

10:5-5

2/16/86

LEGISLATIVE HISTORY CHECKLIST

NJSA: 10:5-5

(Nursing homes--transfer of certain patients to Medicaid)

LAWS OF: 1986

CHAPTER 8

BILL NO: S1523

Sponsor(s): Contillo

Date Introduced: January 23, 1986

Committee: Assembly: Health and Human Resources

Senate: Institutions, Health and Welfare

Amended during passage: Yes

Substituted for A1932 (not attached since identical to S1523). Amendments during passage denoted by asterisks.

Date of Passage:

Assembly:

March 10, 1986

Senate:

February 3, 1986

Date of Approval:

March 28, 1986

Following statements are attached if available:

Sponsor statement:

Yes

Committee statement:

Assembly

Yes

Senate

Yes

Fiscal Note:

No

Veto Message:

No

Message on Signing:

Yes

Following were printed:

Reports:

No

Hearings:

No

See newspaper clippings--attached:

"Bill to clarify nursing home contracts is passed," 1-14-86 Bergen Record.

"State may ease nursing-home payment rules," 1-24-86 Bergen Record.

"Medicaid law boom to nursing home patients," 4-3-86 Bergen Record.

Senate clears bill to keep nursing homes from evicting Medicaid patients," 2-4-86 Star Ledger.

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3-28-86

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SENATE, No. 1523

## STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1986

By Senator CONTILLO

Referred to Committee on Institutions, Health and Welfare

AN ACT concerning certain patients in nursing homes and amending

*\*P. L. 1945, c. 169 and\* P. L. 1985, c. 303.*

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

1 \*1. Section 5 of P. L. 1945, c. 169 (C. 10:5-5) is amended to  
 2 read as follows:

3 5. As used in this act, unless a different meaning clearly ap-  
 4 pears from the context:

5 a. "Person" includes one or more individuals, partnerships,  
 6 associations, organizations, labor organizations, corporations,  
 7 legal representatives, trustees, trustees in bankruptcy, receivers,  
 8 and fiduciaries.

9 b. "Employment agency" includes any person undertaking to  
 10 procure employees or opportunities for others to work.

11 c. "Labor organization" includes any organization which exists  
 12 and is constituted for the purpose, in whole or in part, of collective  
 13 bargaining, or of dealing with employers concerning grievances,  
 14 terms or conditions of employment, or of other mutual aid or  
 15 protection in connection with employment.

16 d. "Unlawful employment practice" and "unlawful discrimina-  
 17 tion" **[includes]** *include* only those unlawful practices and acts  
 18 specified in section 11 of this act.

19 e. "Employer" includes all persons as defined in subsection a.  
 20 of this section unless otherwise specifically exempt under another  
 21 section of this act, and includes the State, any political or civil  
 22 subdivision thereof, and all public officers, agencies, boards or  
 23 bodies.

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

**Matter printed in italics thus is new matter.**

**Matter enclosed in asterisks or stars has been adopted as follows:  
 \*Senate committee amendments adopted January 30, 1986.**

24 f. "Employee" does not include any individual employed by his  
25 parents, spouse or child, or in the domestic service of any person.

26 g. "Liability for service in the Armed Forces of the United  
27 States" means subject to being ordered as an individual or mem-  
28 ber of an organized unit into active service in the Armed Forces  
29 of the United States by reason of membership in the National  
30 Guard, naval militia or a reserve component of the Armed Forces  
31 of the United States, or subject to being inducted into such armed  
32 forces through a system of national selective service.

33 h. "Division" means the "Division on Civil Rights" created by  
34 this act.

35 i. "Attorney General" means the Attorney General of the State  
36 of New Jersey or his representative or designee.

37 j. "Commission" means the Commission on Civil Rights created  
38 by this act.

39 k. "Director" means the Director of the Division on Civil  
40 Rights.

41 l. "A place of public accommodation" shall include, but not be  
42 limited to: any tavern, roadhouse, hotel, motel, trailer camp, sum-  
43 mer camp, day camp, or resort camp, whether for entertainment  
44 of transient guests or accommodation of those seeking health,  
45 recreation or rest; any producer, manufacturer, wholesaler, dis-  
46 tributor, retail shop, store, establishment, or concession dealing  
47 with goods or services of any kind; any restaurant, eating house,  
48 or place where food is sold for consumption on the premises; any  
49 place maintained for the sale of ice cream, ice and fruit prepara-  
50 tions or their derivatives, soda water or confections, or where any  
51 beverages of any kind are retailed for consumption on the prem-  
52 ises; any garage, any public conveyance operated on land or water,  
53 or in the air, any stations and terminals thereof; **[and]** *any*  
54 bathhouse, boardwalk, or seashore accommodation; any audi-  
55 torium, meeting place, or hall; any theatre, motion-picture house,  
56 music hall, roof garden, skating rink, swimming pool, amusement  
57 and recreation park, fair, bowling alley, gymnasium, shooting  
58 gallery, billiard and pool parlor, or other place of amusement;  
59 any comfort station; any dispensary, clinic or hospital; any public  
60 library; **[and]** *any* kindergarten, primary and secondary school,  
61 trade or business school, high school, academy, college and uni-  
62 versity, or any educational institution under the supervision of  
63 the State Board of Education, or the Commissioner of Education  
64 of the State of New Jersey. Nothing herein contained shall be  
65 construed to include or to apply to any institution, bona fide club,

66 or place of accommodation, which is in its nature distinctly pri-  
67 vate; nor shall anything herein contained apply to any educa-  
68 tional facility operated or maintained by a bona fide religious or  
69 sectarian institution, and the right of a natural parent or one  
70 in loco parentis to direct the education and upbringing of a child  
71 under his control is hereby affirmed; nor shall anything herein  
72 contained be construed to bar any private secondary or post-  
73 secondary school from using in good faith criteria other than race,  
74 creed, color, national origin or ancestry, in the admission of  
75 students.

76 m. "A publicly assisted housing accommodation" shall include  
77 all housing built with public funds or public assistance pursuant  
78 to P. L. 1949, c. 300, P. L. 1941, c. 213, P. L. 1944, c. 169, P. L.  
79 1949, c. 303, P. L. 1938, c. 19, P. L. 1938, c. 20, P. L. 1946, c. 52, and  
80 P. L. 1949, c. 184, and all housing financed in whole or in part by  
81 a loan, whether or not secured by a mortgage, the repayment of  
82 which is guaranteed or insured by the federal government or any  
83 agency thereof.

84 n. The term "real property" includes real estate, lands, tene-  
85 ments and hereditaments, corporeal and incorporeal, and lease-  
86 holds, provided, however, that, except as to publicly assisted hous-  
87 ing accommodations, the provisions of this act shall not apply to  
88 the rental: (1) of a single apartment or flat in a two-family dwell-  
89 ing, the other occupancy unit of which is occupied by the owner as  
90 his residence or the household of his family at the time of such  
91 rental; or (2) of a room or rooms to another person or persons by  
92 the owner or occupant of a one-family dwelling occupied by him as  
93 his residence or the household of his family at the time of such  
94 rental. Nothing herein contained shall be construed to bar any  
95 religious or denominational institution or organization, or any  
96 organization operated for charitable or educational purposes,  
97 which is operated, supervised or controlled by or in connection  
98 with a religious organization, in the sale, lease or rental of real  
99 property, from limiting admission to or giving preference to  
100 persons of the same religion or denomination or from making  
101 such selection as is calculated by such organization to promote  
102 the religious principles for which it is established or maintained.

103 o. "Real estate broker" includes a person, firm or corporation  
104 who, for a fee, commission or other valuable consideration, or by  
105 reason of promise or reasonable expectation thereof, lists for sale,  
106 sells, exchanges, buys or rents, or offers or attempts to negotiate a  
107 sale, exchange, purchase, or rental of real estate or an interest  
108 therein, or collects or offers or attempts to collect rent for the use

109 of real estate, or solicits for prospective purchasers or assists or  
110 directs in the procuring of prospects or the negotiation or closing  
111 of any transaction which does or is contemplated to result in the  
112 sale, exchange, leasing, renting or auctioning of any real estate, or  
113 negotiates, or offers or attempts or agrees to negotiate a loan  
114 secured or to be secured by mortgage or other encumbrance upon  
115 or transfer of any real estate for others; or any person who, for  
116 pecuniary gain or expectation of pecuniary gain conducts a public  
117 or private competitive sale of lands or any interest in lands. In the  
118 sale of lots, the term "real estate broker" shall also include any  
119 person, partnership, association or corporation employed by or on  
120 behalf of the owner or owners of lots or other parcels of real  
121 estate, at a stated salary, or upon a commission, or upon a salary  
122 and commission or otherwise, to sell such real estate, or any parts  
123 thereof, in lots or other parcels, and who shall sell or exchange,  
124 or offer or attempt or agree to negotiate the sale or exchange, of  
125 any such lot or parcel of real estate.

126 p. "Real estate salesman" includes any person who, for com-  
127 pensation, valuable consideration or commission, or other thing of  
128 value, or by reason of a promise or reasonable expectation thereof,  
129 is employed by and operates under the supervision of a licensed  
130 real estate broker to sell or offer to sell, buy or offer to buy or nego-  
131 tiate the purchase, sale or exchange of real estate, or offers or  
132 attempts to negotiate a loan secured or to be secured by a mort-  
133 gage or other encumbrance upon or transfer of real estate, or to  
134 lease or rent, or offer to lease or rent any real estate for others,  
135 or to collect rents for the use of real estate, or to solicit for pros-  
136 pective purchasers or lessees of real estate, or who is employed  
137 by a licensed real estate broker to sell or offer to sell lots or other  
138 parcels of real estate, at a stated salary, or upon a commission,  
140 or upon a salary and commission, or otherwise to sell real estate,  
141 or any parts thereof, in lots or other parcels.

142 q. "Handicapped" means suffering from physical disability,  
143 infirmity, malformation or disfigurement which is caused by bodily  
144 injury, birth defect or illness including epilepsy, and which shall  
145 include, but not be limited to, any degree of paralysis, amputation,  
146 lack of physical coordination, blindness or visual impediment,  
147 deafness or hearing impediment, muteness or speech impediment  
148 or physical reliance on a service or guide dog, wheelchair, or other  
149 remedial appliance or device, or from any mental, psychological or  
150 developmental disability resulting from anatomical, psychological,  
151 physiological or neurological conditions which prevents the normal

152 exercise of any bodily or mental functions or is demonstrable,  
153 medically or psychologically, by accepted clinical or laboratory  
154 diagnostic techniques.

155 r. "Blind person" means any individual whose central visual  
156 acuity does not exceed 20/200 in the better eye with correcting  
157 lens or whose visual acuity is better than 20/200 if accompanied  
158 by a limit to the field of vision in the better eye to such a degree  
159 that its widest diameter subtends an angle of no greater than  
160 20 degrees.

161 s. "Guide dog" means a dog used to assist deaf persons or which  
162 fitted with a special harness so as to be suitable as an aid to the  
163 mobility of a blind person, and is used by a blind person who has  
164 satisfactorily completed a specific course of training in the use of  
165 such a dog, and has been trained by an organization generally  
166 recognized by agencies involved in the rehabilitation of the blind  
167 or deaf as reputable and competent to provide dogs with training  
168 of this type.

169 t. "Guide or service dog trainer" means any person who is em-  
170 ployed by an organization generally recognized by agencies in-  
171 volved in the rehabilitation of the blind, handicapped or deaf as  
172 reputable and competent to provide dogs with training, and who is  
173 actually involved in the training process.

174 u. "Housing accommodation" means any publicly assisted hous-  
175 ing accommodation or any real property, or portion thereof, which  
176 is used or occupied, or is intended, arranged, or designed to be  
177 used or occupied, as the home, residence or sleeping place of one  
178 or more persons, but shall not include any single family residence  
179 the occupants of which rent, lease, or furnish for compensation  
180 not more than one room therein.

181 v. "Public facility" means any place of public accommodation  
182 and any street, highway, sidewalk, walkway, public building, and  
183 any other place or structure to which the general public is regu-  
184 larly, normally or customarily permitted or invited.

185 w. "Deaf person" means any person whose hearing is so se-  
186 verely impaired that he is unable to hear and understand normal  
187 conversational speech through the unaided ear alone, and who  
188 must depend primarily on supportive device or visual communica-  
189 tion such as writing, lip reading, sign language, and gestures.

190 x. "A typical hereditary cellular or blood trait" means sickle  
191 cell trait, hemoglobin C trait, thalassemia trait, Tay-Sachs trait,  
192 or cystic fibrosis trait.

193 y. "Sickle cell trait" means the condition wherein the major  
194 natural hemoglobin components present in the blood of the in-

195 dividual are hemoglobin A (normal) and hemoglobin S (sickle  
 196 hemoglobin) as defined by standard chemical and physical analytic  
 197 techniques, including electrophoresis; and the proportion of hemo-  
 198 globin A is greater than the proportion of hemoglobin S or one  
 199 natural parent of the individual is shown to have only normal  
 200 hemoglobin components (hemoglobin A, hemoglobin A2, hemo-  
 201 globin F) in the normal proportions by standard chemical and  
 202 physical analytic tests.

203 z. "Hemoglobin C trait" means the condition wherein the major  
 204 natural hemoglobin components present in the blood of the in-  
 205 dividual are hemoglobin A (normal) and hemoglobin C as defined  
 206 by standard chemical and physical analytic techniques, including  
 207 electrophoresis; and the proportion of hemoglobin A is greater  
 208 than the proportion of hemoglobin C or one natural parent of the  
 209 individual is shown to have only normal hemoglobin components  
 210 (hemoglobin A, hemoglobin A2, hemoglobin F) in normal propor-  
 211 tions by standard chemical and physical analytic tests.

212 aa. "Thalassemia trait" means the presence of the thalassemia  
 213 gene which in combination with another similar gene results in  
 214 the chronic hereditary disease Cooley's anemia.

215 bb. "Tay-Sachs trait" means the presence of the Tay-Sachs  
 216 gene which in combination with another similar gene results in the  
 217 chronic hereditary disease Tay-Sachs.

218 cc. "Cystic fibrosis trait" means the presence of the cystic fi-  
 219 brosis gene which in combination with another similar gene results  
 220 in the chronic hereditary disease cystic fibrosis.

221 dd. "Service dog" means any dog individually trained to a  
 222 handicapped person's requirements including, but not limited to,  
 223 minimal protection work, rescue work, pulling a wheelchair or re-  
 224 trieving dropped items.

225 ee. "Qualified Medicaid applicant" means an individual who is  
 226 a qualified [or eligible to receive skilled nursing or intermediate  
 227 care facility services which are reimbursable by the Medicaid  
 228 program pursuant to] *applicant pursuant to* P. L. 1968, c. 413  
 229 (C. 30:4D-1 et seq.).

1 2. Section 6 of P. L. 1985, c. 303 (C. 30:4D-17.3) is amended as  
 2 follows:

3 6. a. No person shall at any time knowingly charge, solicit,  
 4 accept or receive, in addition to any amount otherwise required to  
 5 be paid under P. L. 1968, c. 413 (C. 30:4D-1 et seq.), any gift,  
 6 money, donation or other consideration other than a charitable,  
 7 religious, or philanthropic contribution from an organization or  
 8 from a person unrelated to the patient as a precondition of ad-  
 9 mitting a patient to a skilled nursing facility or intermediate care

10 facility or as a requirement for a patient's continued stay in the  
11 facility when the cost of the services provided therein to the  
12 patient is paid for in whole or in part under P. L. 1968, c. 413  
13 (C. 30:4D-1 et seq.). A person who violates this subsection is  
14 guilty of a crime of the third degree.

15 b. No person shall knowingly require as a condition of accepting  
16 payment under P. L. 1968, c. 413 (C. 30:4D-1 et seq.) that a  
17 **person financially eligible for benefits** *qualified applicant* or his  
18 family member pay or enter into an agreement to pay as a private  
19 patient at a skilled nursing or intermediate care facility for any  
20 period. A person who violates this subsection is guilty of a crime  
21 of the third degree.

22 c. No person shall knowingly require as a condition of continued  
23 stay at a skilled nursing facility or intermediate care facility  
24 *approved as a Medicaid provider* that a **person financially eligible**  
25 **for benefits under** *qualified applicant as defined pursuant to*  
26 P. L. 1968, c. 413 (C. 30:4D-1 et seq.) or his family member pay  
27 any sum of money, or other consideration, including the furnishing  
28 of an agreement by a family member which obligates that party to  
29 pay for care rendered a **financially eligible person** *qualified*  
30 *applicant*. A person who violates this subsection is guilty of a  
31 crime of the third degree.

32 d. The provisions of subsections a., b. and c. of this section shall  
33 not apply to agreements to provide continuing care between a life  
34 care community, as defined by regulation, and a person financially  
35 eligible for benefits under P. L. 1968, c. 413 (C. 30:4D-1 et seq.).

36 e. Any person who violates subsection a. of this section, in  
37 addition to any other penalties provided by law, is civilly liable:  
38 (1) to the paying individual for the amount of any gift, money,  
39 donation or other consideration, and for interest on the amount of  
40 any gift, money, donation or other consideration at the maximum  
41 legal rate in effect on the date of payment; (2) to the State for  
42 payment of any amount not to exceed threefold the amount of any  
43 gift, money, donation or other consideration referred to in sub-  
44 section a. of this section; and (3) to the State for payment in the  
45 sum of \$5,000.00 for each claim submitted for reimbursement for a  
46 period in which a gift, money, donation or other consideration  
47 referred to in subsection a. of this section was charged, solicited,  
48 accepted, or received.

49 f. Any person who violates **subsections** *subsection* b. or c. of  
50 this section in addition to any other penalties provided by law



51 is civilly liable to: the paying individual for the amount paid on  
 52 behalf of a **[financially eligible person]** *qualified applicant* plus  
 53 interest at the maximum legal rate in effect on the date of payment  
 54 and attorney's fees; and to the State for payment of a penalty  
 55 in the amount of \$5,000.00.

56 g. The Attorney General may bring a civil action in the name  
 57 of the paying individual and the Department of Human Services  
 58 for the collection and enforcement of civil penalties provided for  
 59 in this section.

60 A paying individual may bring a civil action in the Superior  
 61 Court to enforce his rights under this section.

62 A civil penalty incurred pursuant to this section may be re-  
 63 covered with costs in a summary proceeding pursuant to "the  
 64 penalty enforcement law," N. J. S. 2A:58-1 et seq.\*

1 \***[1.]**\* \*3.\* Section 9 of P. L. 1985, c. 303 (C. 30:4D-17.6) is  
 2 amended to read as follows:

3 9. a. If a skilled nursing or intermediate care facility notifies  
 4 the commissioner within 180 days following the date of enactment  
 5 of this amendatory and supplementary act that the facility shall  
 6 no longer be a Medicaid provider and that (1) the facility has  
 7 one or more Medicaid **[eligible patients]** *qualified applicants* re-  
 8 siding therein or (2) *the facility has one or more patients re-*  
 9 *siding therein who are paying privately for their care at the*  
 10 *facility under the terms of an agreement entered into before*  
 11 *August 24, 1985 and who will become Medicaid qualified applicants*  
 12 *upon the expiration of the agreement,* the commissioner may, at the  
 13 request of the facility, permit the facility to continue to provide  
 14 skilled nursing or intermediate care services to those Medicaid  
 15 **[eligible patients]** *current and prospective qualified applicants* re-  
 16 siding therein without being required to admit any new Medicaid  
 17 **[eligible patients]** *qualified applicants.*

18 The commissioner may grant a facility's request to do so if the  
 19 request is in the best interests of the Medicaid **[eligible patients]**  
 20 *qualified applicants* residing therein. For the period of time that  
 21 **[the]** *any* Medicaid **[eligible patients]** *qualified applicants* con-  
 22 tinue to reside in the facility, that facility shall comply with all  
 23 applicable provisions of P. L. 1968, c. 413 (C. 30:4D-1 et seq.).

24 b. If a skilled nursing or intermediate care facility which with-  
 25 draws as a Medicaid provider pursuant to this section subsequently  
 26 reapplies to the department to become a Medicaid provider, the  
 27 commissioner may require as a condition of becoming a Medicaid  
 28 provider that the facility enter into a three year Medicaid pro-  
 29 vider contract with the department.

1 \***[2.]**\* \*4.\* This act shall take effect immediately.

## PUBLIC ASSISTANCE

Private pay contracts—Medicaid

Permits nursing homes to transfer persons on private pay contract to Medicaid even if the nursing home stops participating in the program.

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**SENATE, No. 1523**

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**STATE OF NEW JERSEY**

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INTRODUCED JANUARY 23, 1986

By Senator CONTILLO

Referred to Committee on Institutions, Health and Welfare

AN ACT concerning certain patients in nursing homes and amending  
P. L. 1985, c. 303.

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

1 1. Section 9 of P. L. 1985, c. 303 (C. 30:4D-17.6) is amended  
2 to read as follows:

3 9. a. If a skilled nursing or intermediate care facility notifies  
4 the commissioner within 180 days following the date of enactment  
5 of this amendatory and supplementary act that the facility shall  
6 no longer be a Medicaid provider and that (1) the facility has  
7 one or more Medicaid **[eligible patients]** *qualified applicants* re-  
8 siding therein or (2) *the facility has one or more patients re-*  
9 *siding therein who are paying privately for their care at the*  
10 *facility under the terms of an agreement entered into before*  
11 *August 24, 1985 and who will become Medicaid qualified applicants*  
12 *upon the expiration of the agreement,* the commissioner may, at the  
13 request of the facility, permit the facility to continue to provide  
14 skilled nursing or intermediate care services to those Medicaid  
15 **[eligible patients]** *current and prospective qualified applicants* re-  
16 siding therein without being required to admit any new Medicaid  
17 **[eligible patients]** *qualified applicants.*

18 The commissioner may grant a facility's request to do so if the  
19 request is in the best interests of the Medicaid **[eligible patients]**  
20 *qualified applicants* residing therein. For the period of time that  
21 **[the]** *any Medicaid [eligible patients] qualified applicants* con-  
22 tinue to reside in the facility, that facility shall comply with all

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

**Matter printed in italics thus is new matter.**

23 applicable provisions of P. L. 1968, c. 413 (C. 30:4D-1 et seq.).  
24 b. If a skilled nursing or intermediate care facility which with-  
25 draws as a Medicaid provider pursuant to this section subsequently  
26 reapplies to the department to become a Medicaid provider, the  
27 commissioner may require as a condition of becoming a Medicaid  
28 provider that the facility enter into a three year Medicaid pro-  
29 vider contract with the department.  
1 2. This act shall take effect immediately.

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#### STATEMENT

This bill provides that a nursing home which withdraws from the Medicaid program but has patients who are currently paying privately for their care under the terms of a private pay contract with the understanding that upon the expiration of the contract the person will become eligible for Medicaid, may request that the Commission of Human Services permit the facility to retain these persons at the facility after they become Medicaid eligible.

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#### PUBLIC ASSISTANCE

Private pay contracts—Medicaid

Permits nursing homes to transfer persons on private pay contract to Medicaid even if the nursing home stops participating in the program.

51523(1986)

SENATE INSTITUTIONS, HEALTH AND WELFARE  
COMMITTEE

STATEMENT TO

**SENATE, No. 1523**

with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: JANUARY 30, 1986

The Senate Institutions, Health and Welfare Committee favorably reports Senate Bill No. 1523 with committee amendments.

This bill provides that a nursing home which withdraws from the Medicaid program but has patients therein who are currently paying privately for their care under the terms of a private pay contract with the understanding that upon expiration of the contract the person will become eligible for Medicaid, may request that the Commissioner of Human Services permit the facility to retain those persons at the facility after they become eligible for Medicaid. The bill provides that its provisions shall only apply to persons who entered into a private-pay contract before August 24, 1985 (the date the law prohibiting the use of private-pay contracts as a condition for admission to a nursing home was enacted).

Under the provisions of the bill, the nursing homes option to request permission to retain the potentially Medicaid eligibel persons after it withdraws from the Medicaid program is available only until February 19, 1986, which is 180 days from the date of enactment of P. L. 1985, c. 303.

As amended, the provisions of this bill are identical to committee amendments adopted to Senate Bill No. 3464 of 1985 which sought to clarify the Legislature's intent with respect to the validity of private-pay contracts that were in effect upon the date of enactment of P. L. 1985, c. 303. That bill passed in both Houses of the Legislature but was pocket vetoed by the Governor at the end of the 1984-85 session.

The committee adopted various technical amendments to the bill to ensure that the term "qualified applicant" is used consistently throughout P. L. 1985, c. 303.

ASSEMBLY HEALTH AND HUMAN RESOURCES  
COMMITTEE

STATEMENT TO

**SENATE, No. 1523**

[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

DATED: FEBRUARY 13, 1986

The Assembly Health and Human Resources Committee reports favorably Senate Bill No. 1523 OCR.

This bill is identical to Assembly Bill No. 1932 Aca (Schuber) which the committee also reported on this date.

The bill is intended to protect nursing home patients who were, as of August 24, 1985, when P. L. 1985, c. 303 (C. 10:5-5 et al.) was enacted, paying for their care under a private pay contract which would allow them to qualify for Medicaid when the contract expires. The new law bans private pay contracts and prohibits a nursing home from discriminating against a Medicaid client who applies for admission in favor of a private-pay patient if fewer than 45 percent of the residents are Medicaid patients (the percentage which applies for the first year in which P. L. 1985, c. 303 is in effect). At least a dozen nursing homes have notified the Division of Medical Assistance and Health Services in the Department of Human Services that they intend to withdraw from the Medicaid program by the deadline established in P. L. 1985, c. 303, i.e., 180 days following the effective date of that act. Under existing law, a patient in one of these nursing homes who is now paying at a private rate would have to leave the home once the patient's own funds are depleted because Medicaid coverage would not be available to any person who was not Medicaid eligible on the effective date of the facility's withdrawal from the program, even if the person was paying under a private pay contract prior to the enactment of P. L. 1985, c. 303. This bill allows a nursing home which withdraws from the Medicaid program to request the Commissioner of Human Services to permit the home to retain patients who are paying privately for their care under the terms of a private pay contract once these patients become Medicaid eligible.



114,101  
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# OFFICE OF THE GOVERNOR NEWS RELEASE

**CN-001**

**Contact:**

PAUL WOLCOTT  
609-292-8956 or

**609-292-6000, Ext. 285**

**TRENTON, N.J. 08625**

**Release: WED., APRIL 2, 1986**

Governor Thomas H. Kean has signed the following bills:

S-1523, sponsored by State Senator Paul J. Contillo, D-Bergen, which permits nursing homes to continue to provide health care services to patients who become eligible for Medicaid upon the expiration of private pay contracts, even if the nursing home has withdrawn from Medicaid.

The bill applies in the case of legal private pay contracts involving patients who have contracts with nursing homes to permit them to move to Medicaid when their own private resources are depleted. Some of those nursing homes withdrew from Medicaid subsequent to signing such contracts. The bill does not apply to the type of private pay contracts which are now prohibited in New Jersey. The prohibited type of contract was one in which a Medicaid-eligible patient about to enter a nursing home was required to first enter under a private pay contract paid for by other individuals for a specified period of time in order to be accepted by the nursing home.

A-1720/S-1626, sponsored by Assemblyman Joseph V. Doria, D-Hudson and State Senator Matthew Feldman, D-Bergen, which extends the mandated minimum salary for teachers to teaching staff members employed by educational services commissions.

# # # #