

26:2H-5.1g et. al
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2017 **CHAPTER:** 294

NJSA: 26:2H-5.1g et. al (Requires DOH to establish single license for facilities providing integrated behavioral and physical health care.)

BILL NO: S1710 (Substituted for A3475)

SPONSOR(S) Vitale and others

DATE INTRODUCED: 2/16/2016

COMMITTEE: **ASSEMBLY:** ---

SENATE: Health, Human Services & Senior Citizens

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 1/8/2018

SENATE: 12/18/2017

DATE OF APPROVAL: 1/16/2018

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Senate Substitute for Senate, No. 1710, enacted) Yes

S1710

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

COMMITTEE STATEMENT: **ASSEMBLY:** No

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: No

LEGISLATIVE FISCAL ESTIMATE: No

A3475

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

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(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: No

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RH/CL

P.L. 2017, CHAPTER 294, *approved January 16, 2018*

Senate Substitute for

Senate, No. 1710

1 AN ACT concerning health care facility licensure and amending and
2 supplementing P.L.1971, c.136.

3

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

6

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

9 1. It is hereby declared to be the public policy of the State that
10 hospital and related health care services and behavioral health care
11 services of the highest quality, of demonstrated need, efficiently
12 provided and **【properly utilized】** accessible at a reasonable cost are
13 of vital concern to the public health. It is further declared that
14 integrating physical and behavioral health care is the most effective
15 way to improve the health of individuals and the population at
16 large. In order to provide for the protection and promotion of the
17 health of the inhabitants of the State, the **【State】** Department of
18 Health shall have the central responsibility for the development and
19 administration of the State's policy with respect to health planning,
20 hospital and related health care services and health care facility cost
21 containment programs, behavioral health treatment and prevention
22 programs, and all public and private institutions, whether State,
23 county, municipal, incorporated or not incorporated, serving
24 principally as residential health care facilities, nursing or maternity
25 homes, or as facilities for the prevention, diagnosis, care, or
26 treatment of human disease, mental illness, substance use disorder,
27 pain, injury, deformity, or physical condition, shall be subject to the
28 provisions of this act.

29 (cf: P.L.1992, c.160, s.21)

30

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

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

35 a. "Health care facility" means the facility or institution,
36 whether public or private, that is engaged principally in providing
37 services for health maintenance organizations, diagnosis, or
38 treatment of human disease, pain, injury, deformity, or physical
39 condition, including, but not limited to, a general hospital, special

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.

1 hospital, mental hospital, public health center, diagnostic center,
2 treatment center, rehabilitation center, extended care facility, skilled
3 nursing home, nursing home, intermediate care facility, tuberculosis
4 hospital, chronic disease hospital, maternity hospital, outpatient
5 clinic, dispensary, home health care agency, residential health care
6 facility, dementia care home, and bioanalytical laboratory (except
7 as specifically excluded hereunder), or central services facility
8 serving one or more such institutions but excluding institutions that
9 provide healing solely by prayer and excluding such bioanalytical
10 laboratories as are independently owned and operated, and are not
11 owned, operated, managed, or controlled, in whole or in part,
12 directly or indirectly by any one or more health care facilities, and
13 the predominant source of business of which is not by contract with
14 health care facilities within the State of New Jersey and which
15 solicit or accept specimens and operate predominantly in interstate
16 commerce.

17 b. "Health care service" means the preadmission, outpatient,
18 inpatient, and postdischarge care provided in or by a health care
19 facility, and such other items or services as are necessary for such
20 care, which are provided by or under the supervision of a physician
21 for the purpose of health maintenance organizations, diagnosis, or
22 treatment of human disease, pain, injury, disability, deformity, or
23 physical condition, including, but not limited to, nursing service,
24 home care nursing, and other paramedical service, ambulance
25 service, service provided by an intern, resident in training or
26 physician whose compensation is provided through agreement with
27 a health care facility, laboratory service, medical social service,
28 drugs, biologicals, supplies, appliances, equipment, bed and board,
29 but excluding services provided by a physician in his private
30 practice, except as provided in sections 7 and 12 of P.L.1971, c.136
31 (C.26:2H-7 and 26:2H-12), or by practitioners of healing solely by
32 prayer, and services provided by first aid, rescue and ambulance
33 squads as defined in the "New Jersey Highway Traffic Safety Act of
34 1987," P.L.1987, c.284 (C.27:5F-18 et seq.).

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

41 d. "Board" means the Health Care Administration Board
42 established pursuant to this act.

43 e. (Deleted by amendment, P.L.1998, c.43).

44 f. "Government agency" means a department, board, bureau,
45 division, office, agency, public benefit, or other corporation, or any
46 other unit, however described, of the State or political subdivision
47 thereof.

- 1 g. (Deleted by amendment, P.L.1991, c.187).
- 2 h. (Deleted by amendment, P.L.1991, c.187).
- 3 i. "Department" means the Department of Health.
- 4 j. "Commissioner" means the Commissioner of Health.
- 5 k. "Preliminary cost base" means that proportion of a hospital's
6 current cost which may reasonably be required to be reimbursed to
7 a properly utilized hospital for the efficient and effective delivery of
8 appropriate and necessary health care services of high quality
9 required by such hospital's mix of patients. The preliminary cost
10 base initially may include costs identified by the commissioner and
11 approved or adjusted by the commission as being in excess of that
12 proportion of a hospital's current costs identified above, which
13 excess costs shall be eliminated in a timely and reasonable manner
14 prior to certification of the revenue base. The preliminary cost base
15 shall be established in accordance with regulations proposed by the
16 commissioner and approved by the board.
- 17 l. (Deleted by amendment, P.L.1992, c.160).
- 18 m. "Provider of health care" means an individual (1) who is a
19 direct provider of health care service in that the individual's primary
20 activity is the provision of health care services to individuals or the
21 administration of health care facilities in which such care is
22 provided and, when required by State law, the individual has
23 received professional training in the provision of such services or in
24 such administration and is licensed or certified for such provision or
25 administration; or (2) who is an indirect provider of health care in
26 that the individual (a) holds a fiduciary position with, or has a
27 fiduciary interest in, any entity described in subparagraph b(ii) or
28 subparagraph b(iv); provided, however, that a member of the
29 governing body of a county or any elected official shall not be
30 deemed to be a provider of health care unless he is a member of the
31 board of trustees of a health care facility or a member of a board,
32 committee or body with authority similar to that of a board of
33 trustees, or unless he participates in the direct administration of a
34 health care facility; or (b) received, either directly or through his
35 spouse, more than one-tenth of his gross annual income for any one
36 or more of the following:
- 37 (i) Fees or other compensation for research into or instruction in
38 the provision of health care services;
- 39 (ii) Entities engaged in the provision of health care services or in
40 research or instruction in the provision of health care services;
- 41 (iii) Producing or supplying drugs or other articles for
42 individuals or entities for use in the provision of or in research into
43 or instruction in the provision of health care services;
- 44 (iv) Entities engaged in producing drugs or such other articles.
- 45 n. "Private long-term health care facility" means a nursing
46 home, skilled nursing home, or intermediate care facility presently
47 in operation and licensed as such prior to the adoption of the 1967

1 Life Safety Code by the Department of Health in 1972 and which
2 has a maximum 50-bed capacity and which does not accommodate
3 Medicare or Medicaid patients.

4 o. (Deleted by amendment, P.L.1998, c.43).

5 p. "State Health Planning Board" means the board established
6 pursuant to section 33 of P.L.1991, c.187 (C.26:2H-5.7) to conduct
7 certificate of need review activities.

8 q. "Integrated health care" means the systematic coordination
9 of general and behavioral healthcare. This care may address mental
10 illnesses, substance use disorders, health behaviors including their
11 contributions to chronic medical illnesses, life stressors and crises,
12 stress-related physical symptoms, and ineffective patterns of health
13 care utilization.

14 (cf: P.L.2015, c.125, s.1)

15

16 3. (New section) a. Pursuant to the "Administrative Procedure
17 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the Commissioner of
18 Health shall adopt regulations necessary to develop an integrated
19 licensing system in which facilities licensed under the authority of
20 P.L.1971, c.136 (C.26:2H-1 et seq.); P.L.1957, c.146 (C.30:9A-1 et
21 seq.); P.L.1975, c.305 (C.26:2B-7 et seq.); sections 5 and 6 of
22 P.L.1989, c.51 (C.26:2BB-5 and C.26:2BB-6); P.L.1969, c.152
23 (C.26:2G-1 et seq.); or Reorganization Plan No. 001-2017 may
24 provide primary care, mental health care, or substance use disorder
25 treatment services, or a combination of such services, under a single
26 license.

27 b. The regulations shall:

28 (1) identify services authorized to be provided as primary care,
29 mental health care, or substance use disorder treatment pursuant to
30 an integrated health care facility license;

31 (2) require a single integrated health care facility license for a
32 facility, which license shall specify the scope of primary care,
33 mental health care, and substance use disorder treatment services
34 that the facility is authorized to provide under the integrated health
35 care facility license;

36 (3) permit a facility to hold a designation as an ambulatory care
37 facility, community mental health program, substance use disorder
38 treatment facility, or other type of facility recognized under State or
39 federal law under the integrated health care facility license without
40 requiring a separate license;

41 (4) identify staffing requirements consistent with staff members'
42 scope of professional practice and credentials;

43 (5) establish standards for information sharing among providers
44 and among core and non-core team members;

45 (6) establish requirements for collection of data on identified
46 outcome measures;

- 1 (7) permit sharing of clinical space, administrative staff,
2 medical records storage, and other facility resources among
3 different categories of services, unless a separation is necessary to
4 protect the health and safety of patients or the public or to comply
5 with federal or State health privacy laws and regulations; and
6 (8) establish application requirements, compliance inspections,
7 investigations, and enforcement actions, including but not limited to
8 fees and penalties.
- 9 c. In developing the regulations, the commissioner shall:
- 10 (1) consult with the Division of Medical Assistance and Health
11 Services in the Department of Human Services to develop policies
12 that minimize barriers to participation and reimbursement in the
13 Medicaid and NJ FamilyCare programs faced by licensed facilities
14 for all qualifying services; and
15 (2) promote policies that:
16 (a) support an effective and efficient administration of a full
17 range of integrated, comprehensive health care;
18 (b) support providers' identification of risk factors for mental
19 illness and substance use disorders, which may include physical
20 health diagnoses;
21 (c) support an increased awareness of prevention and treatment;
22 (d) reduce the stigma associated with receiving behavioral
23 health treatment;
24 (e) will lead to improved access to mental health care and
25 substance use disorder treatment services for all persons;
26 (f) will lead to improved general health and wellness, including
27 physical health, mental health, and substance use disorders, and
28 prevent chronic disease; and
29 (g) will leverage partnerships with local health authorities,
30 employers, faith-based organizations, and others involved in
31 promoting community health.

32
33 4. This act shall take effect on the first day of the thirteenth
34 month next following the date of enactment, except that the
35 Commissioner of Health may take any anticipatory administrative
36 action in advance as shall be necessary for the implementation of
37 this act.

38
39

40 STATEMENT

41

42 This Senate floor substitute require the Department of Health
43 (DOH) to establish a single license for facilities providing
44 integrated behavioral and physical health care. The substitute
45 builds upon Reorganization Plan No. 001-2017, which transferred
46 the Division of Mental Health and Addiction Services from the
47 Department of Human Services (DHS) to the DOH, to create an

1 integrated licensing system for facilities that previously would have
2 had to obtain licenses from multiple state agencies to provide the
3 full range of health care services their patients require.

4 The substitute requires the DOH to establish a new integrated
5 health care facility licensing system under which facilities will
6 provide primary care, mental health care, substance use disorder
7 treatment, or a combination of such services under a single license.
8 The DOH would have broad authority to set standards for facilities
9 holding an integrated health care facility license, similar to its
10 authority over other health care facilities. The licensing system
11 described in the legislation differs from the existing licensing
12 regime most notably in that it requires a single integrated health
13 care facility license for a facility that specifies the scope of services
14 provided, rather than separate licenses for different services; and
15 that it explicitly permit sharing of clinical space, administrative
16 staff, medical records storage, and other facility resources among
17 different categories of services, unless a separation is necessary to
18 protect the health and safety of patients and the public or to comply
19 with federal or State health privacy laws and regulations.

20 The substitute bill also requires that the DOH will consider
21 several factors not directly related to facility licensure. In
22 developing regulations for the integrated health care facility
23 licensing system, the DOH will consult with the Division of
24 Medical Assistance and Health Services to develop policies that
25 minimize barriers to participation and reimbursement in the
26 Medicaid and NJ FamilyCare programs faced by licensed facilities
27 for all qualifying services. Additionally, the DOH will promote
28 policies that:

- 29 • support an effective and efficient administration of a full range
30 of integrated, comprehensive health care;
- 31 • support providers' identification of risk factors for mental
32 illness and substance use disorders, which may include physical
33 health diagnoses;
- 34 • support an increased awareness of prevention and treatment;
- 35 • reduce the stigma associated with receiving behavioral health
36 treatment;
- 37 • will lead to improved access to mental health care and substance
38 use disorder treatment services for all persons;
- 39 • will lead to improved general health and wellness, including
40 physical health, mental health, and substance use disorders, and
41 prevent chronic disease; and
- 42 • will leverage partnerships with local health authorities,
43 employers, faith-based organizations, and others involved in
44 promoting community health.

SS for **S1710**

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3

Requires DOH to establish single license for facilities providing

4

integrated behavioral and physical health care.

SENATE, No. 1710

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED FEBRUARY 16, 2016

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator ROBERT W. SINGER

District 30 (Monmouth and Ocean)

SYNOPSIS

Provides for licensure of ambulatory care facilities to provide integrated primary care services including behavioral health care.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning behavioral health care services provided by
2 ambulatory care facilities and supplementing Title 26 of the
3 Revised Statutes.

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

7
8 1. In order to ensure that ambulatory care facilities that are
9 licensed to provide primary health care services pursuant to
10 N.J.A.C.8:43A are able to provide their patients with integrated
11 primary health care services that include behavioral health care, the
12 Commissioner of Health, in consultation with the Commissioner of
13 Human Services, shall adopt regulations, pursuant to the
14 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
15 seq.), to allow an ambulatory care facility to apply for a modifier to
16 its license to allow it to provide limited behavioral health care
17 services under its ambulatory care facility license, without a license
18 to operate a mental health program or a substance abuse treatment
19 facility issued by the Department of Human Services.

20 Behavioral health care services authorized under this section
21 shall include outpatient mental health and substance abuse
22 treatment services for individuals who exhibit either mild or
23 moderate symptoms of a behavioral health disorder. Such treatment
24 services shall include, but need not be limited to: assessment and
25 evaluation; referral, linkage, and follow-up; individual, group, and
26 family therapy; psychiatric evaluation; medication services; and
27 medication monitoring.

28 Behavioral health care services authorized under this section
29 shall be provided by an individual who is licensed to practice as a
30 physician, physician assistant, advanced practice nurse,
31 psychologist, certified or licensed substance abuse counselor,
32 licensed professional counselor, licensed marriage and family
33 therapist, or clinical social worker.

34
35 2. An ambulatory care facility that is authorized under its
36 current license to provide integrated primary health care services
37 that include behavioral health care services on the effective date of
38 this act shall be deemed to be in compliance with the requirements
39 for a license modifier established pursuant to this act, and shall be
40 granted a license modifier upon its application to the Department of
41 Health.

42
43 3. This act shall take effect immediately.

44
45 **STATEMENT**

46
47 This bill allows ambulatory care facilities, including Federally
48 Qualified Health Centers (FQHCs), to provide integrated primary

1 health care services, including behavioral health care services,
2 under a single license.

3 The bill requires the Commissioner of Health, in consultation
4 with the Commissioner of Human Services, to adopt regulations to
5 allow an ambulatory care facility to apply for a modifier to its
6 license to allow it to provide, under its ambulatory care facility
7 license, limited behavioral health care services for individuals who
8 exhibit either mild or moderate symptoms of a behavioral health
9 disorder. Authorized treatment services will include, but need not
10 be limited to: assessment and evaluation; referral, linkage, and
11 follow-up; individual, group, and family therapy; psychiatric
12 evaluation; medication services; and medication monitoring. Under
13 the bill, these services are to be provided by a licensed physician,
14 physician assistant, advanced practice nurse, psychologist, certified
15 or licensed substance abuse counselor, licensed professional
16 counselor, licensed marriage and family therapist, or clinical social
17 worker.

18 In general, providers of behavioral health services are licensed
19 by the Department of Human Services and ambulatory care
20 facilities are licensed by the Department of Health. The bill will
21 allow a single license to include all primary health care services,
22 permitting greater coordination between traditional primary health
23 care staff and behavioral health care staff and improving integration
24 of health care services at ambulatory care facilities.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 1710

STATE OF NEW JERSEY

DATED: FEBRUARY 29, 2016

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 1710.

This bill allows ambulatory care facilities, including Federally Qualified Health Centers (FQHCs), to provide integrated primary health care services, including behavioral health care services, under a single license.

The bill requires the Commissioner of Health, in consultation with the Commissioner of Human Services, to adopt regulations to allow an ambulatory care facility to apply for a modifier to its license to allow it to provide, under its ambulatory care facility license, limited behavioral health care services for individuals who exhibit either mild or moderate symptoms of a behavioral health disorder. Authorized treatment services will include, but need not be limited to: assessment and evaluation; referral, linkage, and follow-up; individual, group, and family therapy; psychiatric evaluation; medication services; and medication monitoring. Under the bill, these services are to be provided by a licensed physician, physician assistant, advanced practice nurse, psychologist, certified or licensed substance abuse counselor, licensed professional counselor, licensed marriage and family therapist, or clinical social worker.

In general, providers of behavioral health services are licensed by the Department of Human Services and ambulatory care facilities are licensed by the Department of Health. The bill will allow a single license to include all primary health care services, permitting greater coordination between traditional primary health care staff and behavioral health care staff and improving integration of health care services at ambulatory care facilities.

ASSEMBLY, No. 3475

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MARCH 14, 2016

Sponsored by:

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblyman JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

Co-Sponsored by:

Assemblywoman N.Munoz

SYNOPSIS

Provides for licensure of ambulatory care facilities to provide integrated primary care services including behavioral health care.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/13/2016)

1 AN ACT concerning behavioral health care services provided by
2 ambulatory care facilities and supplementing Title 26 of the
3 Revised Statutes.

4

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

7

8 1. In order to ensure that ambulatory care facilities that are
9 licensed to provide primary health care services pursuant to
10 N.J.A.C.8:43A are able to provide their patients with integrated
11 primary health care services that include behavioral health care, the
12 Commissioner of Health, in consultation with the Commissioner of
13 Human Services, shall adopt regulations, pursuant to the
14 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
15 seq.), to allow an ambulatory care facility to apply for a modifier to
16 its license to allow it to provide limited behavioral health care
17 services under its ambulatory care facility license, without a license
18 to operate a mental health program or a substance abuse treatment
19 facility issued by the Department of Human Services.

20 Behavioral health care services authorized under this section
21 shall include outpatient mental health and substance abuse
22 treatment services for individuals who exhibit either mild or
23 moderate symptoms of a behavioral health disorder. Such treatment
24 services shall include, but need not be limited to: assessment and
25 evaluation; referral, linkage, and follow-up; individual, group, and
26 family therapy; psychiatric evaluation; medication services; and
27 medication monitoring.

28 Behavioral health care services authorized under this section
29 shall be provided by an individual who is licensed to practice as a
30 physician, physician assistant, advanced practice nurse,
31 psychologist, certified or licensed substance abuse counselor,
32 licensed professional counselor, licensed marriage and family
33 therapist, or clinical social worker.

34

35 2. An ambulatory care facility that is authorized under its
36 current license to provide integrated primary health care services
37 that include behavioral health care services on the effective date of
38 this act shall be deemed to be in compliance with the requirements
39 for a license modifier established pursuant to this act, and shall be
40 granted a license modifier upon its application to the Department of
41 Health.

42

43 3. This act shall take effect immediately.

44

45 STATEMENT

46

47 This bill allows ambulatory care facilities, including Federally
48 Qualified Health Centers (FQHCs), to provide integrated primary

1 health care services, including behavioral health care services,
2 under a single license.

3 The bill requires the Commissioner of Health, in consultation
4 with the Commissioner of Human Services, to adopt regulations to
5 allow an ambulatory care facility to apply for a modifier to its
6 license to allow it to provide, under its ambulatory care facility
7 license, limited behavioral health care services for individuals who
8 exhibit either mild or moderate symptoms of a behavioral health
9 disorder. Authorized treatment services will include, but need not
10 be limited to: assessment and evaluation; referral, linkage, and
11 follow-up; individual, group, and family therapy; psychiatric
12 evaluation; medication services; and medication monitoring. Under
13 the bill, these services are to be provided by a licensed physician,
14 physician assistant, advanced practice nurse, psychologist, certified
15 or licensed substance abuse counselor, licensed professional
16 counselor, licensed marriage and family therapist, or clinical social
17 worker.

18 In general, providers of behavioral health services are licensed
19 by the Department of Human Services and ambulatory care
20 facilities are licensed by the Department of Health. The bill will
21 allow a single license to include all primary health care services,
22 permitting greater coordination between traditional primary health
23 care staff and behavioral health care staff and improving integration
24 of health care services at ambulatory care facilities.

ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3475

STATE OF NEW JERSEY

DATED: DECEMBER 18, 2017

The Assembly Health and Senior Services Committee reports favorably an Assembly committee substitute for Assembly Bill No. 3475.

This committee substitute requires the Department of Health (DOH) to establish a single license for facilities providing integrated behavioral and physical health care. The substitute builds upon Reorganization Plan No. 001-2017, which transferred the Division of Mental Health and Addiction Services from the Department of Human Services (DHS) to the DOH, to create an integrated licensing system for facilities that previously would have had to obtain licenses from multiple state agencies to provide the full range of health care services their patients require.

The substitute requires the DOH to establish a new integrated health care facility licensing system under which facilities will provide primary care, mental health care, substance use disorder treatment, or a combination of such services under a single license. The DOH will have broad authority to set standards for facilities holding an integrated health care facility license, similar to its authority over other health care facilities. The licensing system described in the legislation differs from the existing licensing regime most notably in that it requires a single integrated health care facility license for a facility that specifies the scope of services provided, rather than separate licenses for different services; and that it expressly permits sharing of clinical space, administrative staff, medical records storage, and other facility resources among different categories of services, unless a separation is necessary to protect the health and safety of patients and the public or to comply with federal or State health privacy laws and regulations.

The substitute bill also requires the DOH to consider several factors not directly related to facility licensure. In developing regulations for the integrated health care facility licensing system, the DOH will consult with the Division of Medical Assistance and Health Services to develop policies that minimize barriers to participation and reimbursement in the Medicaid and NJ FamilyCare programs faced by licensed facilities for all qualifying services. Additionally, the DOH will promote policies that:

- support an effective and efficient administration of a full range of integrated, comprehensive health care;
- support providers' identification of risk factors for mental illness and substance use disorders, which may include physical health diagnoses;
- support an increased awareness of prevention and treatment;
- reduce the stigma associated with receiving behavioral health treatment;
- will lead to improved access to mental health care and substance use disorder treatment services for all persons;
- will lead to improved general health and wellness, including physical health, mental health, and substance use disorders, and prevent chronic disease; and
- will leverage partnerships with local health authorities, employers, faith-based organizations, and others involved in promoting community health.