

26:2H-2

LEGISLATIVE HISTORY CHECKLIST

(Amends "Health Care Facilities Planning Act"--exempts certain laboratories from certificate of need.)

NJSA 26:2H-2

Laws of 1977 Chapter 354

Bill No. S712

Sponsor(s) Hirkala, Scardino

Date Introduced Pre-filed

Committee: Assembly Institutions, Health, Welfare

Senate Institutions, Health, Welfare

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks.

Date of passage: Assembly November 28, 1977

Senate May 13, 1976

Date of approval January 31, 1978

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes ~~No~~

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

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354  
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SENATE, No. 712

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators HIRKALA and SCARDINO

AN ACT to amend the "Health Care Facilities Planning Act," approved May 10, 1971 (P. L. 1971, c. 136).

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

1 1. Section 2 of P. L. 1971, c. 136 (C. 26:2H-2) is amended to read  
2 as follows:

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

5 a. "Health care facility" means the facility or institution  
6 whether public or private, engaged principally in providing services  
7 for health maintenance organizations, diagnosis or treatment of  
8 human disease, pain, injury, deformity or physical condition, in-  
9 cluding, but not limited to, a general hospital, special hospital,  
10 mental hospital, public health center, diagnostic center, treatment  
11 center, rehabilitation center, extended care facility, skilled nursing  
12 home, nursing home, intermediate care facility, tuberculosis hos-  
13 pital, chronic disease hospital, maternity hospital, outpatient clinic,  
14 dispensary, home health care agency, boarding home or other home  
15 for the sheltered care of adult persons and **[**bio-analytical labora-  
16 tory or **]** *bio-analytical laboratory (except as specifically excluded*  
17 *hereunder) or central services facility serving one or more such*  
18 *institutions but excluding institutions that provide healing solely*  
18A *by prayer and excluding such bio-analytical laboratories as are*  
18B *independently owned and operated, and are not owned, operated,*  
18C *managed or controlled, in whole or in part, directly or indirectly*  
18D *by any one or more health care facilities\*, and the predominant*  
18E *source of business of which is not by contract with health care*  
18F *facilities within the State of New Jersey and which solicit or ac-*  
18G *cept specimens and operate predominantly in interstate commerce\*.*

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

19     b. "Health care service" means the preadmission, out-patient,  
20 in-patient and post-discharge care provided in or by a health care  
21 facility, and such other items or services as are necessary for such  
22 care, which are provided by or under the supervision of a physician  
23 for the purpose of health maintenance organizations, diagnosis or  
24 treatment of human disease, pain, injury, disability, deformity or  
25 physical condition, including, but not limited to, nursing service  
26 home care nursing and other paramedical service, ambulance ser-  
27 vice, service provided by an intern, resident in training or physician  
28 whose compensation is provided through agreement with a health  
29 care facility, laboratory service, medical social service, drugs, bio-  
30 logicals, supplies, appliances, equipment, bed and board, but exclud-  
31 ing services provided by a physician in his private practice or by  
32 practitioners of healing solely by prayer, and services provided by  
32A volunteer first aid, rescue and ambulance squads as defined in the  
32B "New Jersey Highway Safety Act of 1971," P. L. 1971, c. 351.

33     c. "Construction" means the erection, building, or substantial  
34 acquisition, alteration, reconstruction, improvement, renovation,  
35 extension or modification of a health care facility, including its  
36 equipment, the inspection and supervision thereof; and the studies,  
37 surveys, designs, plans, working drawings, specifications, proce-  
38 dures, and other actions necessary thereto.

39     d. "Board" means the Health Care Administration Board  
40 established pursuant to this act.

41     e. "Government agency" means a department, board, bureau,  
42 division office, agency, public benefit or other corporation, or any  
43 other unit, however described, of the State or political subdivision  
44 thereof.

45     f. "State Health Planning Council" means the existing State  
46 Health Planning Council formed under the provisions of Federal  
47 Law 89-749, as amended and supplemented.

48     g. "Comprehensive area-wide health planning agency" means an  
49 officially recognized health planning agency formed under the pro-  
50 visions of Federal Law 89-749, as amended and supplemented.

51     h. "Area planning council" means a voluntary, nonprofit  
52 organization composed of persons representative of hospitals,  
53 nursing homes, and consumers of medical care services, formed for  
54 the purpose of planning the health facilities in a definite geo-  
55 graphical area which is recognized by the commissioner through re-  
56 ferral of applications for certificate of need as provided by this  
57 act.

58 i. "Department" means the State Department of Health.

59 j. "Commissioner" means the State Commissioner of Health.

60 *\*\*k. "Private long-term health care facility" means a nursing*  
61 *home, skilled nursing home or intermediate care facility presently*  
62 *in operation and licensed as such prior to the adoption of the 1967*  
63 *Life Safety Code by the State Department of Health in 1972 and*  
64 *which has a maximum 50-bed capacity and which does not accom-*  
65 *modate Medicare or Medicaid patients.\*\**

1 2. This act shall take effect immediately.

SENATE INSTITUTIONS, HEALTH AND WELFARE  
COMMITTEE

STATEMENT TO  
**SENATE, No. 712**

—•—  
**STATE OF NEW JERSEY**  
—•—

DATED: MARCH 29, 1976

Bio-analytical laboratories are presently required to obtain certificates of need from the Department of Health in order to begin doing business or to expand facilities and services. The certificate of need process is intended to prevent the unnecessary expansion of services and equipment at great cost to the consumer. This bill exempts independent laboratories (but not hospital laboratories) from the certificate of need process. The committee feels that such laboratories, unlike hospital laboratories, operate in the free marketplace, where the principles of competition and supply and demand can be expected to hold down costs and prevent the unnecessary proliferation of facilities, equipment and services. Thus, independent bio-analytical laboratories need not be fettered with a certificate of need requirement.

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