

LEGISLATIVE FISCAL ESTIMATE

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 5015

STATE OF NEW JERSEY

221st LEGISLATURE

SUMMARY

DATED: JANUARY 15, 2026

Synopsis: Makes changes to how uniform gross receipts assessment are charged to ambulatory care facilities.

Type of Impact: Annual decrease in State revenues.

Agencies Affected: Department of Health and Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	FY 2026	FY 2027 and Beyond
State Revenue Decrease	\$23.2 million	\$46.4 million

- The Office of Legislative Services (OLS) concludes that the bill will decrease State revenue in FY 2026 by \$23.3 million. Of this amount, \$7.7 million reflects reductions in revenue collected under the existing ambulatory care facility assessment, commencing on the first day of the third quarter of FY 2026, due to the provision in the bill that limits the annual amount that an ambulatory care facility is permitted to pay under the assessment to \$2 million. As the revenues generated under this assessment are used to support Medicaid providers, the remaining amount, or \$15.6 million, represents revenue reductions in the form of federal Medicaid matching reimbursements.
- In FY 2027 and beyond, when the impact of the bill is annualized, the State’s revenue reduction will grow to \$46.4 million annually, \$15.3 million due to a decline in revenue collections under the ambulatory care facility assessment and \$31.1 million due to reductions in federal Medicaid matching reimbursements.
- This estimate assumes that the State will receive federal approval to implement the provisions of this bill.

BILL DESCRIPTION

The bill provides that, effective the first day of the third quarter of FY 2026, and subject to any necessary federal approvals applied for by the Department of Human Services, no ambulatory care

facility is to pay an assessment greater than \$2 million annually under the existing methodology for the ambulatory care facility assessment. Currently, there is no cap under the assessment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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As the revenues generated under this assessment are used to support Medicaid providers, the remaining amount, or \$15.6 million, represents revenue reductions in the form of federal Medicaid matching reimbursements. This estimate assumes: 1) an aggregate federal matching rate of 67 percent for State Medicaid expenditures; and 2) that the State will receive any necessary federal approval to implement the provisions of this bill

In FY 2027 and beyond, when the impact of the bill is annualized, the State’s revenue reduction will grow to \$46.4 million annually, \$15.3 million due to a decline in revenue collections under the ambulatory care facility assessment and \$31.1 million due to reductions in federal Medicaid matching reimbursements.

Based upon data provided by the Department of Health during the FY 2026 Budget process, this bill will affect three ambulatory care facilities as follows:

Facility	Current Annual Assessment	Annual Assessment Under Bill	Difference
Memorial Sloan Kettering – Monmouth	\$8,625,020	\$2,000,000	\$6,625,020
Memorial Sloan Kettering – Bergen	\$6,752,506	\$2,000,000	\$4,752,506
Memorial Sloan Kettering – Cancer Center at Baskin	\$5,937,781	\$2,000,000	\$3,937,781
TOTAL	\$21,315,307	\$6,000,000	\$15,315,307

Section: Human Services
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Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).