

26:2F-1 et al

LEGISLATIVE HISTORY CHECKLIST

HB 26:2F-1 et al (Amends "State Health Act of 1966"--establishes
new formula for distribution of local
LAWS OF 1977 CHAPTER 332 health aid)

Bill No. A3552

Sponsor(s) Cali and others

Date Introduced Sept. 26, 1977

Committee: Assembly ----

Senate Revenue, Finance & Appropriations

Amended during passage Yes XXX

Date of Passage: Assembly Oct. 3, 1977

Senate Dec. 1, 1977

Date of approval Jan. 23, 1978

Following statements are attached if available:

Sponsor statement Yes XXX

Committee Statement: Assembly XXX No

Senate Yes XXX

Fiscal Note XXX No

Veto Message XXX No

Message on signing Yes XXX

Following were printed:

Reports XXX No

Hearings XXX No

ASSEMBLY, No. 3552

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 26, 1977

By Assemblymen CALI, ADUBATO, Assemblywoman MISZKIEWICZ, Assemblymen BATE, T. GALLO, KOPYCINSKI, BROWN, GREGORIO, ESPOSITO, BORNHEIMER, CODEY, YATES, COSTELLO, PELLECCIA, HOLLENBECK, CONTILLO, BURNS, MARTIN, BAER, SCHUCK, RAND, FROUDE, BURSTEIN, NEWMAN, JACKMAN, PERSKIE, SHAPIRO, KARCHER, OTLOWSKI, KOZLOSKI, FLYNN, VAN WAGNER and HAMILTON

(Without Reference)

AN ACT to amend and supplement the "State Health Aid Act of 1966," approved May 16, 1966 (P. L. 1966, c. 36) and repealing sections 2, 4, 5, 6 and 10 thereof.

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

1 1. Section 1 of P. L. 1966, c. 36 (C. 26:2F-1) is amended to
2 read as follows:

3 1. This act shall be known as the **[State Health Aid Act of**
4 **1966]** *Public Health Priority Funding Act of 1977.*

1 2. (New section) The Legislature finds and declares that there
2 exists in New Jersey a serious and increasing incidence of various
3 communicable and chronic diseases such as cancer, hypertension,
4 heart disease, diabetes, venereal disease, alcoholism and drug
5 abuse which requires a continuing commitment of public health
6 personnel and resources; and that there has been in recent years
7 a diminished financial support for agencies engaged in providing
8 primary prevention programs.

9 The Legislature also recognizes that there exists a framework
10 for the provision of such services at the municipal, regional and
11 county levels but that changing socio-economic, environmental and
12 technological conditions warrant a redirection of the ways of
13 addressing these health problems. The Legislature finds that

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

14 there should be provided funds to support certain public health
15 priority activities.

1 3. Section 3 of P. L. 1966, c. 36 (C. 26:2F-3) is amended to
2 read as follows:

3 3. For the purposes of this act unless the context clearly re-
4 quires a different meaning:

5 (a) "Local health agency" [shall mean and include a county,
6 district, regional, municipal or other local governmental agency
7 organized for the purpose of providing health services] *means*
8 *any county, regional, municipal or other governmental agency*
9 *organized for the purpose of providing health services, adminis-*
10 *tered by a full-time health officer and conducting a public health*
11 *program pursuant to law.*

12 (b) "Commissioner" shall mean the State Commissioner of
13 Health *or his designee.*

14 (c) "Special projects and development fund" shall mean the
15 fund established in section 7 of this act.

16 (d) ["Certified health services" shall mean and include those
17 specific administrative activities and health services as planned
18 and provided in a municipality or municipalities by a local health
19 agency or by a person or agency under contract with a local health
20 agency which are approved and certified by the commissioner as
21 being recognized health services meeting personnel and program
22 standards which the Public Health Council is hereby authorized
23 to prescribe.]

24 *"Priority health services" means those core activities per-*
25 *taining to communicable disease and chronic illness as contained*
26 *in the "standards of performance" or supplemented from the list*
27 *of recognized activities as contained in the "standards of per-*
28 *formance," and designated annually by the commissioner with the*
29 *approval of the Public Health Council. For the purposes of this*
30 *subsection, "standards of performance" means the "Recognized*
31 *Public Health Activities and Minimum Standards of Performance*
32 *for Local Boards of Health in New Jersey" as prescribed by the*
33 *Public Health Council of the State Department of Health under*
34 *authority of P. L. 1947, c. 177 (C. 26:1A-1 et seq.).*

35 (e) ["State health aid"] "Public health priority fund" shall
36 mean State [aid] funds for [basic health services and State
37 equalization aid for local health purposes] *priority health services*
38 *to be rendered by local health agencies but shall not include grants*
39 *from the special projects and development fund.*

40 (f) "Annual expenditures for health purposes" shall mean the
 41 **sum expended** *local effort as represented by the expenditures*
 42 by a local health agency for **certified** health services *which*
 43 *comply with the "standards of performance"* excluding any sum
 44 paid to the local health agency as **State health aid** *public health*
 45 *priority funds* under the provisions of this act.

46 (g) **"Population"** (1) *"Noninstitutional population"* shall
 47 mean the number of inhabitants of a municipality or a group of
 48 municipalities making up a local health agency jurisdiction as
 49 enumerated in the last Federal census, or by a special census made
 50 by the Federal Bureau of the Census, or as estimated annually
 51 by the Department of **Conservation and Economic Development**
 52 *Labor and Industry*, whichever is *the* most recent, except that
 53 military personnel living on military reservations, inmates of
 54 *Federal*, State, and county institutions, and boarding students of
 55 **schools and** colleges *and universities* shall be excluded.

56 (2) *"Special needs population"* shall mean the sum of the
 57 number of persons having income less than the poverty level and
 58 the number of persons over the age of 65, as listed in the most
 59 recent Federal census.

60 (h) "Full-time health officer" **shall mean a licensed health**
 61 officer employed by a local health agency to function as such during
 62 all the working hours of the regularly scheduled work week of the
 63 governmental unit to which the local health agency is attached and
 64 not regularly employed during the working hours of that scheduled
 65 work week in other activities for which he receives remuneration**]**
 66 *means a holder of a license as a health officer issued by the State*
 67 *Department of Health and who is employed by a local health agency*
 68 *to function during all the working hours of the regularly scheduled*
 69 *work week of the governmental unit to which the local health agency*
 70 *is attached and not regularly employed during the working hours*
 71 *of that scheduled work week in other activities for which he re-*
 72 *ceives remuneration.*

73 (i) **The "foundation program"** for each local health agency
 74 shall be an amount equal to a capitation for the population within
 75 the jurisdiction of the local health agency.**]** *Deleted by amendment.*

76 (j) **The "distribution table"** shall mean a series of percent-
 77 ages of the foundation program establishing the minimum amounts
 78 which should be budgeted by a local health agency for each func-
 79 tional activity. The distribution table shall be prescribed by the
 80 Public Health Council.**]** *Deleted by amendment.*

(k) "Criteria for participation" shall mean that a local health agency serving a minimum population of 25,000 is under the administrative direction of a full-time health officer, and all other employees are appropriately qualified and licensed as required by law. The minimum population of 25,000 may be waived at the discretion of the commissioner in the case of a local health agency which from the period beginning January 1, 1960, has carried on and continues to carry on a comprehensive public health program under the direction of a full-time health officer.

4. (New section) Public health priority funds for each municipality within the local health agency shall be determined by the following formula:

$$\text{PHPF} = (\text{p/c factor} \times \text{NIP} \times (2 - \text{RFS})) + (\text{p/c factor} \times \text{SNP})$$

PHPF = Public health priority fund

p/c factor = Per capita amount deemed necessary to provide priority health services

NIP = Noninstitutional population

SNP = Special needs population

RFS = The relative fair share factor of a municipality, and is the ratio that the equalized valuation of a municipality divided by its noninstitutional population bears to the total equalized valuation of all municipalities divided by the noninstitutional population of the State. The equalized valuation for each municipality is the equalized valuation promulgated by the Director of the Division of Taxation pursuant to P. L. 1954, c. 86 (C. 54:1-35.1) plus the amount determined by dividing the sum of the amounts received by the municipality for personal property tax replacement pursuant to P. L. 1966, c. 135 (C. 54:11D-1 et seq.) and from public utility franchise and gross receipt taxes pursuant to P. L. 1940, c. 4 (C. 54:30A-16 et seq.) by the equalized tax rate of the municipality. The equalized tax rate of a municipality is determined by dividing the amount on which the local tax rate is computed, as indicated in the table of aggregates prepared pursuant to R. S. 54:4-52, by the equalized valuation promulgated by the Director of the Division of Taxation.

For any municipality whose ratio is one-half or less, its factor shall be zero. For any municipality whose ratio is greater than two, its factor is two.

1 5. (New section) Public health priority funds shall be used only
 2 for the support of priority health services provided by the local
 3 health agency, and shall not be provided for use in substitution for
 4 the mean annual expenditures for health purposes of the agency
 5 during the 2 years immediately preceding the year for which public
 6 health priority funds are requested.

1 6. Section 8 of P. L. 1966, c. 36 (C. 26:2F-8) is amended to read
 2 as follows:

3 8. A local health agency may qualify for a grant under one or
 4 more of *the* sections [4, 6, and 7] *of this act*.

1 7. Section 9 of P. L. 1966, c. 36 (C. 26:2F-9) is amended to read
 2 as follows:

3 9. *Pending final passage of the applicable General Appropria-*
 4 *tions Act, the commissioner shall notify each eligible local health*
 5 *agency as to the priority health services and the amount of public*
 6 *health priority funds estimated to be payable during the next State*
 7 *fiscal year to provide these services.* On or before a date set by the
 8 commissioner [but not later than October 15 in each year], the
 9 health officer of each local health agency, or in his absence another
 10 person designated by the official body under which the local health
 11 agency operates, may submit an application for [State health aid]
 12 *public health priority funds* for the [succeeding] year *beginning*
 13 *July 1.* The application shall include the budget of the agency, the
 14 plan of work[, the short-term objectives,] and such other informa-
 15 tion as the commissioner may require, to be presented in a form
 16 prescribed by the commissioner. *It shall be the responsibility of the*
 17 *applicant to describe in detail in the application how all the public*
 18 *health priority services will be met by the local health agency.* The
 19 application shall be certified, under the penalties of perjury, as
 20 true to the best knowledge of the person making it.

1 8. Section 11 of P. L. 1966, c. 36 (C. 26:2F-11) is amended to
 2 read as follows:

3 11. The sum payable as [State health aid] *public health priority*
 4 *funds* to each local health agency shall be payable [one-quarter on
 5 January 1, one-quarter on April 1, one-quarter on July 1, and
 6 one-quarter on September 1, on the basis of planned expenditures,
 7 provided that subsequent payments shall be adjusted so that pay-
 8 ment is made upon the basis of actual expenditures] *one-half on*
 9 *July 1, and one-half on January 1.* Payments shall be made by the
 10 State Treasurer upon certificate of the commissioner and warrant
 11 of the Director of the Division of Budgeting and Accounting.

1 9. Section 12 of P. L. 1966, c. 36 (C. 26:2F-12) is amended to
2 read as follows:

3 12. In order to insure that the **[State health aid is]** *public health*
4 *priority funds* are expended in conformance with the provisions of
5 this act, the commissioner shall, when he **[deem]** *deems* it in order,
6 have an audit made of the expenditures of moneys and of services
7 provided by the local health agency receiving **[State health aid]**
8 *public health priority funds* and shall, when he shall deem it neces-
9 sary, have examined all books, papers and vouchers of the agency
10 and its fiscal agent shall have free and unrestricted access thereto
11 for that purpose.

12 *Following fiscal audits, all unexpended public health priority*
13 *funds and audit exceptions as determined by the commissioner shall*
14 *be returned to the State Department of Health within 3 months of*
14A *notification. Such funds shall be expended for priority health*
15 *services in accordance with the standards of performance and made*
16 *available as special grants to local health agencies upon application*
17 *and amounts approved by the commissioner with concurrence of*
18 *the Public Health Council.*

1 10. Section 13 of P. L. 1966, c. 36 (C. 26:2F-13) is amended to
2 read as follows:

3 13. When it has been determined that a local health agency fails
4 to provide **[certified health services]** *priority health services in*
5 *accordance with standards of performance* called for in its plan of
6 work as stated in its application for **[State health aid]** *public health*
7 *priority funds* or ceases to comply with the criteria for participa-
8 tion, **[State health aid]** *public health priority funds* may be
9 reduced or discontinued by the commissioner when, in his judgment,
10 such action serves to further the general purposes of this act.
11 *When it has been determined that a local health agency fails to meet*
12 *the dates established pursuant to sections 9 and 14 of P. L. 1966,*
13 *c. 36 (C. 26:2F-9 and C. 26:2F-14) for submission of the application*
14 *for public health priority funds or required reports, public health*
15 *priority funds will be reduced by one day's allocation of the total*
16 *amount, for each day that the application or report is late. This*
17 *penalty may be waived, or modified, at the discretion of the com-*
18 *missioner for good cause shown. The penalty may be imposed by*
19 *decreasing the local health agency allocation of public health funds*
20 *for the following year.*

1 11. (New section) Unallocated public health priority funds for
2 the fiscal year may be carried forward and made available in the
3 following fiscal year as special grants to local health agencies upon

4 application by such agencies. The amounts of special grants shall be
 5 approved by the commissioner with the concurrence of the Public
 6 Health Council. Such special grants shall be made available to local
 7 health agencies only for extraordinary purposes.

1 12. (New section) The commissioner shall have all the powers
 2 necessary to make, establish and amend, after consultation with the
 3 Public Health Council, such administrative rules as may be neces-
 4 sary, desirable or proper to carry out his powers and duties under
 5 this act.

1 13. Section 14 of P. L. 1966, c. 36 (C. 26:2F-14) is amended to
 2 read as follows:

3 14. Each local health agency receiving **【State health aid】** *public*
 4 *health priority funds* shall on or before **【February】** *October* 15 in
 5 each year, following the year for which the **【State health aid】**
 6 *public health priority funds* **【was】** *were* received, prepare and file
 7 with the commissioner an annual report for the preceding **【calen-**
 8 **dar】** *State fiscal* year. Such report shall state the condition of the
 9 public health within the limits of its jurisdiction, noting therein any
 10 special cause for the deterioration of health or of hazard thereto,
 11 and shall contain answers to any questions which may have been
 12 addressed to the local health agency by the commissioner.

1 14. Section 15 of P. L. 1966, c. 36 (C. 26:2F-15) is amended to
 2 read as follows:

3 15. The **【capitation】** *per capita factor* for the purposes of this
 4 act shall be specified for each **【calendar】** year in the **【immediately**
 5 **preceding】** General **【Appropriation】** *Appropriations Act or in a*
 6 *supplement thereto.*

7 **【The capitation for the year 1966 shall be \$1.50.】**

1 15. Sections 2, 4, 5, 6 and 10 of P. L. 1966, c. 36 (C. 26:2F-2,
 2 C. 26:2F-4, C. 26:2F-5, C. 26:2F-6 and C. 26:2F-10) are repealed.

1 16. This act shall take effect immediately.

STATEMENT

This bill substantially amends the State Health Aid Act of 1966. Its purpose is to direct the expenditure of State funds by local health agencies to those health services considered priority or critical in nature. Priority health services pertain primarily to communicable diseases and chronic illnesses, including cancer, heart disease, hypertension, venereal disease, drug abuse and alcoholism.

The bill ensures that not only will State funds be made available to provide priority health services to those persons in the senior citizen and poverty classifications, but also makes special provision for municipalities with limited resources.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3552

STATE OF NEW JERSEY

DATED: NOVEMBER 21, 1977

This bill substantially amends the State Health Aid Act of 1966. Its purpose is to direct the expenditure of State funds by local health agencies to those health services considered priority or critical in nature. Priority health services pertain primarily to communicable diseases and chronic illnesses, including cancer, heart disease, hypertension, venereal disease, drug abuse and alcoholism.

Distribution of funding is based on a formula which takes into consideration general population modified by a ratio representing the per capita equalized valuation of the municipality compared to the per capita equalized valuation Statewide. Further, the formula gives special weight to the number of persons having income less than the poverty level and the number of persons over the age of 65.

This bill then makes State funds available for priority health services and makes special provision for municipalities with limited resources.

Assembly Bill No. 3414 OCR, approved October 31, 1977 (P. L. 1977, c. 277), makes an appropriation of \$2,425,824.00 for Local Health Services—State Aid, specifically identifying this bill, Assembly Bill No. 3552, as the bill establishing the distribution formula for those funds. That appropriation is effective concurrently with enactment of Assembly Bill No. 3552.

FROM THE OFFICE OF THE GOVERNOR

JANUARY 23, 1978

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

ANNE BURNS

Governor Brendan Byrne today signed into law A-3552, sponsored by Assemblyman John Cali, which amends the State Health Aid Act of 1966, primarily by establishing a new formula for the distribution of local health aid.

In general, the new funding formula will give larger cities a slight increase in funding; smaller cities with high indigent or senior citizen populations -- higher funding, and smaller cities and towns with low indigency and senior citizen populations -- lower funding.

The bill specifies the need to attack certain diseases at the local level, in particular, cancer, hypertension, heart disease, diabetes, venereal disease, alcoholism and drug abuse.

It also specifies that only agencies administered by a full-time health officer may be considered a "Local Health Agency."

The legislation defines a "special needs population" as the total of the number of people with incomes less than the poverty level and the number of persons over 65.

Enactment of this bill permits A-3414 to take effect. That bill appropriated \$2.4 million for local health aid.

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