

26:2H-32 to 26:2H-35

LEGISLATIVE HISTORY CHECKLIST

NJSA 26:2H-32 to 26:2H-35 (Nursing Homes--Financial Disclosure.)

Laws of 1977 Chapter 237

Bill No. S594

Sponsor(s) Martindell, Fay

Date Introduced Pre-filed

Committee: Assembly Institutions, Health & Welfare

Senate Institutions, Health & Welfare

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

Date of passage: Assembly February 17, 1977

Senate April 12, 1976

Date of approval September 29, 1977

Following statements are attached if available:

Sponsor statement Yes ~~xix~~

Committee Statement: Assembly Yes ~~xix~~

Senate ~~Yes~~ No

Fiscal Note ~~Yes~~ No

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports Yes ~~xix~~

Hearings ~~Yes~~ No

974.90 H.J. Nursing Home Study Commission.
H434 Interim report, March, 1976.
1976 See p. 10-11 (Recommends Legislation.)

(over)

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974.901 N.J. Commission of Investigation.
183 Eighth Annual Report. April, 1977.
1977 Pages 187-188 cite N.J. Commission
of Investigation "Final Report on the
Property Cost Reimbursement System for
Nursing Homes participating in the N.J.
Medical Program," Nov. 13, 1975.

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CHAPTER 23.7
9-29-77

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SENATE, No. 594

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators MARTINDELL and FAY

AN ACT concerning disclosure of certain information relating to the operation of nursing homes and supplementing chapter 2 of Title 26 of the Revised Statutes.

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

1 1. The following words or phrases, as used in this act, shall have
2 the following meanings, unless the context otherwise requires:

3 a. "Nursing home" means a facility providing therein nursing
4 care to sick, invalid, infirm, disabled or convalescent persons in
5 addition to lodging and board or health-related service, or any
6 combination of the foregoing and in addition thereto, providing
7 nursing care and health-related service, or either of them, to
8 persons who are not occupants of the facility.

9 b. "Affiliate" means (1) with respect to a partnership, each
10 partner thereof; (2) with respect to a corporation, each officer,
11 director, principal stockholder or controlling person thereof; (3)
12 with respect to a natural person (a) each member of said person's
13 immediate family, (b) each partnership and each partner thereof
14 of which said person or any affiliate of said person is a partner, and
15 (c) each corporation in which said person or any affiliate of said
16 person is an officer, director, principal stockholder or controlling
17 person.

18 c. "Controlling person" of any corporation, partnership or other
19 entity means any person who has the ability, directly or indirectly,
20 to direct or cause the direction of the management or policies of
21 said corporation, partnership or other entity.

22 d. "Immediate family" of any person includes each parent,
23 child, spouse, brother ****[and]**** *****,**** sister******, first cousin, aunt

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

24 *and uncle*** of such person, whether such relationship arises by
 24A birth, marriage or adoption.

25 e. "Principal stockholder" of a corporation means any person
 26 who beneficially owns, holds or has the power to vote, 10% or
 27 more of any class of securities issued by said corporation.

1 2. Every nursing home operating in the State shall, within 90
 2 days after the end of its fiscal year, file an annual report with the
 3 State Commissioner of Health. Such annual report shall be in
 4 such form and shall contain such information as shall be prescribed
 5 by the commissioner, including the following:

6 a. A balance sheet of the nursing home as of the end of such fiscal
 7 year, setting forth assets and liabilities at such date including all
 8 capital, surplus, reserve, depreciation and similar accounts;

9 b. A statement of operations of the nursing home for such fiscal
 10 year, setting forth all revenues, expenses, taxes, extraordinary
 11 items and other credits or charges;

12 c. The name and address of each of the following persons:

13 (1) The operator of the nursing home;

14 (2) Any person who, directly or indirectly, beneficially owns
 15 ****[a 10% or greater]**** *any* interest in the land on which the
 16 nursing home is located;

17 (3) Any person who, directly or indirectly, beneficially owns
 18 ****[a 10% or greater]**** *any* interest in the building in which
 19 the nursing home is located;

20 (4) Any person who, directly or indirectly, beneficially owns a
 21 10% or greater interest in any mortgage, note, deed of trust or
 22 other obligation secured in whole or in part by the land on which
 23 or building in which the nursing home is located;

24 (5) Any person who, directly or indirectly, has any interest as
 25 lessor or lessee in any lease or sublease of the land on which or
 26 the building in which the nursing home is located;

26A *** (6) Any person who, directly or indirectly, beneficially owns*
 26B *a 10% or greater interest in any mortgage, note, deed of trust or*
 26C *other obligation which, although not secured by the land on which*
 26D *or building in which the nursing home is located, is considered an*
 26E *outstanding liability on the books of the nursing home and was*
 26F *executed to finance directly or indirectly the purchase of the nursing*
 26G *home, land, building, lease or sublease pertaining thereto;***

27 d. If the nursing home or any person named in response to
 28 subsection c. is a partnership, then the name and address of each
 29 partner;

30 e. If the nursing home or any person named in response to sub-
31 section c. is a corporation, other than a corporation whose shares
32 are traded on a national securities exchange or a commercial bank,
33 savings bank or savings and loan association, then the name and
34 address of each officer, director, principal shareholder and control-
35 ling person of such corporation;

36 f. If any corporation named in response to subsection c. is a
37 corporation whose shares are traded on a national securities ex-
38 change or which is a commercial bank, savings bank or savings
39 and loan association, then the name and address of the principal
40 executive officers and each director, principal stockholder and
41 controlling person of said corporation;

42 g. If the nursing home paid or received an aggregate of
43 *~~[\$500.00]~~* *\$2,500.00* or more during the fiscal year in connection
44 with transactions with any person named in response to sub-
45 sections c., d., e., or f., or any affiliate of said person, a description
46 of the transactions, naming the parties thereto and describing the
47 relationships which require the transactions to be described and
48 the goods, services, payment or other consideration received by
49 each party to the transactions.

1 3. Every report required to be filed by a nursing home pursuant
2 to this act shall contain a written statement, sworn to by or on
3 behalf of such nursing home and the operator of such nursing
4 home to the effect that the report is true and complete and prepared
5 in accordance with the provisions of this act.

1 4. Any person, firm, association, partnership or corporation who
2 fails to file a statement as required by this act or willfully files a
3 false statement shall be liable to a penalty of not less than \$10.00
4 nor more than \$100.00 for each day that such failure continues or
5 such false statement remains uncorrected. The penalties prescribed
6 and authorized by this act shall be recovered in a summary civil
7 proceeding brought in the name of the State in the Superior Court,
8 a County Court or a county district court pursuant to the Penalty
9 Enforcement Law (N. J. S. 2A :58-1 et seq.).

1 5. This act shall take effect 90 days after its enactment.

40 executive officers and each director, principal stockholder and
41 controlling person of said corporation;

42 g. If the nursing home paid or received an aggregate of \$500.00
43 or more during the fiscal year in connection with transactions
44 with any person named in response to subsections c., d., e., or f., or
45 any affiliate of said person, a description of the transactions,
46 naming the parties thereto and describing the relationships which
47 require the transactions to be described and the goods, services,
48 payment or other consideration received by each party to the
49 transactions.

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8 a County Court or a county district court pursuant to the Penalty
9 Enforcement Law (N. J. S. 2A:58-1 et seq.).

1 5. This act shall take effect 90 days after its enactment.

STATEMENT

This bill would require the annual disclosure of the identity of persons who have financial or business interests in nursing homes operating in this State and would also require disclosure of certain financial information and a description of any transactions between nursing homes and such persons or their affiliates.

ASSEMBLY INSTITUTIONS, HEALTH AND
WELFARE COMMITTEE

STATEMENT TO
SENATE, No. 594
with Senate committee amendments

STATE OF NEW JERSEY

DATED: AUGUST 2, 1976

The committee finds that the statement appended to the bill adequately explains its purposes and provisions.

The Assembly committee agreed with the intent of this bill; that is, to require the annual disclosure of the identity of persons who have financial or business interests in nursing homes and a description of any transactions between the nursing homes and such person or their affiliates.