

# SENATE, No. 1250

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JANUARY 30, 2006

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Senator ELLEN KARCHER**

**District 12 (Mercer and Monmouth)**

**SYNOPSIS**

Requires ambulatory care facilities to provide uncompensated outpatient renal dialysis services for uninsured low-income persons.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning outpatient renal dialysis services for certain  
2 persons and supplementing 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. a. An ambulatory care facility that is licensed to provide  
8 chronic or acute renal dialysis services shall in each calendar year  
9 provide uncompensated renal dialysis treatment and services for  
10 uninsured low-income persons in an amount equal to the Medicare  
11 rate of reimbursement for 3.5% of the total number of renal dialysis  
12 treatments provided by the facility during that year, or \$200,000,  
13 whichever amount is less.

14 b. As used in this act, "uninsured low-income person" means a  
15 patient who:

16 (1) is a resident of New Jersey;

17 (2) has an individual or, if applicable, family gross income that  
18 would qualify that person for charity care pursuant to section 10 of  
19 P.L.1992, c.160 (C.26:2H-18.60); and

20 (3) has no health insurance coverage for the renal dialysis  
21 treatment and services provided.

22 c. Compliance with the requirements of this act may be  
23 calculated on an aggregate basis for separately licensed ambulatory  
24 care facilities in this State that have common ownership, except that  
25 the total amount of uncompensated renal dialysis treatment and  
26 services provided shall equal the sum of the amounts required for  
27 each separately licensed facility.

28 d. A facility that fails to comply with the requirements of this  
29 act shall be liable for a civil penalty not to exceed \$200,000 for  
30 each calendar year in which the facility is not in compliance. The  
31 Commissioner of Health and Senior Services shall recover any  
32 penalties provided for in this subsection in an administrative  
33 proceeding in accordance with the "Penalty Enforcement Law of  
34 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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36 2. The Commissioner of Health and Senior Services shall adopt  
37 regulations, pursuant to the "Administrative Procedure Act,"  
38 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of  
39 this act.

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41 3. This act shall take effect July 1, 2006, but the Commissioner  
42 of Health and Senior Services may take such anticipatory  
43 administrative action in advance as shall be necessary for the  
44 implementation of the act.

STATEMENT

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This bill requires ambulatory care facilities to provide a specified amount of renal dialysis services without charge to certain uninsured low-income persons.

The bill provides specifically as follows:

An ambulatory care facility that is licensed to provide chronic or acute renal dialysis services is required in each calendar year to provide uncompensated renal dialysis treatment and services for uninsured low-income persons in an amount equal to the Medicare rate of reimbursement for 3.5% of the total number of renal dialysis treatments provided by the facility during that year, or \$200,000, whichever amount is less.

As used in the bill, "uninsured low-income person" means a patient who:

- is a resident of New Jersey;
- has an individual or, if applicable, family gross income that would qualify that person for charity care pursuant to N.J.S.A.26:2H-18.60; and
- has no health insurance coverage for the renal dialysis treatment and services provided.

Compliance with the requirements of the bill may be calculated on an aggregate basis for separately licensed ambulatory care facilities in this State that have common ownership, except that the total amount of uncompensated renal dialysis treatment and services provided must equal the sum of the amounts required for each separately licensed facility.

A facility that fails to comply with the requirements of the bill is liable for a civil penalty not to exceed \$200,000 for each calendar year in which the facility is not in compliance. The Commissioner of Health and Senior Services is to recover the penalty in an administrative proceeding in accordance with the "Penalty Enforcement Law of 1999" (N.J.S.A.2A:58-10 et seq.).

The bill takes effect July 1, 2006, but authorizes the Commissioner of Health and Senior Services to take anticipatory administrative action in advance as necessary for its implementation.

It is important to note that ambulatory care facilities providing renal dialysis services are one of a limited number of ambulatory care facility types not subject to the provisions of P.L.2004, c.54, which imposes an assessment on the revenues of many types of ambulatory care facilities. Through the exercise of its discretion, the Legislature exempted from this assessment certain facility types (such as federally qualified health centers) that play an important role in preserving the health care safety net of this State, thereby assuring access to care in much the same way that hospital charity care does.

**S1250 VITALE, KARCHER**

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1        Ambulatory renal dialysis facilities, however, through a quirk of  
2 federal Medicaid regulations, could not be subject to the assessment  
3 established under P.L.2004, c.54. Ironically, however, these  
4 facilities, which provide essential life-sustaining treatments,  
5 generally do not provide services to the uninsured, unlike the other  
6 exempt facility types. The financial impact on renal dialysis  
7 facilities under this bill would be similar to that on most ambulatory  
8 care facilities from the assessment established under P.L.2004, c.54,  
9 and is proportional to the total volume of each ambulatory dialysis  
10 facility's treatments, until the maximum value of the treatments,  
11 priced at the Medicare rate, is reached. A typical ambulatory renal  
12 dialysis facility licensed for 18 renal dialysis stations, and assuming  
13 three shifts per day, would be required to treat without charge, at a  
14 maximum, less than four uninsured patients per week out of its  
15 more-than-100-patient weekly census. It is, therefore, unlikely that  
16 the financial impact on these facilities under this bill would be  
17 unduly burdensome.