

30:4E-1 to 30:4E-4

LEGISLATIVE HISTORY CHECKLIST

NJSA 30:4E-1 to 30:4E-4 (Interagency Task Force on Home Care Services--establish)

LAWS 1980 CHAPTER 35

Bill No. S373

Sponsor(s) Hagedorn

Date Introduced Pre-filed

Committee: Assembly Institutions, Health and Welfare

Senate Institutions, Health and Welfare

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly April 21, 1980

Senate Feb. 21, 1980

Date of approval June 12, 1980

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing Yes ~~No~~

Following were printed:

Reports Yes ~~No~~

Hearings ~~Yes~~ No

Report, noted in section 4 of act: (attached)

974.90 New Jersey. Department of Human Services.
H434 Interim report pursuant to P.L. 1980, c.35.
1980g Dec. 10, 1980. Trenton, 1980.

(over)

6/22/81

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974.90 New Jersey. State Long-Term Care Planning Group.
H434 An overview of New Jersey's involvement in the
1981a national long-term care demonstration program.
Feb. 23, 1981. Trenton, 1981.

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[OFFICIAL COPY REPRINT]
SENATE, No. 373

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Senator HAGEDORN

AN ACT establishing ***[a State Advisory Council on Home Care Services]*** *in Interagency Task Force on Home Care Services and establishing a home health care pilot program within the Department of Human Services*.*

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Legislature hereby finds and declares that the effective and
2 appropriate provision of home health care and homemaker services
3 to persons in their homes can be an important step toward elimi-
4 nating not only the nursing home bed shortage which currently
5 exists in this State but also preventing the inappropriate placement
6 of our citizens into other forms of institutional care.

7 Although there exists in this State a large number of agencies
8 providing home health care and homemaker services, there also
9 exists the problem of severe service fragmentation. There are
10 different types of agencies, providing somewhat different services,
11 subjected to different State and Federal regulations, and eligible
12 for different sources of reimbursement. This fragmentation has in
13 fact meant that to date home health care has not been able to reach
14 its full potential as an integral part of the health care delivery
15 system.

16 The Legislature finds therefore that there is a tremendous need
17 for greater coordination and information in the home health care
18 field. There needs to be effected not only coordination of the ser-
19 vices rendered by home health care and homemaker agencies, but
20 also some coordination of the often conflicting State and Federal
21 regulations. Only through such coordination will home health care
22 and homemaker agencies be able to render an adequate array of
23 services to patients in their homes, thereby avoiding prolonged
24 institutionalization, concomitant high costs and associated adverse
25 social and medical implications.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

1 ***2. a.** There is created in the Department of Health a State
 2 Advisory Council on Home Care Services, hereinafter known as
 3 the "council", to consist of the Commissioner of Health, the
 4 Commissioner of Human Services, the Commissioner of Insurance,
 5 the Commissioner of Community Affairs, or their designees, and
 6 six members appointed by the Governor with the advice and consent
 7 of the Senate, three of whom shall represent the public and three
 8 of whom shall be currently engaged in the delivery of home health
 9 care or homemaker services. The council shall annually select a
 10 chairman from among its members.

11 b. The term of office of each appointive member of the council
 12 shall be for 3 years, except that of the members first appointed,
 13 two shall be appointed for terms of 1 year, two for terms of 2 years
 14 and two for terms of 3 years. No member shall be eligible for
 15 appointment for more than 2 full consecutive terms. Vacancies
 16 shall be filled by appointment for the unexpired term. The appoint-
 17 ive members shall continue in office until the expiration of their
 18 terms and until their successors are appointed and have qualified.

19 c. The council shall meet as frequently as its business may require
 20 and in any event at least once in each calendar quarter of each
 21 year. The members of the council shall receive no compensation
 22 for their services as members of the council, but each of them shall
 23 be allowed the reasonable and necessary expenses which he shall
 24 incur in the performance of his duties under this act.

25 d. The council shall select an executive secretary and shall deter-
 26 mine his qualifications, term of office, duties, services, and
 27 compensation.

28 The Commissioner of Health shall provide to the council such
 29 clerical staff, supplies and equipment as may be necessary for it to
 30 faithfully discharge its duties.]*

1 **2. a. The Commissioner of Human Services shall organize an*
 2 *Interagency Task Force on Home Care Services, hereinafter known*
 3 *as the "task force," which shall consist of the commissioner, the*
 4 *Commissioner of Health, the Commissioner of Insurance and the*
 5 *Commissioner of Community Affairs or their designated repre-*
 6 *sentatives. The task force shall review and coordinate efforts*
 7 *among departments to develop home health care and homemaker*
 8 *services and shall consult on the propriety and effects of State and*
 9 *Federal home health care and homemaker legislation, rules, and*
 10 *regulations. The task force shall work toward regulatory and leg-*
 11 *islative change which it feels will promote the utilization of home*
 12 *health care and homemaker services as an alternative to institu-*
 13 *tional care.*

14 *b. The task force shall meet as frequently as its business may*
 15 *require and at least once in each calendar quarter of each year.*

16 *c. The task force shall consult on a regular basis with the State-*
 17 *wide Health Coordinating Council and with public and private non-*
 18 *profit, proprietary, and hospital based providers of home health*
 19 *care and homemaker services. The task force shall also consult with*
 20 *service consumers.**

1 ***[3.** The council shall advise the Governor and the Departments
 2 of Health, Human Services, Insurance and Community Affairs on
 3 all aspects of home health care and homemaker services. The council
 4 shall: advise in the review and coordination of efforts among said
 5 departments to develop home health care and homemaker services;
 6 advise on the propriety and effects of proposed State and Federal
 7 home health care and homemaker legislation, rules and regulations;
 8 make appropriate recommendations to the Governor and the Legis-
 9 lature concerning home health care and homemaker services; and
 10 perform such other related functions as the Governor may pre-
 11 scribe.]**

1 **3. The Department of Human Services, in consultation with the*
 2 *task force, shall establish a pilot program which provides for the*
 3 *use of home health care and homemaker services as an alternative*
 4 *to nursing home care and other forms of institutional care. The*
 5 *program shall be aimed specifically at eliminating barriers which*
 6 *exist at the State and Federal levels that act to inhibit the use of*
 7 *home health care and homemaker services.**

1 ***[4.** The council shall work with the Departments of Health,
 2 Human Services, Insurance and Community Affairs to develop a
 3 pilot program which provides for the use of home health care and
 4 homemaker services as an alternative to nursing home care. The
 5 program shall be aimed specifically at eliminating those barriers
 6 which inhibit the use of home health care and homemaker ser-
 7 vices.]**

1 **4. Six months after the effective date of this act, the Department*
 2 *of Human Services shall report to the chairmen of the Senate and*
 3 *Assembly Committees on Institutions, Health and Welfare on its*
 4 *progress in establishing a home health care pilot program. The*
 5 *report may also include recommendations for appropriate legisla-*
 6 *tion, rules, regulations and other actions which would enhance the*
 7 *availability, appropriate utilization, and coordination of home*
 8 *health care and homemaker services in this State.**

1 ***[5. a.** The council shall conduct a research study to gather data
 2 on all aspects of home health care and homemaker services in New
 3 Jersey. The study shall focus on promoting the use of home health

4 care and homemaker services as a more effective alternative to
5 institutional care and shall include but not be limited to the availa-
6 bility, cost reimbursement, and regulation of home health care and
7 homemaker services.

8 b. The council shall, within 1 year of the effective date of this
9 act, provide the Governor and the Legislature with a report of its
10 study on the availability and quality of home health care and home-
11 maker services in the State and the costs associated therewith.
12 The report may include recommendations for appropriate State
13 and Federal legislation, rules and regulations, and other actions
14 which would enhance the availability, appropriate utilization, and
15 coordination of home health care and homemaker services in this
16 State.]*

1 *~~6.~~ The council shall report to the Governor and the Legislature
2 annually, and at such other times as it may deem in the public
3 interest on its activities, findings and conclusions on the coordina-
4 tion and development of home health care and homemaker ser-
5 vices.]*

1 *~~7.~~ There is appropriated \$50,000.00 to carry out the purposes
2 of this act.]*

1 *~~8.~~* *5.* This act shall take effect *~~90 days after enactment~~*
2 *immediately*.

5 program shall be aimed specifically at eliminating those barriers
6 which inhibit the use of home health care and homemaker services.

1 5. a. The council shall conduct a research study to gather data on
2 all aspects of home health care and homemaker services in New
3 Jersey. The study shall focus on promoting the use of home health
4 care and homemaker services as a more effective alternative to
5 institutional care and shall include but not be limited to the availa-
6 bility, cost reimbursement, and regulation of home health care and
7 homemaker services.

8 b. The council shall, within 1 year of the effective date of this
9 act, provide the Governor and the Legislature with a report of its
10 study on the availability and quality of home health care and home-
11 maker services in the State and the costs associated therewith.
12 The report may include recommendations for appropriate State
13 and Federal legislation, rules and regulations, and other actions
14 which would enhance the availability, appropriate utilization, and
15 coordination of home health care and homemaker services in this
16 State.

1 6. The council shall report to the Governor and the Legislature
2 annually, and at such other times as it may deem in the public
3 interest on its activities, findings and conclusions on the coordina-
4 tion and development of home health care and homemaker services.

1 7. There is appropriated \$50,000.00 to carry out the purposes of
2 this act.

1 8. This act shall take effect 90 days after enactment.

STATEMENT

This bill authorizes the establishment of a State Advisory Council on Home Care Services to advise the Governor and the Departments of Health, Human Services, Insurance and Community Affairs on all aspects of home health care and homemaker services. The council is to review and coordinate efforts on the State and Federal levels to develop home health care and homemaker services and is to attempt to eliminate the severe service fragmentation which currently inhibits the use of such services as an effective alternative to institutional care. The council is charged specifically with conducting a research study of the home health care—homemaker industry and to work with the appropriate departments to establish a pilot program which utilizes home health care-homemaker services as an alternative to nursing home care.

5373(1980)

ASSEMBLY INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO
SENATE, No. 373

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: APRIL 14, 1980

This legislation creates an Interagency Task Force on Home Care Services to review and coordinate efforts on the State and Federal Levels in developing home health care and homemaker services and to eliminate severe fragmentation of service which currently inhibits their effective use.

Additionally, the bill directs the Department of Human Services to establish a pilot program providing for the use of home health care and homemaker services as an alternative to nursing homes and other types of institutional care.

The committee agrees with the purpose of this legislation and released the bill without amendment.

SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO

SENATE, No. 373

with Senate committee amendments

—◆—
STATE OF NEW JERSEY
—◆—

DATED: JANUARY 24, 1980

The purpose of this bill is to create an "Interagency Task Force on Home Care Services" to review and coordinate efforts on the State and Federal levels to develop home health care and homemaker services and to attempt to eliminate the severe service fragmentation which currently inhibits the effective use of such services.

The bill also directs the Department of Human Services to establish a pilot program which provides for the use of home health care and homemaker services as an alternative to nursing home care and other forms of institutional care.

The committee amended this bill to create the task force instead of the "State Advisory Council on Home Care Services" which the bill originally established. It was the committee's feeling that such a task force would be able to begin operating right away and would therefore have a more immediate impact on the home health care field than a council for which a good deal of lag time might be necessary. The committee also amended this bill to make the Department of Human Services responsible for setting up the home health care pilot program.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JUNE 12, 1980

KATHRYN FORSYTH

Acting Governor Joseph P. Merlino today signed S-373, sponsored by Senator Garrett W. Hagedorn (R-Bergen) which establishes an Interagency Task Force on Home Care Services to coordinate the state's efforts in promoting home health care and homemaker services as an alternative to nursing home confinement as a means of providing necessary care for elderly people.

In consultation with the Task Force, the Department of Human Services will establish a pilot program aimed at eliminating the federal and state regulations which encourage people to use institutional rather than home health care.

Under the bill, the Department is to report the progress of the program to the Legislature in six months.

The Task Force, which will be located in the Department of Human Services, will consist of the Commissioners of Human Services, Health, Insurance and Community Affairs, and will consult regularly with the Statewide Health Coordinating Council, providers of home health care and homemaker services and with persons currently using those services.

The Departments of Health, Human Services and Community Affairs have already applied for a federal grant from the Department of Health, Education and Welfare to develop and implement a program for providing more appropriate long-term care services for the chronically ill and elderly.

The grant would provide a maximum of \$500,000 a year for two years for the development of the program and three years for the implementation of the program with Medicaid/Medicare waivers.

State officials feel that the Task Force established by this bill is an indication of legislative and gubernatorial support for such a program, and will help New Jersey obtain one of the nine grants available nationally.

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State of New Jersey

STATE LONG-TERM CARE PLANNING GROUP

Briefing Paper

PAPER # 1:
AN OVERVIEW OF NEW JERSEY'S INVOLVEMENT IN
THE NATIONAL LONG-TERM CARE DEMONSTRATION PROGRAM

February 23, 1981

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Brendan Byrne, Governor

Gerald J. Reilly, Chairman

James J. Pennestri, Co-Chairman

Bruce C. Vladeck, Ph.D., Co-Chairman

Office of Long-Term Care Initiatives

Department of Human Services

Michael C. Laracy, Director

Barbara J. Bristow, Project Specialist

Angela R. Waff, Project Specialist

Letitia A. Gibson, Project Support Specialist



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OVERVIEW OF THE NATIONAL LONG-TERM

CARE DEMONSTRATION PROGRAM

NATIONAL LEVEL

In response to a growing demand for efficient and high quality community and home-based long-term care, the U.S. Department of Health and Human Services has committed itself to a major demonstration/evaluation project to test the viability of "channeling" as an approach to long-term care delivery.

Channeling is a term used to describe comprehensive needs assessment and case management, i.e. assessing each client's needs, developing a care plan, arranging for delivery of the appropriate mix of services, and monitoring the effectiveness of services. Simply put, channeling is the "packaging" of services tailored specifically to meet the unique needs of each client. The concept is not new in the areas of child welfare or mental health, but for the chronically ill elderly, channeling is the first systematic attempt to package long-term care services.

New Jersey, along with eleven other states,* has been selected to participate in this important federal/state initiative.

Envisioned as a five-year program with a projected total cost of \$150 million, the National Long-Term Care Demonstration Program will enable each of these states to undertake two conceptually distinct and operationally independent endeavors:

- 1) To convene a statewide, long-term care planning group of senior state officials, consumers, providers, and health planners in order to develop a State Long-Term Care Plan, including a description of the state's chronic care system, a statement of goals and objectives, and a strategy for achieving these goals.
- 2) To develop, at a site within the state, a model infrastructure wherein disabled and chronically ill elderly residents may secure the coordination of health and social services they need to live and function to their fullest in the least restrictive environments.

In addition to awarding the twelve state contracts, HHS is funding a major evaluation of the demonstrations, a program of technical assistance to the states and sites, and a national survey of long-term care needs and providers. Two firms have been contracted for these services. The national research and evaluation contract - a major component of the federal program - has been awarded to Mathematica Policy Research Corporation of Princeton. The national technical assistance and training element of the demonstration has been issued to the Temple University Institute on Aging of Philadelphia.

*Florida, Hawaii, Kentucky, Maine, Maryland, Massachusetts, Missouri, New York, Ohio, Pennsylvania, and Texas.

STATE LEVEL

In New Jersey, the National Long-Term Care Demonstration Program is funded by the federal government through a two-year contract totalling \$985,534 and by the State Department of Health which has committed \$50,000. The program is being administered by the New Jersey Department of Human Services, with the actual site channeling functions subcontracted to the Middlesex County Department of Human Services.

In preparation for fulfilling the contract requirements, the State has created an Office of Long-Term Care Initiatives, staffed by a director, two project specialists and a support specialist.

Toward the specific goal of generating a State Long-Term Care Master Plan, a fifty-five member planning group has been established. The members of this body, all appointed by the Governor, are by design, predominately policy makers/influencers. The intent is to produce a plan with goals grounded in reality, that is incorporable into the overall state health plan, that proposes a legislative agenda, and that outlines a work plan for achieving these goals.

The leadership of the planning group - representing the departments of Health, Human Services and Community Affairs - underscores the remarkably strong inter-agency cooperation characteristic of the entire planning process.

Contributions to the plan from the public at large are assured through five public forums, ideally to be held in each of the State's Health Systems Agency (HSA) areas.

COUNTY (SITE) LEVEL

While the State retains responsibility for both the development of the New Jersey Long-Term Care Plan and the overall management of the site's Channeling demonstration project, the actual administration of the latter is being subcontracted to the county level. Thus, of the \$985,534 federal contract, approximately \$830,427 is being subcontracted to the Middlesex County Department of Human Services. Except for the service-expansion allocation (\$300,000), which may be used to purchase direct services, the funds are earmarked exclusively for planning, coordinating, and managing the use of services already available in the community through existing funding sources. The County, in turn, will enter into a series of second-tier subcontracts for the actual provision of channeling services to clients, 75% of whom must be chronically ill or functionally impaired elderly.

The Middlesex County Visiting Nurse Association, for example, will receive a subcontract of \$266,000 to perform assessment and case management services. The federally-designated client-assessment instrument will be administered by five two-person teams of social workers and nurses. These same individuals will also function as case managers - not in teams - being redeployed as necessary to suit intake and caseload requirements. Generally, the individuals who complete the client assessment will not assume case management responsibility for the same client. By the end of the first year

of actual services provision, the VHA will have conducted 1,200 assessments and will be carrying a case management load of 700 - 800 clients.

The site will have \$300,000 (\$250,000 federal and \$50,000 state) to be used for purchasing gap-filling services for Channeling clients. It is anticipated that these service-expansion funds will be directed primarily toward the following services: skilled in-home nursing care, homemaker and chore services, special transportation, counseling, physical therapy, adult day care, rehabilitative therapy, meals-on-wheels, and respite care. Through the case management experience, however, the major service gaps will be identified and the service-expansion funds used accordingly.

OBJECTIVES OF THE NATIONAL LONG-TERM CARE DEMONSTRATION PROGRAM

As identified by the Federal Department of Health and Human Services, the objectives of Channeling are:

1. To marshal and direct long-term care resources in a community in ways that contain overall costs;
2. To increase access to a wider range of services than is currently available;
3. To match services used to the identified needs of clients;
4. To concentrate public resources on those persons with greatest need for subsidized long-term care;
5. To stimulate the development of needed in-home and community services which do not exist or are in short supply;
6. To reduce the unnecessary use of publicly-subsidized long-term care services, including costly medical and institutional services;
7. To promote efficiency and quality in community long-term care delivery systems;
8. To promote a reasonable division of labor between informal support systems (including families, neighbors, friends), privately-financed services, and publicly-financed care; and
9. To maintain or enhance client outcomes, including physical and mental functioning and quality of life.

MCL:lag

State of New Jersey

DEPARTMENT OF HUMAN SERVICES

CAPITAL PLACE ONE
222 SOUTH WARREN STREET
TRENTON, NEW JERSEY 08646

ANN KLEIN
Commissioner

RECEIVED
12 10 1980
STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

December 10, 1980

MEMORANDUM

TO: The Honorable Anthony Scardino, Jr.
Chairman
Senate Institutions, Health and Welfare Committee.

The Honorable George J. Otłowski
Chairman
Assembly Institutions, Health and Welfare Committee

SUBJECT: Interim Report Pursuant to P.L. 1980, c 35. (S-373)

On June 12, 1980, Joseph P. Merlino, as Acting Governor in the absence of Governor Byrne, signed into law S-573, sponsored by Senator Garrett W. Hagedorn.

S-373 (codified as P.L. 1980, c 35) required the establishment of an Interagency Task Force on Home Care Services, the three purposes of which would be to coordinate the State's efforts in developing the home care service system, to study the effects of State and Federal legislation and regulations on home care, and to make recommendations for legislative and regulatory changes necessary for the increased utilization of home and community based care as an alternative to institutionalization. The law also required the Department of Human Services to establish a pilot program aimed at eliminating the barriers which inhibit the use of these services. No appropriation was included in the law.

Consisting of the Commissioners of the Departments of Human Services, Health, Insurance, and Community Affairs, the Task Force is required to consult on a regular basis with public and private service providers, and with service

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The Honorable Scardino, Jr.
The Honorable Otlowksi
December 10, 1980
Page 2

consumers. Finally, S-373 required that the Department of Human Services report to the chairmen of the Senate and Assembly Committees on Institutions, Health, and Welfare on the progress in establishing the pilot program and on any recommendations for legislation and regulation that might enhance the availability, use, and coordination of home and community based long-term care services. The law required that the report be submitted within six months from the effective date of the Act, June 12, 1980.

This report is submitted in compliance with the law.

In part on the basis of the concern and commitment shown by the legislature in passing S-373, New Jersey has been selected as one of twelve states to receive federal contracts to test a new system for providing long-term health and social services to millions of elderly and chronically disabled Americans who cannot perform the daily tasks of living without outside help.

Under the two-year contract, the Department of Human Services will receive approximately \$1 million from the Federal Department of Health and Human Services. The award was among the first under the new, five year, \$150 million National Long-Term Care Channeling Demonstration Program. Under the contract, New Jersey will develop, in one of two proposed local sites, a model organization to help disabled elderly residents secure the health and social services they need in order to live in their homes or other non-institutional arrangements. Currently, many elderly who require long-term care have no choice except to enter a nursing home, even though they may not require that intensive level of care.

"Channeling" is essentially a term used to describe comprehensive needs assessment and case management. Needs assessment is the collection of in-depth information about a person's situation and functioning, which allows identification of the client's problems and disabilities. The goal is to identify all needs and resources so that a comprehensive solution can be planned with the client. Case management is the actual planning and arranging for care and services, and then the necessary monitoring and reassessment. Channeling, is simply, the "packaging" of services to meet the unique needs of each client. The concept of assessment and case management is hardly a new one. It is standard practice in child welfare and increasingly so in mental health. But for the elderly, there has been no systematic means of "packaging" long-term care services; their alternatives have

The Honorable Scardino, Jr.
The Honorable Ottowski
December 10, 1980
Page 3

tended to be either a nursing home or funding for themselves as best they can in a very fragmented and complicated community service system. The site pilot project gives New Jersey a chance both to help hundreds of clients in the short run and to prove the cost-effectiveness of the concept for eventual federal legislative change.

The New Jersey Program will be directed by Michael Lacey, a special assistant to Deputy Commissioner Reilly. Of the \$1 million, approximately \$900,000 would be sub-contracted by the state to one of the two sites for the actual channeling function and the provision of services. The two sites, only one of which will be selected by the federal government by December 31, 1980, are in Essex and Middlesex counties. The two sites are quite different featuring distinct organizational and programmatic approaches to channeling. The urban Essex site in a relatively small, dense, urban location, including the town of Irvington and two major communities within Newark. The Middlesex site encompasses the whole of that county. Projected annual case-loads are 600 to 800. The county Division on Aging could be the site sub-contractor in Essex, and proposed a dual trained model. It also proposed using three local community agencies for the case management function. The Middlesex site would be operated by the county Department of Human Services, as sub-contractor to the state, and, in turn, would enter a sub-contract with the Middlesex Visiting Nurse Association for both assessment and case management.

Although the target population will consist primarily of functionally impaired elderly, comparably disabled non-elderly adults will constitute up to 25 percent of the caseload in either of the proposed sites.

As part of the contract, the state will also convene a long-term care planning group consisting of senior state officials, legislators, consumers, providers and local health planners to develop a state Long-term Care Plan. The master plan will consist of a description of New Jersey's chronic care system, a statement of goals and objectives, and a strategy and work plan for achieving the goals. The master plan will be completed within the first year of the contract. The contract gives New Jersey the unique opportunity to convene all of the major actors in order to develop a consensus and an action agenda. The answers are out there - what we've now got to do is pull it all together and agree on a specific plan of action.

The three principal state agencies involved in long-term care are the Departments of Human Services, Health and Community Affairs. The Department of Human Services and its central

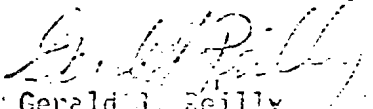
The Honorable Scardino, Jr.
The Honorable Otletowski
December 10, 1980
Page 4

hundred million dollars each year for the chronically ill and frail elderly through its Medicaid Program and many millions more in long-term care or related support services through the Title XX, Pharmaceutical Assistance to the Aged, Lifeline, and other programs. The Department of Health combines key health planning, licensing, inspection, rate-setting, and regulatory functions in one agency, exerting a very strong influence on the shape of New Jersey's chronic care system. Finally, the Division on Aging, within the Department of Community Affairs, takes a very active and innovative role within the long-term care system. All three agencies have cooperated closely in developing the contract proposal and will likewise work together in ensuring the program's success.

In summary then, the two principal substantive requirements of S-373 will be met completely within the context of the two-year Channeling contract. The law's "Task Force" and the contract's "planning group" will be one and the same body. The mandate and composition of the former are coincident with and subsumed within the latter. Similarly, the "pilot project" required by S-373 is entirely congruent with the site demonstration program funded under the federal contract.

Throughout the two-year effort, continued and intensive legislative involvement will be essential to the success of the endeavor.

Should you or your staff have any questions, either I or Michael Laracy, the program director, will be available to you.


Gerald J. Reilly
Deputy Commissioner

GJR:lag