

30:1-12

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2011 **CHAPTER:** 136

NJSA: 30:1-12 (Concerns contracting and licensing procedures for certain organizations under contract with DHS and DCF)

BILL NO: A2366 (Substituted for S2331)

SPONSOR(S) Vainieri Huttie and others

DATE INTRODUCED: February 25, 2010

COMMITTEE: **ASSEMBLY:** Human Services
 SENATE: Health, Human Services and Senior Citizens

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 29, 2011
 SENATE: August 25, 2011

DATE OF APPROVAL: September 30, 2011

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Second reprint enacted)

A2366

SPONSOR'S STATEMENT: (Begins on page 2 of introduced bill)	Yes
COMMITTEE STATEMENT:	
ASSEMBLY:	Yes
SENATE:	Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	Yes
LEGISLATIVE FISCAL ESTIMATE:	Yes 6-18-10 5-26-11 8-29-11

S2331

SPONSOR'S STATEMENT: (Begins on page 2 of introduced bill)	Yes
COMMITTEE STATEMENT:	
ASSEMBLY:	No
SENATE:	Yes
FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	Yes 1-5-11 5-26-11

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: Yes

HEARINGS: No

NEWSPAPER ARTICLES: No

974.90 R424 2010f

Final report [of the] transition subcommittee [on the] Departments of Human Services and Children and Families. [Trenton, NJ: New Jersey Office of the Governor, 2010]

<http://dspace.njstatelib.org:8080/xmlui/bitstream/handle/10929/24374/r4242010f.pdf?sequence=1>

LAW/RWH

P.L.2011, CHAPTER 136, *approved September 30, 2011*
Assembly, No. 2366 (*Second Reprint*)

1 AN ACT concerning contracting for social services and
2 supplementing Title 30 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. The Commissioners of Human Services and Children and
8 Families, or their designees, shall, to the extent practicable,
9 collaborate to establish:

10 a. uniform contracting requirements for social service
11 organizations that contract with the ¹**[Departments] Department**¹ of
12 Human Services or ¹**the Department of**¹ Children and Families, or
13 both, to provide services to clients of the departments. The
14 requirements shall include, but not be limited to, uniform reporting
15 procedures and uniform audit schedules;

16 b. centralized licensing review ¹**and licensing issuance**¹
17 procedures in which¹:

18 ¹**(1)**¹ the Department of Human Services or ¹**the Department of**¹
19 Children and Families, as appropriate, shall review the ²**[credentials**
20 of a social service organization] **requirements**² for the purpose of
21 licensing the ²**[organization] program**² to provide specified
22 services to clients of the applicable department, which review shall
23 serve as the basis for issuing or renewing one or more licenses
24 required by the ¹**[Departments] Department**¹ of Human Services or
25 ¹**the Department of**¹ Children and Families, or both, to provide
26 other services to clients of the departments;

27 ¹**(2)** ²**in the case of** ²**[a client receiving services from both the**
28 **Department of Human Services and the Department of Children and**
29 **Families, if the facility serving the client is licensed by one of the**
30 **departments, the facility shall be deemed licensed by the other**
31 **department;**¹ ¹**an organization with programs licensed to provide**
32 **services through both the Department of Human Services and the**
33 **Department of Children and Families, each program shall be issued**
34 **a license by a single department, to the extent practicable, in**
35 **accordance with the agreed upon licensing issuance procedures;**²
36 and

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 underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SHH committee amendments adopted May 12, 2011.

²Assembly floor amendments adopted June 29, 2011.

1 c. a multi-year contract to a social service organization that has
2 exhibited a good compliance record with contracting requirements
3 and licensing standards, as determined by the Commissioner of
4 Human Services or 'the Commissioner of' Children and Families,
5 as applicable.

6
7 2. This act shall take effect on the first day of the second month
8 next following the date of enactment.

9
10
11 _____
12
13 Concerns contracting and licensing procedures for certain
14 organizations under contract with DHS and DCF.

ASSEMBLY, No. 2366

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY 25, 2010

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblyman DECLAN J. O'SCANLON, JR.

District 12 (Mercer and Monmouth)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

Assemblyman ANGEL FUENTES

District 5 (Camden and Gloucester)

Co-Sponsored by:

Assemblywomen Angelini, McHose and Wagner

SYNOPSIS

Concerns contracting and licensing procedures for certain organizations under contract with DHS and DCF.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/21/2010)

1 AN ACT concerning contracting for social services and
2 supplementing Title 30 of the Revised Statutes.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. The Commissioners of Human Services and Children and
8 Families, or their designees, shall, to the extent practicable,
9 collaborate to establish:

10 a. uniform contracting requirements for social service
11 organizations that contract with the Departments of Human Services
12 or Children and Families, or both, to provide services to clients of
13 the departments. The requirements shall include, but not be limited
14 to, uniform reporting procedures and uniform audit schedules;

15 b. centralized licensing review procedures in which the
16 Department of Human Services or Children and Families, as
17 appropriate, shall review the credentials of a social service
18 organization for the purpose of licensing the organization to provide
19 specified services to clients of the applicable department, which
20 review shall serve as the basis for issuing or renewing one or more
21 licenses required by the Departments of Human Services or
22 Children and Families, or both, to provide other services to clients
23 of the departments; and

24 c. a multi-year contract to a social service organization that has
25 exhibited a good compliance record with contracting requirements
26 and licensing standards, as determined by the Commissioner of
27 Human Services or Children and Families, as applicable.

28

29 2. This act shall take effect on the first day of the second month
30 next following the date of enactment.

31

32

33

STATEMENT

34

35 This bill requires the Commissioners of Human Services and
36 Children and Families, or their designees, to collaborate to
37 establish, to the extent practicable, uniform contracting
38 requirements and centralized licensing review procedures for social
39 service organizations that provide services to clients of the
40 Departments of Human Services (DHS) or Children and Families
41 (DCF), or both.

42 Specifically, the bill requires uniform contracting requirements
43 for social service organizations that contract with DHS or DCF, or
44 both. The requirements would include, but not be limited to,
45 uniform reporting procedures and uniform audit schedules.

46 Additionally, DHS or DCF, as appropriate, would review the
47 credentials of a social service organization for the purpose of
48 licensing the organization to provide specified services to clients of

1 the applicable department, which review would serve as the basis
2 for issuing or renewing one or more licenses required by DHS or
3 DCF, or both, to provide other services to clients of the
4 departments.

5 DHS and DCF also would issue multi-year contracts (rather than
6 one-year contracts) to a social service organization that has
7 exhibited a good compliance record with contracting requirements
8 and licensing standards, as determined by the Commissioner of
9 Human Services or Children and Families.

10 The bill has a delayed effective date of one month following the
11 date of enactment.

12 This legislation is based on a recommendation, in the Final
13 Report of the Governor's Transition Subcommittee for the
14 Departments of Human Services and Children and Families, and is
15 designed to streamline licensing and contracting procedures for the
16 two departments.

ASSEMBLY HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2366

STATE OF NEW JERSEY

DATED: MAY 13, 2010

The Assembly Human Services Committee reports favorably Assembly Bill No. 2366.

This bill requires the Commissioners of Human Services and Children and Families, or their designees, to collaborate to establish, to the extent practicable, uniform contracting requirements and centralized licensing review procedures for social service organizations that provide services to clients of the Departments of Human Services (DHS) or Children and Families (DCF), or both.

Specifically, the bill requires uniform contracting requirements for social service organizations that contract with DHS or DCF, or both. The requirements would include, but not be limited to, uniform reporting procedures and uniform audit schedules.

Additionally, DHS or DCF, as appropriate, would review the credentials of a social service organization for the purpose of licensing the organization to provide specified services to clients of the applicable department, which review would serve as the basis for issuing or renewing one or more licenses required by DHS or DCF, or both, to provide other services to clients of the departments.

DHS and DCF also would issue multi-year contracts (rather than one-year contracts) to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards, as determined by the Commissioner of Human Services or Children and Families.

The bill has a delayed effective date of one month following the date of enactment.

This legislation is based on a recommendation, in the Final Report of the Governor's Transition Subcommittee for the Departments of Human Services and Children and Families, and is designed to streamline licensing and contracting procedures for the two departments.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 2366
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JUNE 18, 2010

SUMMARY

Synopsis: Concerns contracting and licensing procedures for certain organizations under contract with Department of Human Services (DHS) and Department of Children and Families (DCF).

Type of Impact: No savings or cost to DHS or DCF.

Agencies Affected: DHS and DCF though government agencies that contract with either department may be affected.

Office of Legislative Services Estimate

Fiscal Impact	<u>Years 1 – 3</u>
State Cost	None.

BILL DESCRIPTION

Assembly Bill No. 2366 of 2010 requires the Commissioners of DHS and DCF to collaborate to establish, to the extent practicable, uniform contracting requirements with respect to reporting procedures, audit schedules, and centralized licensing review procedures for social services organizations that provide services to clients of the two departments. Further, DHS and DCF would issue multi-year contracts, rather than one-year contracts, to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None provided.

OFFICE OF LEGISLATIVE SERVICES

There are no savings or costs to the State associated with this legislation. The affected

contract agencies may see some reduction in their administrative costs that cannot be quantified. The following is noted:

- Although the intent of this legislation is to reduce duplicative State administrative requirements for contract agencies, the agencies will continue to experience potentially duplicative administrative requirement imposed by local and federal funding sources:

Many organizations receive funds directly from federal agencies. This legislation will not affect administrative requirements associated with the receipt of such federal funds.

Many organizations contract with other State agencies, and with county and municipal governments. Unless other State agencies and county and municipal governments adopt the same policies as DHS and DCF, administrative policies that may be duplicative would continue.

In addition to being licensed by DHS and DCF, many organizations are licensed by private entities such as, The Joint Commission or the Commission of Accreditation of Rehabilitation Facilities. This legislation will not affect the licensing policies of private licensing organizations.

- Joint inspections of organizations that both DHS and DCF contract with have been conducted where possible. As DHS largely serves adults and DCF primarily serves children, licensing requirements for the two population groups may differ, which can minimize the ability to conduct joint inspections. Further, as Legislators have expressed concern as to the adequacy of monitoring and oversight by DHS and DCF of clients who receive services from organizations under contract to the two departments, independent licensing reviews by DHS and DCF may identify an issue that did not exist or may not have been identified in a prior licensing review of that organization. For example, DHS may have deemed medication monitoring documentation adequate at an adult group home operated by agency X. DCF reviewing a group home for children operated by agency X may have had issues with medication monitoring documentation. DCF will likely bring the issue to the attention of DHS, and DHS may conduct another review of the issue.
- The same general level of initial and ongoing contract review and monitoring would continue under multi-year contracting. In fact, additional scrutiny of multi-year contracts may be necessary as the financial/programmatic assumptions underlying multi-year contracts are more uncertain than the financial/programmatic assumptions of a one-year contract. Further, once actual expenditure, revenue, and utilization data become available, this would affect projections in the out years of multi-year contracts.
- The approval of a multi-year contract does not guarantee that the annual Appropriations Act will provide the amount of funds required for the second-year of a multi-year contract. At present, when the Department of the Treasury awards multi-year contracts through the Division of Purchase and Property for the purchase of goods and services, the contract includes language that makes funds for subsequent years contingent on the Legislature appropriating funds in the annual Appropriations Act.

Section: Human Services

*Analyst: Jay Hershberg
Principal Fiscal Analyst*

*Approved: David J. Rosen
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.).

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2366

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 2011

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Assembly Bill No. 2366.

As amended by committee, this bill requires the Commissioners of Human Services and Children and Families, or their designees, to collaborate to establish, to the extent practicable, uniform contracting requirements and centralized licensing review and licensing issuance procedures for social service organizations that provide services to clients of the Department of Human Services (DHS) or the Department of Children and Families (DCF), or both.

Specifically, the bill requires uniform contracting requirements for social service organizations that contract with DHS or DCF, or both. The requirements would include, but not be limited to, uniform reporting procedures and uniform audit schedules.

DHS or DCF, as appropriate, would review the credentials of a social service organization for the purpose of licensing the organization to provide specified services to clients of the applicable department, which review would serve as the basis for issuing or renewing one or more licenses required by DHS or DCF, or both, to provide other services to clients of the departments. Also, in the case of a client receiving services from both DHS and DCF, if the facility serving the client is licensed by one of the departments, the facility shall be deemed licensed by the other department.

DHS and DCF also would issue multi-year contracts (rather than one-year contracts) to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards, as determined by the Commissioner of Human Services or Children and Families.

The bill has a delayed effective date of one month following the date of enactment.

This legislation is based on a recommendation, in the Final Report of the Governor's Transition Subcommittee for the Departments of Human Services and Children and Families, and is designed to

streamline licensing and contracting procedures for the two departments.

The committee amended the bill to specify that the departments shall collaborate to establish centralized licensing issuance procedures, as well as centralized licensing review procedures. Also, amendments provide that in the case of a client receiving services from both DHS and DCF, if the facility serving the client is licensed by one of the departments, the facility shall be deemed licensed by the other department.

As amended by committee, this bill is identical to Senate Bill No. 2331(SCA) (Beck/Buono), which was also reported favorably on this date.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2366

STATE OF NEW JERSEY 214th LEGISLATURE

DATED: MAY 26, 2011

SUMMARY

- Synopsis:** Concerns contracting and licensing procedures for certain organizations under contract with Department of Human Services (DHS) and Department of Children and Families (DCF).
- Type of Impact:** No savings or cost to DHS or DCF
- Agencies Affected:** DHS and DCF, though other government agencies that contract with either department may be affected.

Office of Legislative Services Estimate

Fiscal Impact	<u>Years 1-3</u>
State Cost	None – See comments below

BILL DESCRIPTION

Assembly Bill No. 2366 (1R) of 2010 requires the Commissioners of DHS and DCF to collaborate to establish, to the extent practicable, uniform contracting requirements with respect to reporting procedures, audit schedules, and centralized licensing review and issuing procedures for social services organizations that provide services to clients of one or both of the two departments. Further, DHS and DCF would issue multi-year contracts, rather than one-year contracts, to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None provided.

OFFICE OF LEGISLATIVE SERVICES

There are no savings or costs to the State associated with this legislation. The affected contract agencies may see some reduction in their administrative costs that cannot be quantified. The following is noted:

- Although the intent of this legislation is to reduce duplicative State administrative requirements for contract agencies, the agencies will continue to experience potentially duplicative administrative requirements imposed by other public and private funding sources:

Many organizations receive funds directly from federal agencies. This legislation will not affect administrative requirements associated with the receipt of such federal funds.

Many organizations contract with other State agencies, and with county and municipal governments. Unless other State agencies and county and municipal governments adopt the same policies as DHS and DCF, administrative policies that may be duplicative would continue.

In addition to being licensed by DHS and DCF, many organizations are licensed by private entities such as, The Joint Commission or the Commission of Accreditation of Rehabilitation Facilities. This legislation will not affect the licensing policies of private licensing organizations.

- Joint inspections of organizations that both DHS and DCF contract with have been conducted where possible. As DHS largely serves adults and DCF primarily serves children, appropriate licensing requirements for the two population groups may differ, which can minimize both the need and the ability to conduct joint inspections.
- The commissioners of the two departments may determine that stricter licensing standards and more extensive inspections are necessary in order to anticipate the possibility of a DHS-licensed facility receiving automatic licensure by DCF, or vice-versa.
- As Legislators have expressed concern as to the adequacy of monitoring and oversight by DHS and DCF of clients who receive services from organizations under contract to the two departments, independent licensing reviews by DHS and DCF may identify an issue that did not exist or may not have been identified in a prior licensing review of that organization. For example, DHS may have deemed medication monitoring documentation adequate at an adult group home operated by agency X. DCF reviewing a group home for children operated by agency X may have had issues with medication monitoring documentation. The DCF will likely bring the issue to the attention of DHS, and DHS may conduct another review of the issue.
- The same general level of initial and ongoing contract review and monitoring would continue under multi-year contracting. In fact, additional scrutiny of multi-year contracts may be necessary as the financial/programmatic assumptions underlying multi-year contracts are more uncertain than the financial/programmatic assumptions of a one-year

contract. Further, once actual expenditure, revenue, and utilization data become available, this would affect projections in the out years of multi-year contracts.

- The approval of a multi-year contract does not guarantee that the annual Appropriations Act will provide the amount of funds required for the second year of a multi-year contract. At present, when the Department of the Treasury awards multi-year contracts through the Division of Purchase and Property for the purchase of goods and services, the contract includes language that makes funds for subsequent years contingent on the Legislature appropriating funds in the annual Appropriations Act.

Section: Human Services

*Analyst: David Drescher
Assistant Fiscal Analyst*

*Approved: David J. Rosen
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.).

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 2366

with Assembly Floor Amendments
(Proposed by Assemblywoman VAINIERI HUTTLE)

ADOPTED: JUNE 29, 2011

This floor amendment mandates that the Department of Human Services or the Department of Children and Families review uniform contracting requirements for the purpose of licensing a social service organization's program providing specified services to clients of the applicable department, rather than the organization, as the bill currently provides.

The amendment also removes language establishing licensing requirements for a facility providing services to a client of both the Departments of Human Services and Children and Families, and replaces it with language stipulating that in the case of an organization with programs licensed to provide services through both departments, each program shall be issued a license by a single department, to the extent practicable, in accordance with the agreed upon licensing issuance procedures.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 2366

STATE OF NEW JERSEY 214th LEGISLATURE

DATED: AUGUST 29, 2011

SUMMARY

- Synopsis:** Concerns contracting and licensing procedures for certain organizations under contract with Department of Human Services (DHS) and Department of Children and Families (DCF).
- Type of Impact:** No savings or cost to DHS or DCF.
- Agencies Affected:** DHS and DCF, though other government agencies that contract with either department may be affected.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1-3</u>
State Cost	None – See comments below

BILL DESCRIPTION

Assembly Bill No. 2366 (2R) of 2010 requires the Commissioners of DHS and DCF to collaborate to establish, to the extent practicable, uniform contracting requirements with respect to reporting procedures, audit schedules, and centralized licensing review and issuing procedures for social services organizations that provide services to clients of one or both of the two departments. Further, DHS and DCF would issue multi-year contracts, rather than one-year contracts, to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None provided.

OFFICE OF LEGISLATIVE SERVICES

There are no savings or costs to the State associated with this legislation. The affected contract agencies may see some reduction in their administrative costs that cannot be quantified. The following is noted:

- Although the intent of this legislation is to reduce duplicative State administrative requirements for contract agencies, the agencies will continue to experience potentially duplicative administrative requirements imposed by other public and private funding sources:

Many organizations receive funds directly from federal agencies. This legislation will not affect administrative requirements associated with the receipt of such federal funds.

Many organizations contract with other State agencies, and with county and municipal governments. Unless other State agencies and county and municipal governments adopt the same policies as DHS and DCF, administrative policies that may be duplicative would continue.

In addition to being licensed by DHS and DCF, many organizations are licensed by private entities such as The Joint Commission or the Commission of Accreditation of Rehabilitation Facilities. This legislation will not affect the licensing policies of private licensing organizations.

- Joint inspections of organizations that both DHS and DCF contract with have been conducted where possible. As DHS largely serves adults and DCF primarily serves children, appropriate licensing requirements for the two population groups may differ, which can minimize both the need and the ability to conduct joint inspections.
- As Legislators have expressed concern as to the adequacy of monitoring and oversight by DHS and DCF of clients who receive services from organizations under contract to the two departments, independent licensing reviews by DHS and DCF may identify an issue that did not exist or may not have been identified in a prior licensing review of that organization. For example, DHS may have deemed medication monitoring documentation adequate at an adult group home operated by agency X. DCF reviewing a group home for children operated by agency X may have had issues with medication monitoring documentation. DCF will likely bring the issue to the attention of DHS, and DHS may conduct another review of the issue.
- The same general level of initial and ongoing contract review and monitoring would continue under multi-year contracting. In fact, additional scrutiny of multi-year contracts may be necessary as the financial/programmatic assumptions underlying multi-year contracts are more uncertain than the financial/programmatic assumptions of a one-year contract. Further, once actual expenditure, revenue, and utilization data become available, this would affect projections in the out years of multi-year contracts.
- The approval of a multi-year contract does not guarantee that the annual Appropriations Act will provide the amount of funds required for the second year of a multi-year

contract. At present, when the Department of the Treasury awards multi-year contracts through the Division of Purchase and Property for the purchase of goods and services, the contract includes language that makes funds for subsequent years contingent on the Legislature appropriating funds in the annual Appropriations Act.

Section: Human Services

*Analyst: David Drescher
Assistant Fiscal Analyst*

*Approved: David J. Rosen
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.).

SENATE, No. 2331

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED OCTOBER 7, 2010

Sponsored by:

Senator JENNIFER BECK

District 12 (Mercer and Monmouth)

Senator BARBARA BUONO

District 18 (Middlesex)

SYNOPSIS

Concerns contracting and licensing procedures for certain organizations under contract with DHS and DCF.

CURRENT VERSION OF TEXT

As introduced.



S2331 BECK, BUONO

2

1 AN ACT concerning contracting for social services and
2 supplementing Title 30 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. The Commissioners of Human Services and Children and
8 Families, or their designees, shall, to the extent practicable,
9 collaborate to establish:

10 a. uniform contracting requirements for social service
11 organizations that contract with the Departments of Human Services
12 or Children and Families, or both, to provide services to clients of
13 the departments. The requirements shall include, but not be limited
14 to, uniform reporting procedures and uniform audit schedules;

15 b. centralized licensing review procedures in which the
16 Department of Human Services or Children and Families, as
17 appropriate, shall review the credentials of a social service
18 organization for the purpose of licensing the organization to provide
19 specified services to clients of the applicable department, which
20 review shall serve as the basis for issuing or renewing one or more
21 licenses required by the Departments of Human Services or
22 Children and Families, or both, to provide other services to clients
23 of the departments; and

24 c. a multi-year contract to a social service organization that has
25 exhibited a good compliance record with contracting requirements
26 and licensing standards, as determined by the Commissioner of
27 Human Services or Children and Families, as applicable.

28

29 2. This act shall take effect on the first day of the second month
30 next following the date of enactment.

31

32

33 STATEMENT

34

35 This bill requires the Commissioners of Human Services and
36 Children and Families, or their designees, to collaborate to
37 establish, to the extent practicable, uniform contracting
38 requirements and centralized licensing review procedures for social
39 service organizations that provide services to clients of the
40 Departments of Human Services (DHS) or Children and Families
41 (DCF), or both.

42 Specifically, the bill requires uniform contracting requirements
43 for social service organizations that contract with DHS or DCF, or
44 both. The requirements would include, but not be limited to,
45 uniform reporting procedures and uniform audit schedules.

46 Additionally, DHS or DCF, as appropriate, would review the
47 credentials of a social service organization for the purpose of
48 licensing the organization to provide specified services to clients of

S2331 BECK, BUONO

3

1 the applicable department, which review would serve as the basis
2 for issuing or renewing one or more licenses required by DHS or
3 DCF, or both, to provide other services to clients of the
4 departments.

5 DHS and DCF also would issue multi-year contracts (rather than
6 one-year contracts) to a social service organization that has
7 exhibited a good compliance record with contracting requirements
8 and licensing standards, as determined by the Commissioner of
9 Human Services or Children and Families.

10 The bill has a delayed effective date of one month following the
11 date of enactment.

12 This legislation is based on a recommendation, in the Final
13 Report of the Governor's Transition Subcommittee for the
14 Departments of Human Services and Children and Families, and is
15 designed to streamline licensing and contracting procedures for the
16 two departments.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2331
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JANUARY 5, 2011

SUMMARY

Synopsis: Concerns contracting and licensing procedures for certain organizations under contract with Department of Human Services (DHS) and Department of Children and Families (DCF).

Type of Impact: No savings or cost to DHS or DCF.

Agencies Affected: DHS and DCF though government agencies that contract with either department may be affected.

Office of Legislative Services Estimate

Fiscal Impact	Years 1 – 3
State Cost	None

BILL DESCRIPTION

Senate Bill No. 2331 of 2010 requires the Commissioners of Department of Human Services (DHS) and Department of Children and Families (DCF) to collaborate to establish, to the extent practicable, uniform contracting requirements with respect to reporting procedures, audit schedules, and centralized licensing review procedures for social services organizations that provide services to clients of the two departments. Further, DHS and DCF would issue multi-year contracts, rather than one-year contracts, to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None provided.

OFFICE OF LEGISLATIVE SERVICES

There are no savings or costs to the State associated with this legislation. The affected contract agencies may see some reduction in their administrative costs that cannot be quantified.

The following is noted:

- Although the intent of this legislation is to reduce duplicative State administrative requirements for contract agencies, the agencies will continue to experience potentially duplicative administrative requirement imposed by local and federal funding sources:

Many organizations receive funds directly from federal agencies. This legislation will not affect administrative requirements associated with the receipt of such federal funds.

Many organizations contract with other State agencies, and with county and municipal governments. Unless other State agencies and county and municipal governments adopt the same policies as DHS and DCF, administrative policies that may be duplicative would continue.

In addition to being licensed by DHS and DCF, many organizations are licensed by private entities such as, The Joint Commission or the Commission of Accreditation of Rehabilitation Facilities. This legislation will not affect the licensing policies of private licensing organizations.

- Joint inspections of organizations that both DHS and DCF contract with have been conducted where possible. As DHS largely serves adults and DCF primarily serves children, licensing requirements for the two population groups may differ, which can minimize the ability to conduct joint inspections. Further, as Legislators have expressed concern as to the adequacy of monitoring and oversight by DHS and DCF of clients who receive services from organizations under contract to the two departments, independent licensing reviews by DHS and DCF may identify an issue that did not exist or may not have been identified in a prior licensing review of that organization. For example, DHS may have deemed medication monitoring documentation adequate at an adult group home operated by agency X. DCF reviewing a group home for children operated by agency X may have had issues with medication monitoring documentation. DCF will likely bring the issue to the attention of DHS, and DHS may conduct another review of the issue.
- The same general level of initial and ongoing contract review and monitoring would continue under multi-year contracting. In fact, additional scrutiny of multi-year contracts may be necessary as the financial/programmatic assumptions underlying multi-year contracts are more uncertain than the financial/programmatic assumptions of a one-year contract. Further, once actual expenditure, revenue, and utilization data become available, this would affect projections in the out years of multi-year contracts.
- The approval of a multi-year contract does not guarantee that the annual Appropriations Act will provide the amount of funds required for the second-year of a multi-year contract. At present, when the Department of the Treasury awards multi-year contracts through the Division of Purchase and Property for the purchase of goods and services, the contract includes language that makes funds for subsequent years contingent on the Legislature appropriating funds in the annual Appropriations Act.

Section: Human Services

*Analyst: Jay Hershberg
Principal Fiscal Analyst*

*Approved: David J. Rosen
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.).

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO
SENATE, No. 2331

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 2011

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2331.

As amended by committee, this bill requires the Commissioners of Human Services and Children and Families, or their designees, to collaborate to establish, to the extent practicable, uniform contracting requirements and centralized licensing review and licensing issuance procedures for social service organizations that provide services to clients of the Department of Human Services (DHS) or the Department of Children and Families (DCF), or both.

Specifically, the bill requires uniform contracting requirements for social service organizations that contract with DHS or DCF, or both. The requirements would include, but not be limited to, uniform reporting procedures and uniform audit schedules.

DHS or DCF, as appropriate, would review the credentials of a social service organization for the purpose of licensing the organization to provide specified services to clients of the applicable department, which review would serve as the basis for issuing or renewing one or more licenses required by DHS or DCF, or both, to provide other services to clients of the departments. Also, in the case of a client receiving services from both DHS and DCF, if the facility serving the client is licensed by one of the departments, the facility shall be deemed licensed by the other department.

DHS and DCF also would issue multi-year contracts (rather than one-year contracts) to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards, as determined by the Commissioner of Human Services or Children and Families.

The bill has a delayed effective date of one month following the date of enactment.

This legislation is based on a recommendation, in the Final Report of the Governor's Transition Subcommittee for the Departments of Human Services and Children and Families, and is designed to

streamline licensing and contracting procedures for the two departments.

The committee amended the bill to specify that the departments shall collaborate to establish centralized licensing issuance procedures, as well as centralized licensing review procedures. Also, amendments provide that in the case of a client receiving services from both DHS and DCF, if the facility serving the client is licensed by one of the departments, the facility shall be deemed licensed by the other department.

As amended by committee, this bill is identical to Assembly Bill No. 2366(SCA) (Vainieri Huttle/O'Scanlon/Biondi/Fuentes), which was also reported favorably with amendments on this date.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2331 STATE OF NEW JERSEY 214th LEGISLATURE

DATED: MAY 26, 2011

SUMMARY

- Synopsis:** Concerns contracting and licensing procedures for certain organizations under contract with Department of Human Services (DHS) and Department of Children and Families (DCF).
- Type of Impact:** No savings or cost to DHS or DCF
- Agencies Affected:** DHS and DCF, though other government agencies that contract with either department may be affected.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1-3</u>
State Cost	None – See comments below

BILL DESCRIPTION

Senate Bill No. 2331 (1R) of 2010 requires the Commissioners of DHS and DCF to collaborate to establish, to the extent practicable, uniform contracting requirements with respect to reporting procedures, audit schedules, and centralized licensing review and issuing procedures for social services organizations that provide services to clients of one or both of the two departments. Further, DHS and DCF would issue multi-year contracts, rather than one-year contracts, to a social service organization that has exhibited a good compliance record with contracting requirements and licensing standards.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None provided.

OFFICE OF LEGISLATIVE SERVICES

There are no savings or costs to the State associated with this legislation. The affected contract agencies may see some reduction in their administrative costs that cannot be quantified. The following is noted:

- Although the intent of this legislation is to reduce duplicative State administrative requirements for contract agencies, the agencies will continue to experience potentially duplicative administrative requirements imposed by other public and private funding sources:

Many organizations receive funds directly from federal agencies. This legislation will not affect administrative requirements associated with the receipt of such federal funds.

Many organizations contract with other State agencies, and with county and municipal governments. Unless other State agencies and county and municipal governments adopt the same policies as DHS and DCF, administrative policies that may be duplicative would continue.

In addition to being licensed by DHS and DCF, many organizations are licensed by private entities such as, The Joint Commission or the Commission of Accreditation of Rehabilitation Facilities. This legislation will not affect the licensing policies of private licensing organizations.

- Joint inspections of organizations that both DHS and DCF contract with have been conducted where possible. As DHS largely serves adults and DCF primarily serves children, appropriate licensing requirements for the two population groups may differ, which can minimize both the need and the ability to conduct joint inspections.
- The commissioners of the two departments may determine that stricter licensing standards and more extensive inspections are necessary in order to anticipate the possibility of a DHS-licensed facility receiving automatic licensure by DCF, or vice-versa.
- As Legislators have expressed concern as to the adequacy of monitoring and oversight by DHS and DCF of clients who receive services from organizations under contract to the two departments, independent licensing reviews by DHS and DCF may identify an issue that did not exist or may not have been identified in a prior licensing review of that organization. For example, DHS may have deemed medication monitoring documentation adequate at an adult group home operated by agency X. DCF reviewing a group home for children operated by agency X may have had issues with medication monitoring documentation. The DCF will likely bring the issue to the attention of DHS, and DHS may conduct another review of the issue.
- The same general level of initial and ongoing contract review and monitoring would continue under multi-year contracting. In fact, additional scrutiny of multi-year contracts may be necessary as the financial/programmatic assumptions underlying multi-year contracts are more uncertain than the financial/programmatic assumptions of a one-year

contract. Further, once actual expenditure, revenue, and utilization data become available, this would affect projections in the out years of multi-year contracts.

- The approval of a multi-year contract does not guarantee that the annual Appropriations Act will provide the amount of funds required for the second year of a multi-year contract. At present, when the Department of the Treasury awards multi-year contracts through the Division of Purchase and Property for the purchase of goods and services, the contract includes language that makes funds for subsequent years contingent on the Legislature appropriating funds in the annual Appropriations Act.

Section: Human Services

*Analyst: David Drescher
Assistant Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

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