbursement purposes. 35

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37 9. a. The State Treasurer shall establish the Division of 38 Developmental Disabilities Community Placement and Services Fund 39 in the Department of the Treasury. All monies collected from the 40 assessments set forth in this act shall be deposited in this fund. 41 Subject to appropriation by the Legislature, the monies in this fund shall be transferred to the Department of Human Services in full to be 42 used for reducing the Division of Developmental Disabilities' waiting 43 44 list, making appropriate community placements and providing support 45 services. The fund shall not be used to supplant appropriations from the General Fund to the Department of Human Services for use in 46

1 making community placements. 2 b. The State Treasurer shall issue a quarterly report concerning the 3 status of collections to the commissioner. 4 5 If any part of this act is found by a court of competent 10. jurisdiction to be invalid, unconstitutional, or otherwise in violation of 6 7 federal law or regulations, that portion of the act shall be of no force 8 and effect, and all other portions of the act shall be in full force and 9 effect so long as the remaining portion of the act continues to be in 10 compliance with federal law. 11 12 11. If the federal government alters the law to prohibit the use of 13 provider assessments to generate a matching amount from Medicaid, 14 this act shall be nullified. 15 16 12. Notwithstanding any provision of law to the contrary, there shall be no health care related fee, assessment or tax as defined in 42 17 CFR s.433.55 imposed on any ICF-MR by any State board, bureau or 18 19 agency without prior notice to and approval by the State Treasurer and 20 the commissioner. Any fee or assessment imposed on an ICF-MR 21 without express approval of the State Treasurer and the commissioner 22 shall be void. 23 24 13. The State Treasurer, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and 25 26 regulations to effectuate the purposes of this act and to comply with 27 the requirements of Pub.L.104-193; except that, notwithstanding any 28 provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the 29 State Treasurer may adopt, immediately upon filing with the Office of Administrative Law, such regulations as the State Treasurer deems 30 31 necessary to implement the provisions of this act, which shall be 32 effective for a period not to exceed six months and may thereafter be amended, adopted or re-adopted in accordance with the requirements 33 34 of P.L.1968, c.410 (C.52:14B-1 et seq.). 35 14. This act shall take effect on July 1, 1998. 36 37 38 39 **STATEMENT** 40 41 This bill establishes an annual assessment of 5.8% of gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) 42 in the State, which shall be used by the Division of Developmental 43 Disabilities in the Department of Human Services to reduce the 44 45 number of disabled persons awaiting placement in a community residence or program. 46

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fund in the Department of the Treasury and shall be transferred in full
to the Department of Human Services to be used to reduce the
Division of Developmental Disabilities' waiting list.

13 It is expected that the 5.8% assessment on ICF-MRs would 14 generate \$10 million in federal reimbursements from the Medicaid 15 program, for use in the Governor's fiscal year 1999 <u>Community</u>

16 Services Waiting List Reduction Initiative.

STATEMENT TO

ASSEMBLY, No. 2141

STATE OF NEW JERSEY

DATED: JUNE 15, 1998

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2141.

Assembly Bill No. 2141 establishes an annual assessment of 5.8% of gross revenue on each intermediate care facility for the mentally retarded (ICF-MR) in New Jersey, which shall be used by the Division of Developmental Disabilities in the Department of Human Services to reduce the number of disabled persons awaiting placement in a community residence or program.

These assessments shall be paid on a quarterly basis to the Director of the Division of Revenue in the Department of the Treasury, who, in consultation with the Director of the Division of Taxation, shall establish the necessary forms and collect and record these assessments. The bill provides for penalties for an ICF-MR which fails to pay the assessment. Also, excluding any interest and penalties, the assessments imposed by this bill are to be considered an allowable cost for Medicaid reimbursement purposes.

The revenue gained from the assessments shall be held in a special fund in the Department of the Treasury and shall be transferred in full to the Department of Human Services to be used to reduce the Division of Developmental Disabilities' waiting list.

FISCAL IMPACT:

It is expected, based on current gross receipts of ICF-MRs and a 50% federal match, that the 5.8% assessment on ICF-MRs would generate \$10 million in federal reimbursements from the Medicaid program, for use in the Governor's fiscal year 1999 <u>Community</u> <u>Services Waiting List Reduction Initiative</u>.

ASSEMBLY SENIOR ISSUES AND COMMUNITY SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2141

STATE OF NEW JERSEY

DATED: JUNE 15, 1998

The Assembly Senior Issues and Community Services Committee favorably reports Assembly Bill No. 2141.

This bill establishes an annual assessment of 5.8% of gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) in the State, which shall be used by the Division of Developmental Disabilities in the Department of Human Services to reduce the number of disabled persons awaiting placement in a community residence or program.

These assessments shall be paid on a quarterly basis to the Director of the Division of Revenue in the Department of the Treasury, who, in consultation with the Director of the Division of Taxation, shall establish the necessary forms and collect and record these assessments. The bill provides for penalties for an ICF-MR which fails to pay the assessment. Also, excluding any interest and penalties, the assessments imposed by this bill are to be considered an allowable cost for Medicaid reimbursement purposes.

The revenue gained from the assessments shall be held in a special fund in the Department of the Treasury and shall be transferred in full to the Department of Human Services to be used to reduce the Division of Developmental Disabilities' waiting list.

It is expected that the 5.8% assessment on ICF-MRs would generate \$10 million in federal reimbursements from the Medicaid program, for use in the Governor's fiscal year 1999 <u>Community</u> <u>Services Waiting List Reduction Initiative</u>.

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 2141 STATE OF NEW JERSEY 208th LEGISLATURE

DATED: JULY 24, 1998

Bill Summary:

Assembly Bill No. 2141 of 1998 establishes an annual assessment of 5.8% of gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) in the State. The revenues realized from the assessments will be held in a special fund in the Department of the Treasury and transferred to Department of Human Services (DHS) to reduce the number of disabled persons awaiting placement in a community residence or program as part of the Governor's <u>FY1999</u> Community Services Waiting List Reduction Initiative.

Agency Comments:

DHS and the Office of Management and Budget have not provided any fiscal information on the legislation.

Office of Legislative Services Comments:

As indicated in both the Governor's FY1999 recommended budget and in the Statement to Assembly Bill No. 2141 of 1998, the 5.8% assessment on gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) in the State is expected to generate approximately \$10 million in federal revenues in FY1999. Based on existing ICF-MR expenditures, the \$10 million revenue estimate appears reasonable.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE, No. 1157 STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 28, 1998

Sponsored by: Senator C. LOUIS BASSANO District 21 (Essex and Union) Senator LEONARD T. CONNORS, JR. District 9 (Atlantic, Burlington and Ocean)

SYNOPSIS

Establishes assessment on intermediate care facilities for the mentally retarded.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing an assessment on intermediate care facilities for 2 the mentally retarded and supplementing Title 30 of the Revised 3 Statutes. 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. This act shall be known and may be cited as the "Division of 9 Developmental Disabilities Community Placement and Services Assessment Act." 10 11 2. The Legislature finds and declares that: 12 13 a. It is in the public interest to generate revenue to be used by the 14 Division of Developmental Disabilities in the Department of Human Services to reduce the number of disabled persons awaiting placement 15 in a community residence or program; and 16 17 b. By establishing an appropriate assessment on intermediate care 18 facilities for the mentally retarded, to the extent possible under federal law, additional funding will be available for more placements of 19 20 disabled persons in community residences or programs. 21 22 3. As used in this act: "Commissioner" means the Commissioner of Human Services. 23 24 "Gross revenue" means all revenue received by an ICF-MR from 25 patients or third parties, including, but not limited to, persons, 26 Medicaid and other payers related to patient services. 27 "Intermediate care facility for the mentally retarded" or "ICF-MR" 28 means any institution licensed by the Department of Health and Senior 29 Services as an ICF-MR or operated by the Department of Human 30 Services as a certified ICF-MR. "Medicaid" means the Medicaid program established pursuant to 31 32 P.L.1968, c.413 (C.30:4D-1 et seq.). 33 34 4. Beginning July 1, 1998, all ICF-MRs in the State shall annually pay an assessment of 5.8% annually of gross revenue. This assessment 35 shall be paid on a quarterly basis to the Director of the Division of 36 37 Revenue in the Department of the Treasury. The Director of the Division of Revenue, in consultation with the Director of the Division 38 39 of Taxation in the Department of the Treasury, shall establish 40 appropriate procedures and forms for the purpose of collecting and recording this assessment. The provisions of the State Tax Uniform 41 42 Procedure Law, R.S.54:48-1 et seq. shall apply to the extent that its 43 provisions, including the confidentiality, protest and appeal provisions, 44 are not inconsistent with the provisions this act. 45 46 5. An ICF-MR shall submit appropriate gross revenue reports to

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37 a. The State Treasurer shall establish the Division of 9. 38 Developmental Disabilities Community Placement and Services Fund 39 in the Department of the Treasury. All monies collected from the 40 assessments set forth in this act shall be deposited in this fund. 41 Subject to appropriation by the Legislature, the monies in this fund shall be transferred to the Department of Human Services in full to be 42 used for reducing the Division of Developmental Disabilities' waiting 43 44 list, making appropriate community placements and providing support 45 services. The fund shall not be used to supplant appropriations from the General Fund to the Department of Human Services for use in 46

1 making community placements. 2 b. The State Treasurer shall issue a quarterly report concerning the 3 status of collections to the commissioner. 4 5 If any part of this act is found by a court of competent 10. 6 jurisdiction to be invalid, unconstitutional, or otherwise in violation of 7 federal law or regulations, that portion of the act shall be of no force 8 and effect, and all other portions of the act shall be in full force and 9 effect so long as the remaining portion of the act continues to be in 10 compliance with federal law. 11 12 11. If the federal government alters the law to prohibit the use of 13 provider assessments to generate a matching amount from Medicaid, this act shall be nullified. 14 15 16 12. Notwithstanding any provision of law to the contrary, there shall be no health care related fee, assessment or tax as defined in 42 17 CFR s.433.55 imposed on any ICF-MR by any State board, bureau or 18 19 agency without prior notice to and approval by the State Treasurer and 20 the commissioner. Any fee or assessment imposed on an ICF-MR 21 without express approval of the State Treasurer and the commissioner 22 shall be void. 23 24 13. The State Treasurer, pursuant to the "Administrative Procedure 25 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and 26 regulations to effectuate the purposes of this act and to comply with 27 the requirements of Pub.L.104-193; except that, notwithstanding any 28 provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the 29 State Treasurer may adopt, immediately upon filing with the Office of Administrative Law, such regulations as the State Treasurer deems 30 31 necessary to implement the provisions of this act, which shall be 32 effective for a period not to exceed six months and may thereafter be amended, adopted or re-adopted in accordance with the requirements 33 34 of P.L.1968, c.410 (C.52:14B-1 et seq.). 35 36 14. This act shall take effect on July 1, 1998. 37 38 39 **STATEMENT** 40 41 This bill establishes an annual assessment of 5.8% of gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) 42 in the State, which shall be used by the Division of Developmental 43 44 Disabilities in the Department of Human Services to reduce the 45 number of disabled persons awaiting placement in a community residence or program. 46

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fund in the Department of the Treasury and shall be transferred in full
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Division of Developmental Disabilities' waiting list.

13 It is expected that the 5.8% assessment on ICF-MRs would 14 generate \$10 million in federal reimbursements from the Medicaid 15 program, for use in the Governor's fiscal year 1999 <u>Community</u>

16 <u>Services Waiting List Reduction Initiative</u>.

STATEMENT TO

SENATE, No. 1157

STATE OF NEW JERSEY

DATED: JUNE 22, 1998

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1157.

This bill establishes an annual assessment of 5.8% of gross revenue on each intermediate care facility for the mentally retarded (ICF-MR) in New Jersey, which shall be used by the Division of Developmental Disabilities in the Department of Human Services to reduce the number of disabled persons awaiting placement in a community residence or program.

These assessments shall be paid on a quarterly basis to the Director of the Division of Revenue in the Department of the Treasury, who, in consultation with the Director of the Division of Taxation, shall establish the necessary forms and collect and record these assessments. The bill provides for penalties for an ICF-MR which fails to pay the assessment. Also, excluding any interest and penalties, the assessments imposed by this bill are to be considered an allowable cost for Medicaid reimbursement purposes.

The revenue gained from the assessments shall be held in a special fund in the Department of the Treasury and shall be transferred in full to the Department of Human Services to be used to reduce the Division of Developmental Disabilities' waiting list.

This bill is identical to Assembly Bill No. 2141.

FISCAL IMPACT:

It is expected, based on current gross receipts of ICF-MRs and a 50% federal match, that the 5.8% assessment on ICF-MRs would generate \$10 million in federal reimbursements from the Medicaid program, for use in the Governor's fiscal year 1999 <u>Community</u> <u>Services Waiting List Reduction Initiative</u>.

SENATE SENIOR CITIZENS, VETERANS' AFFAIRS AND HUMAN SERVICES COMMITTEE

STATEMENT TO

SENATE, No. 1157

STATE OF NEW JERSEY

DATED: JUNE 15, 1998

The Senate Senior Citizens, Veterans' Affairs and Human Services Committee reports favorably Senate Bill No. 1157.

This bill establishes an annual assessment of 5.8% of gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) in the State, which shall be used by the Division of Developmental Disabilities in the Department of Human Services to reduce the number of disabled persons awaiting placement in a community residence or program.

These assessments shall be paid on a quarterly basis to the Director of the Division of Revenue in the Department of the Treasury, who, in consultation with the Director of the Division of Taxation, shall establish the necessary forms and collect and record these assessments. The bill provides for penalties for an ICF-MR which fails to pay the assessment. Also, excluding any interest and penalties, the assessments imposed by this bill are to be considered an allowable cost for Medicaid reimbursement purposes.

The revenue gained from the assessments shall be held in a special fund in the Department of the Treasury and shall be transferred in full to the Department of Human Services to be used to reduce the Division of Developmental Disabilities' waiting list.

It is expected that the 5.8% assessment on ICF-MRs would generate \$10 million in federal reimbursements from the Medicaid program, for use in the Governor's fiscal year 1999 <u>Community</u> <u>Services Waiting List Reduction Initiative</u>.

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 1157 STATE OF NEW JERSEY 208th LEGISLATURE

DATED: JULY 20, 1998

Bill Summary:

Senate Bill No. 1157 of 1998 establishes an annual assessment of 5.8% of gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) in the State. The revenues realized from the assessments will be held in a special fund in the Department of the Treasury and transferred to the Department of Human Services (DHS) to reduce the number of disabled persons awaiting placement in a community residence or program as part of the Governor's <u>FY 1999</u> Community Services Waiting List Reduction Initiative.

Agency Comments:

DHS and the Office of Management and Budget have not provided any fiscal information on the legislation.

Office of Legislative Services Comments:

As indicated in both the Governor's FY 1999 recommended budget and in the Statement to Senate Bill No. 1157 of 1998, the 5.8% assessment on gross revenue on all intermediate care facilities for the mentally retarded (ICF-MRs) in the State is expected to generate approximately \$10 million in federal reimbursements from the Medicaid program in FY 1999. Based on existing ICF-MR expenditures, the \$10 million revenue estimate appears reasonable.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

Office of the Governor **NEWS RELEASE**

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RELEASE: June 30, 1998

Gov. Christie Whitman today signed the following legislation:

S-2001, sponsored by Senator Robert Littell (R- Sussex/Hunterdon/Morris) and Assembly Members Richard Bagger (R- Middlesex/Morris/Somerset/Union) and Joseph Charles (D-Hudson), makes various FY 1998 supplemental appropriations totaling \$105,403,932 in state funds and \$579,254 in federal funds and appropriates \$15 million in bond funds. Projects funded through this bill include: \$400,000 for the purchase of protective vests for law enforcement, \$750,000 to support a toll free telephone system for dealing with the Division of Motor Vehicles services, \$285,000 for computer equipment to run criminal history background checks on school employees, and \$15 million in property tax relief aid to the City of Camden and the creation of a financial oversight board for the city, and \$15 million for sewer overflow abatement projects for the Passaic River/Newark Bay Restoration Program.

A-2141, sponsored by Assembly Member Francis Blee (R-Atlantic) and Senators Louis Bassano (R-Essex/Union and Leonard Connors (R-

Atlantic/Burlington/Ocean), establishes an annual assessment of 5.8 percent of gross revenue on all intermediate care facilities for the mentally retarded. The revenue generated by the assessment will be used to reduce the Developmental Disabilities waiting list for placement in community residences.

A-673, sponsored by Assembly Members Jack Gibson and Nicholas Asselta and Senator James Cafiero (all R-Cape May/Atlantic/Cumberland), authorizes municipalities to regulate skateboards and roller skates upon roadways and public properties under their jurisdiction. This law supplements legislation signed January 19, requiring helmets for skaters under 14 years of, by ensuring that municipalities have the ability to regulate skating activities to protect skaters, motorists and other pedestrians in their communities.

A-553, sponsored by Assembly Members David Russo (R- Bergen/Passaic) and Gerald Zecker (R-Essex/Passaic) and Senators Jack Sinagra (R-Middlesex) and John Adler (D-Camden), prohibits smoking in child care centers when children are present.

A-1902, sponsored by Assembly Member Richard Bagger (R-Middlesex/ Morris/Somerset/Union) and Louis Romano (D-Hudson) and Senator Robert Littell (R-Sussex/Hunterdon/Morris), authorizes the State Treasurer to determine the salary of the Director and Deputy Director of the Division of Investment and authorizes the Treasurer to designate an additional deputy director.

S-851, sponsored by Senators Joseph Palaia (R-Monmouth) and Norman M.

Robertson (R-Essex/Passaic) and Assembly Member Christopher "Kip" Bateman (R-Morris/Somerset), revises statutes providing for criminal history record checks of school employees and school bus drivers. The bill expands the list of disqualifying crimes; deletes a provision authorizing the employment of a persons with a disqualifying crime if rehabilitation has been demonstrated and prohibits schools from provisionally hiring candidates pending completion of their criminal history record checks, except in limited circumstances.

A-1996, gives the state Treasurer the authority to bundle old, difficult to collect tax debt represented as tax certificates and enter into a contract with a financial institution after public bidding. The financial institution would assume ownership of the debt and replace the state as the collector. The bill was sponsored by Assembly Members Paul DiGaetano (R- Bergen/Essex/Passaic) and Richard Bagger (R-Middlesex/Morris /Somerset/Union) and Senators Walter Kavanaugh (R-Morris/Somerset) and Peter Inverso (R-Mercer/Middlesex).

S-1002, which amends the state's Business Employment Incentive Program (BEIP) Act to encourage partnerships and limited liability companies to participate in the BEIP program and locate or expand in New Jersey. Companies that create jobs in New Jersey by either moving to the state or expanding operations are eligible to receive incentive grants which are based upon the income taxes paid by the newly-hired employees. The new legislation amends the law to allow estimated taxes paid by partners to be included in the BEIP calculation, thereby increasing the amount of the BEIP grant for partnerships and limited liability companies and providing them with an incentive to move to New Jersey. The bill was sponsored by Senators Joseph Kyrillos, Jr. (R- Middlesex/Monmouth) and Bernard Kenny, Jr. (D-Hudson) and Assembly Members Steve Corodemus (R-Monmouth) and Joseph Azzolina (R- Middlesex/Monmouth).

A-2190, sponsored by Assembly Members Francis Blee (R-Atlantic) and Carol Murphy (R-Essex/Morris/Passaic), expands the Drug Utilization Review Board in the Department of Human Services for state-funded pharmaceutical benefits programs. The powers of the Board will include review of the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and the AIDS Drug Distribution programs. Membership of the Board shall include individuals with expertise in the prescribing of medication to the geriatric and AIDS populations to address specific needs of these individuals. The bill appropriates \$90,000 for establishment of the Review Board.

A- 1690, eliminates the requirement in the current charity care law that the Commissioner of Health and Senior Services (DHSS) seek federal approval to establish a permanent state-wide program for providing hospital charity care services on a managed care basis. The bill permits the Commissioner of Human Services to seek federal approval to establish a demonstration managed charity care program, within a single region or county, for a two-year period in order to test the programmatic and fiscal viability of delivering charity care services by this alternative means. The bill was sponsored by Assembly Members Nicholas Asselta (R-Cape May/Atlantic/Cumberland) and Joseph Doria, Jr. ((D-Hudson) and by Senators John Matheussen (R-Camden/Gloucester) and John Bennett (R-Monmouth).

S-990, sponsored by Senator Louis Bassano (R-Essex/Union) and Bernard Kenny (D-Hudson), establishes the New Jersey Supplementary Food Stamp Program in the Department of Human Services. The legislation, an administration initiative,

extends the availability of food stamps to certain noncitizens covered under E.O. 74, which expires today. The program provides broader coverage than the legislation passed in Congress earlier this month. The bill will also provide coverage for individuals who are considered unemployable under the WorkFirst New Jersey Program and are ineligible for federal Supplemental Security Income benefits.