

18A:64H-1 to 18A:64H-8

LEGISLATIVE HISTORY CHECKLIST

(Establishes Advisory Graduate Medical Council)

HISA 18A:64H-1 to 18A:64H-8

LAWS OF 1977

CHAPTER 390

Bill No. S1387

Sponsor(s) Hirkala, Bateman, McGahn

Date Introduced April 26, 1976

Committee: Assembly Education

Senate Education

Amended during passage	Yes	NO	Amendments during passage denoted by asterisks
Date of Passage: Assembly	Nov. 28, 1977		
Senate	Jan. 27, 1977		
Date of approval	February 23, 1978		

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	

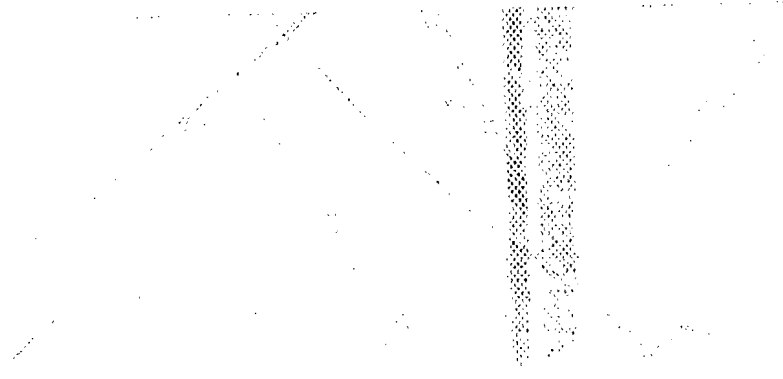
Following were printed:

Reports	YES	No
Hearings	YES	No

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SENATE, No. 1387

STATE OF NEW JERSEY

INTRODUCED APRIL 26, 1976

By Senators HIRKALA, BATEMAN and McGAHN

Referred to Committee on Education

AN ACT providing for the establishment of a Graduate Medical Education program.

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:

2 a. There is need to establish State support for a system of gradu-
3 ate medical education;

4 b. There is at present a serious deficiency in the number of prac-
5 ticing primary-care (family practice, general internal medicine,
6 general pediatrics) physicians in certain geographic areas and
7 among certain specialty-care physicians in the State;

8 c. In recognition of the need to provide educational programs to
9 provide more trained physicians for the State, the State, through
10 the passage of the "Medical and Dental Education Act of 1970,"
11 P. L. 1970, c. 102 (C. 18:64G-1 et seq.) has created and supports
12 medical schools under the College of Medicine and Dentistry of New
13 Jersey as a matter of public policy of the State;

14 d. In recognition of the State's concern with respect to health
15 care needs, the State, through the passage of the "Health Care
16 Facilities Planning Act," P. L. 1971, c. 136 (C. 26:2H-1 et seq.)
17 has mandated health planning, hospital and health related services
18 in all public and private institutions as a matter of public policy;

19 e. The mechanism to provide programs and facilities for gradu-
20 ate medical education is intimately related to the provision of train-
21 ing programs by private nonprofit and public hospitals throughout
22 the State. Thus, while the methodology for financing undergraduate
23 medical education has been provided, the equally important method-
24 ology for financing programs of graduate medical education is lack-
25 ing;

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

26 f. Increasing financial limitations have made it extremely difficult
27 for such private nonprofit and public hospitals to provide educa-
28 tional programs of high quality to attract graduates of the College
29 of Medicine and Dentistry of New Jersey and other American
30 medical schools. New Jersey residents are also forced to seek
31 graduate medical education in out-of-state medical schools, such
32 individuals rarely returning to practice their profession within the
33 State; and

34 g. Financial aid to private nonprofit and public hospitals pro-
35 viding graduate medical education programs would additionally
36 provide improvement of such institutions as high quality medical
37 education centers and thereby serve to improve the retention rate
38 of physicians within the State, and attract graduate physicians to
39 nationally accredited graduate medical training programs, as well
40 as to the practice of their professions within the communities served
41 by such institutions.

1 2. There is hereby established the Advisory Graduate Medical
2 Education Council of New Jersey, which shall be responsible to
3 the Board of Higher Education. The purpose of this council shall
4 be to make recommendations for the support, through Federal,
5 State and private funds, of graduate medical education programs
6 in private nonprofit and public hospitals in the State, and to make
7-8 recommendations for the development and implementation of new
9 graduate medical education programs which will meet the needs of
10 the citizens of the State. The functions of the council shall include,
11 but not be limited to:

12 a. Obtaining and evaluating information concerning the graduate
13 medical manpower needs of the citizens of the State;

14 b. Recommending standards and criteria for participation by
15 private nonprofit and public hospitals in the State;

16 c. Reviewing individual institutional applications and recom-
17 mending awards of support to particular institutions based on
18 conformance with the identified needs of the citizens of the State
19 and the standards and criteria recommended by the council;

20 d. Annually reviewing the educational programs provided by
21 participating hospitals;

22 e. Annually reporting to the Governor and the Education Com-
23 mittees of the New Jersey Legislature on the council's activities
24 pursuant to the provisions of this act.

1 3. As used in this act:

2 a. "Council" means the Advisory Graduate Medical Education
3 Council of New Jersey.

4 b. "Chancellor" means the Chancellor of Higher Education.

5 c. "Graduate medical education" means internship and resi-
6 dency programs fully or provisionally approved by either the Coun-
7 cil on Medical Education of the American Medical Association and
8 the appropriate physician specialty board or the Office of Education
9 of the American Osteopathic Association.

10 d. "Medical" and "physician" refer to doctors of medicine and
11 doctors of osteopathy.

1 4. The council shall consist of 14 members, 10 voting members
2 and four nonvoting members; four members of the council shall
3 be appointed by the Governor and 10 shall be ex-officio members.
4 The appointments shall consist of three ***[consumer]*** representa-
5 tives **of the public** and one student currently enrolled in a gradu-
6 ate medical training program; the appointed members shall be
7 voting members of the council. The president of the College of
8 Medicine and Dentistry of New Jersey, who shall serve as chair-
9 person; a dean from one of the medical schools of the College of
10 Medicine and Dentistry of New Jersey, to be selected by the presi-
11 dent of the College of Medicine and Dentistry of New Jersey; the
12 president of the New Jersey Hospital Association; the president
13 of the Association of Hospital Directors of Medical Education of
14 New Jersey; the president of the New Jersey Association of Osteo-
15 pathic Physicians and Surgeons; the president of the New Jersey
16 Medical Society or ***[its]*** **their** designated representatives shall
17 be ex officio, voting members of the council. The Chancellor of
18 Higher Education; the State Commissioner of Health; the president
19 of the State Board of Medical Examiners and the Commissioner of
20 the Department of Institutions and Agencies **or their designated*
20A *representatives** shall be ex officio, nonvoting members. The
21 appointed members shall serve for a 3-year term or until a successor
22 is appointed. For those first appointed, two shall be appointed
23 for a 1-year term; one shall be appointed for a 2-year term; and
24 one shall be appointed for a 3-year term. Any vacancies in the
25 voting membership other than by expiration of term shall be filled
26 in the same manner as the original appointment but for the un-
27 expired term only. To assist the council in carrying out the intent
28 of this act:

29 a. The council may appoint advisory committees representative
30 of the medical and health care professions, educators, and students,
31 representatives of medical and health care facilities and consumers.
32 The advisory committees shall provide advice and assistance to
33 the council for the council's performance of its designated functions.

34 b. The council *~~shall~~* *may* employ an executive director and
35 additional staff to provide expertise in the gathering and analysis
36 of data and administration. The executive director shall have the
37 right to speak on all matters at meetings of the council but shall
38 have no vote. The council and the advisory committees shall serve
39 without compensation, but shall be reimbursed for necessary ex-
40 penses incurred in the performance of their duties.

1 5. The board of Higher Education, upon the advice of the Ad-
2 visory Council, with the concurrence of the Commissioner of Health,
3 shall:

4 a. Plan for the development and implementation of graduate
5 medical education programs in the State;

6 b. Set standards for qualification for participation by *public*
7 *and* private nonprofit hospitals in the State;

8 c. Establish standards for the use and expenditures of funds
9 appropriated pursuant to this act;

10 d. Determine the number and type of graduate medical education
11 programs which should be supported in particular hospitals in re-
12 lation to total State needs.

1 6. The standards established for qualification for participation
2 by private nonprofit and public hospitals in the State under the
3 provisions of the act, shall include, but not be limited to the fol-
4 lowing:

5 a. An educational plan and a training schedule by each hospital
6 for each program for which it desires assistance under this act at
7 the time of its application to the council, including definition of its
8 affiliation relationship with a medical school.

9 b. The educational program of the hospital shall be determined
10 to be one that will provide a high degree of academic excellence.
11 The graduate medical training programs shall be approved fully
12 or provisionally by either the Council on Medical Education of the
13 American Medical Association and the appropriate physician
14 specialty board or the Office of Education of the American Osteo-
15 pathic Association.

16 c. The chief executive officer of each hospital or his designee
17 shall be charged with the responsibility for coordinating and im-
18 plementing the educational programs of the hospital with the
19 council. One person whose qualifications shall be subject to the
20 review of the council, and who must qualify for a medical school
21 faculty appointment, shall be charged with directing each educa-
22 tional program in order for such program to receive funds pro-
23 vided by this act.

1 7. The standards for the expenditure of funds by private non-
2 profit and public hospitals pursuant to this act shall include, but
3 shall not be limited to:

4 a. The relationship of the program to the graduate and under-
5 graduate teaching programs of the College of Medicine and Den-
6 tistry of New Jersey **and other United States accredited medical*
6A *and osteopathic schools**;

7 b. The hospital's need for added support for full-time hospital
8 physicians in charge of services or departments maintaining ap-
9 proved graduate medical education programs;

10 c. The need for support of costs related to the training of gradu-
11 ate medical students;

12 d. The need for support of costs related to salaries of students
13 enrolled in graduate medical training programs;

14 e. The need for support of traditional medical and audiovisual
15 libraries necessary for graduate training programs at the hospital;

16 f. The need to encourage **[primary care]** graduate training
17 **[or critical]* *in those* specialties *demonstrated to have critical*
18 *manpower shortages relative to the needs of New Jersey (for*
19 *example, the current shortage of family physicians).*

1 8. The Board of Higher Education shall promulgate such rules
2 as are necessary to carry out the purpose of this act.

1 - 9. This act shall take effect immediately.

1 7. The standards for the expenditure of funds by private non-
 2 profit and public hospitals pursuant to this act shall include, but
 3 shall not be limited to:

4 a. The relationship of the program to the graduate and under-
 5 graduate teaching programs of the College of Medicine and Den-
 6 tistry of New Jersey;

7 b. The hospital's need for added support for full-time hospital
 8 physicians in charge of services or departments maintaining ap-
 9 proved graduate medical education programs;

10 c. The need for support of costs related to the training of gradu-
 11 ate medical students;

12 d. The need for support of costs related to salaries of students
 13 enrolled in graduate medical training programs;

14 e. The need for support of traditional medical and audiovisual
 15 libraries necessary for graduate training programs at the hospital;

16 f. The need to encourage primary care graduate training or
 17 critical specialties.

1 8. The Board of Higher Education shall promulgate such rules
 2 as are necessary to carry out the purpose of this act.

1 9. This act shall take effect immediately.

STATEMENT

This bill provides for the establishment of an Advisory Graduate Medical Council, responsible to the Board of Higher Education. The responsibilities of the council include advising the Board of Higher Education in planning for graduate medical education programs; evaluating such programs; establishing standards for participation of private/nonprofit hospitals; and determining the number and type of programs which should be supported in each hospital in accordance with the manpower needs of the State. The council reports annually to the Governor and the Education Committees of the Legislature.

51387 (1977)

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 1387

STATE OF NEW JERSEY

DATED: FEBRUARY 17, 1977

The Assembly Education Committee favorably reports this bill and endorses the Senate Education Committee's statement.

FISCAL IMPACT:

While the bill does not call for any appropriation, the Governor's budget request for FY 1977-78 does contain \$300,000.00 for this program.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 1387

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 8, 1976

Graduate medical education (internships and residency training) in New Jersey is not centered in any single agency or institution. The responsibility is divided between medical schools, private and public hospitals, special committees, specialty boards and similar organizations and institutions. The result has been a variation in the quality of programs, a lack of coordination between such programs, and a maldistribution of resources in terms of actual State manpower needs. In the judgment of the Senate Education Committee, Senate No. 1387 will help remedy this situation, and thus insure quality medical care for the citizens of this State.

PROVISIONS:

This bill provides for the establishment of an Advisory Graduate Medical Council, responsible to the Board of Higher Education. The responsibilities of the council would include advising the Board of Higher Education in planning for graduate medical education programs, evaluating such programs, establishing standards for participation of private/nonprofit hospitals, and determining the number and type of programs which should be supported in each hospital in accordance with the manpower needs of the State. Basically, the council would evaluate State needs and propose appropriate funding on a priority basis for existing and new programs. The Board of Higher Education, with the concurrence of the Commissioner of Health, is the agency responsible for implementing the Advisory Council's recommendations. The Advisory Council would report annually to the Governor and the Education Committees of the Legislature.

COMPOSITION OF THE COUNCIL:

14 members, 10 voting, 4 nonvoting.

Nonvoting: Chancellor of Higher Education.

Commissioner of Health.

Commissioner of Institutions and Agencies.

President of the State Board of Medical Examiners.

Voting-Ex Officio: President—CMDNJ, chairman.
 Dean—CMDNJ, selected by president.
 President—New Jersey Hospital Assoc.
 President—Association of Hospital Directors of
 Medical Education.
 President—New Jersey Association of Osteo-
 pathic Physicians and Surgeons.
 President—New Jersey Medical Society.

Voting-Appointed

by Governor: 3 public representatives }3-year
 1 currently enrolled student}terms

FISCAL IMPLICATIONS:

This bill does not call for any appropriations; however, it is anticipated that the Department of Higher Education will include a request for funds for administrative costs and possibly for the establishment of a pilot project in its FY '78 budget proposal.

In assessing the fiscal implications of this legislation, there is a potential cost factor which should be noted. While the Advisory Council could accomplish many of the primary objectives of this program, including the establishment of goals and standards, the evaluation of programs, and the assessment of State manpower needs with relatively limited funding, graduate medical education is a necessary component of an effective health care delivery system for New Jersey, and a primary purpose of this legislation is to coordinate funds used to support graduate medical programs. Therefore, at some point in the future, if Federal and private sources are insufficient or not available, the Legislature may be called upon to make a decision regarding direct State funding of graduate medical education.

Based on current data, it is impossible to project the ultimate cost of such a program. According to data provided by the State Department of Health, the total nonreimbursed expenditure for research, education and resident salaries in 1976 was approximately \$5 million; however, this is not an accurate reflection of the costs of graduate medical education, since the data includes all research and all health training programs, but excludes some costs directly associated with intern and resident training. Also, reimbursement rates vary according to specialty and are subject to periodic review and revision. In fact, one of the primary functions of the Advisory Council will be to develop the data necessary to determine program costs and appropriate support levels for the various specialties.

In this context, it should be emphasized that support of this bill does not imply any intention on the part of the Legislature to fully fund

graduate medical education in New Jersey. Rather, the intent is to provide a mechanism for the channeling of such funds as may be available to the support of graduate training in those specialties such as family practice where there is a demonstrable State need.

COMMITTEE AMENDMENTS:

The amendments approved by the Senate Education Committee are technical in nature.

POSITIONS ON THE PROPOSED LEGISLATION:

This bill is the product of more than 2 years of discussion with all the parties involved, including the Department of Higher Education, the Department of Health, the College of Medicine and Dentistry of New Jersey-Council on Graduate Medical Education, the New Jersey Hospital Association and the Governor's Counsel. Graduate Dental Education has been excluded at the request of the New Jersey Dental Association.

FISCAL NOTE TO
SENATE, No. 1387
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: APRIL 18, 1977

The Official Copy Reprint of Senate Bill No. 1387 is an act providing for the establishment of a Graduate Medical Education program.

The Department of Higher Education assumes that if this legislation is enacted, Graduate Medical Education program activities would begin around July 1, 1977. The Department states that the federally supported Department of Higher Education's Office of Health Manpower could absorb the Department of Higher Education's administrative staffing requirements under the terms of this bill until April 1, 1978 at which time Federal support for the office ceases.

The Department of Higher Education estimates that enactment of this legislation would require a State expenditure of \$300,000.00 in fiscal 1977-78 and \$405,650.00 in fiscal 1978-79. Beyond fiscal 1978-79 it is stated that costs will rise as more primary care programs are awarded grants-in-aid. The Division of Budget and Accounting states costs will rise by amounts which would jeopardize our ability to remain within the limits established by the Expenditures Limitation Act P. L. 1976, c. 67.

The fiscal note is based on an estimate of costs rather than actual cost information.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

Office of the Clerk

at the same speed as other traffic; and 5) travel no more than two abreast when traffic is not impeded.

S-1387, sponsored by Senator Joseph Hirkala, D-Passaic, which establishes a Graduate Medical Education program.

Presently, graduate medical education is not centered in any single agency or institution. The responsibility is divided between medical schools, private and public hospitals, special committees, specialty boards and similar organizations.

This bill is an attempt to standardize criteria for determining the quality of programs and provides a mechanism to attempt to remedy the lack of coordination between such programs and the distribution of resources in terms of the state's actual medical manpower needs.

The measure establishes an Advisory Graduate Medical Education Council of 14 members responsible to the Board of Higher Education. Members will serve without compensation.

Four voting members (three public members and one student currently enrolled in a graduate medical training program) will be appointed by the Governor.

Six members will be ex-officio and non voting: the president of CMDNJ, a dean of one of the CMDNJ medical schools (named by the president of CMDNJ), the president of the New Jersey Hospital Association, the president of the New Jersey Association of Hospital Directors of Medical Education, the president of the New Jersey Association of Osteopathic Physicians and Surgeons, and the president of the New Jersey Medical Society.

The remaining four members would be voting members: the Chancellor of Higher Education, the Commissioner of Health, the president of the State Board of Medical Examiners and the Commissioner of Human Services.

The Council will recommend standards and criteria for participation by private, non-profit and public hospitals in the state, review individual institutional applications and recommend awards of support to particular institutions, annually review educational programs provided by participating hospitals and annually report to the Governor and Legislature.

Under the bill, the Board of Higher Education is required, upon the advice of the Council, to: 1) plan graduate medical education programs; 2) set standards for the use and expenditure of funds appropriated pursuant to the act; 3) set standards for hospital participation; and 4) determine the number and type of graduate medical education programs which would be supported in particular hospitals in relation to state needs.

The bill sets standards requiring that hospitals receiving assistance pursuant to the act demonstrate educational plans, programs acceptable to the American Medical Association or the American Osteopathic Association and personnel capable of providing appropriate administrative oversight.

S-1783, sponsored by Senator Matthew Feldman, D-Bergen, which permits Boards of Chosen Freeholders to hold their organizational annual meetings on a Sunday if so authorized by prior adoption of an appropriate resolution.

Prior law required meetings to be held the next day if the first or second day of January fell on a Sunday.

S-3070, sponsored by former Senator Joseph P. McGahn, D-Atlantic, which amends the definition of "gross receipts" taxation paid for certain public utilities.

Under present law, privately-owned sewerage companies, as public utilities, are subject to a tax on gross receipts, which is passed on to the company's customers in rates approved by the PUC. No gross receipts tax is paid by municipalities or other government agencies furnishing sewerage service and, therefore, their customers do not bear a gross receipts tax burden.

Recently, regional sewerage authorities have been created to furnish sewerage disposal services. When this service is provided to both private companies and public agencies, an inequity results as the customers are obliged to pay rates which include the provision for the gross receipts tax on that part of their rates representing the cost of the services of the regional sewerage authority.