

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3607

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 10, 2018

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3607 (1R), with committee amendments.

As amended, this bill requires the Department of Community Affairs (DCA), within 120 days after the bill's enactment, to approve a credentialing entity to develop and administer a voluntary certification program for recovery residences and recovery residence administrators in the State. "Recovery residence" is defined by the bill to mean housing with a home-like atmosphere, which is available in a professionally-managed facility (i.e., a facility that is directly managed by a recovery residence administrator) or in a peer-managed facility (i.e., a facility that is cooperatively self-managed by residents in recovery who are renting rooms at the facility), and which provides a sober living environment and alcohol and drug free living accommodations to individuals with substance use disorders, or to individuals with co-occurring mental health and substance use disorders, but which does not provide clinical treatment services for mental health or substance use disorders. The term includes, but is limited to, facilities that are commonly referred to as sober living homes. "Recovery residence administrator" is defined as the owner or operator of a recovery residence who is responsible for the overall management of the recovery residence, including, but not limited to, the supervision of residents and staff; and who does not reside in the recovery residence.

The bill requires the DCA to use a portion of the monies annually appropriated thereto to provide appropriate funds to the credentialing entity, on an annual basis, to enable the credentialing entity to fulfill its duties and responsibilities under the bill's provisions.

In developing the recovery residence certification program (which is to become operational within 180 days after the credentialing entity is approved by the DCA), the credentialing entity will be required to: 1) establish requirements for the voluntary certification of recovery residences and recovery

residence administrators, and requirements for the annual recertification of certified recovery residences and certified recovery residence administrators; 2) establish criminal background check requirements for the administrators and employees of professionally-managed facilities (i.e., those facilities that are managed by a professional administrator, and are not peer-managed), as deemed by the credentialing entity to be necessary; 3) administer all aspects of the certification program, and establish procedures to facilitate the application, certification, and annual recertification processes; 4) engage in the on-site pre-certification inspection of recovery residences applying for certification; 5) establish procedures and protocols for the regular monitoring and inspection of certified recovery residences, which procedures and protocols must, at a minimum, require at least one unannounced on-site inspection of each certified recovery residence, as a condition of annual recertification; and 6) establish an Internet website to provide information to the public about the recovery residence certification program. The requirements adopted under the recovery residence certification program are to be consistent with applicable standards adopted by the National Alliance for Recovery Residences (NARR).

The credentialing entity would be required to issue a certificate of compliance to any recovery residence, upon application therefor, provided that the residence satisfactorily passes a pre-certification inspection, complies with all other certification requirements established by the credentialing entity, and is either professionally managed by a certified recovery residence administrator, or is a peer-managed facility. “Peer-managed facility” is defined as any facility that is not directly managed by a recovery residence administrator, but which is self-managed, on a cooperative basis, by the residents in recovery who are renting rooms at the facility. A recovery residence that is professionally managed by an uncertified administrator will not be eligible to obtain a certificate of compliance, until such time as the recovery residence administrator obtains professional certification, as provided by the bill. The bill would specify that, for the purposes of expediency, the credentialing entity may consider an application for the professional certification of an administrator at the same time as it is considering an application for certification of the recovery residence.

Under the bill’s provisions, a recovery residence administrator or other recovery residence employee or volunteer would be prohibited from advertising, representing, or implying to the public that the recovery residence is a “certified recovery residence,” unless the residence has obtained a certificate of compliance from the credentialing entity. Similarly, a recovery residence administrator or other recovery residence employee or volunteer would be prohibited from advertising, representing, or implying to the public

that the administrator is a “certified recovery residence administrator,” unless the administrator has obtained a professional certification from the credentialing entity. Any person who violates these provisions would be subject to a civil penalty of up to \$1,000 for each offense.

A certificate of compliance issued to a recovery residence, and a professional certification issued to a recovery residence administrator, would each be valid for a period of one year from the date of issuance. The credentialing entity would be authorized to suspend, revoke, or refuse to renew a certificate of compliance issued to a recovery residence, if it finds that the residence has violated any certification requirements; or that the residence, if professionally managed, is no longer being managed by a certified administrator. The credentialing entity would be authorized to suspend, revoke, or refuse to renew the professional certification issued to an administrator, if it finds that the administrator is not in compliance with the requirements necessary to maintain such certification.

Within 180 days after the recovery residence certification program becomes operational, the credentialing entity will be required to publish, on its website, a list that provides contact information for all recovery residences that have obtained a certificate of compliance pursuant to the bill’s provisions. The credentialing entity is to notify the DCA, immediately upon publication, that the list is publicly available. The bill would specify that the published list of certified recovery residences may not include the names or contact information of any individual residents of a recovery residence, but, instead, is to include contact information only for the residence, itself, or for the owner of the residence, as deemed appropriate by the credentialing entity. At no point would the credentialing entity be authorized to disclose any personally identifying information about the residents of a recovery residence. The credentialing entity would be required to regularly update the list of certified recovery residences that is published on its website, in order to ensure that the list reflects the most up-to-date certification information, and omits reference to recovery residences that have lost their certification.

The DCA will similarly be required to update its website to reflect its approval of the credentialing entity, and to provide the public with the name and contact information of the credentialing entity, as well as a link to the entity’s website. Upon the DCA’s receipt of notice that the credentialing entity has published a list of certified recovery residences, the DCA would be required to notify all health care practitioners and substance use disorder treatment providers in the State about the availability of the list, and about the bill’s requirements regarding professional referrals to recovery residences. In particular, with respect to such referrals, the bill

provides that, following the receipt of notice regarding the list's availability, a health care practitioner or substance use disorder treatment provider will be prohibited from referring a patient to a recovery residence, unless the recovery residence is listed as a certified recovery residence on the credentialing entity's website; or the recovery residence – whether certified or not – is owned or operated by a licensed or certified substance use disorder treatment provider, or by a wholly owned subsidiary thereof. However, the bill would specify that nothing in its provisions may be deemed to require a health care practitioner or substance use disorder treatment provider to refer any patient to a recovery residence.

The bill would specify that a recovery residence, whether certified or not, may not be considered to be either a health care facility within the meaning of the "Health Care Facilities Planning Act," P.L.1971, c.136 (C.26:2H-1 et seq.), or a substance use disorder treatment facility within the meaning of P.L.1970, c.334 (C.26:2G-21 et seq.), and P.L.1975, c.305 (C.26:2B-7 et seq.). The bill would further specify that any recovery residence that holds a valid certificate of compliance, issued under the bill's provisions, may not be considered to be a rooming or boarding house, and is to be exempted from the provisions of the "Rooming and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et seq.) and any rules or regulations adopted pursuant thereto. (Uncertified recovery residences would, however, still remain subject to applicable rooming and boarding house requirements.) In addition, a certified recovery residence will be exempt from any rules and regulations governing the operation or certification of recovery residences or sober living homes, which rules and regulations were adopted by the Department of Community Affairs, the Department of Health, or the Department of Human Services prior to the bill's effective date. This bill will effectively supersede all other pre-existing rules and regulations on this issue.

COMMITTEE AMENDMENTS:

The committee amended the bill to require the Department of Community Affairs (not the Department of Health) to approve and oversee the credentialing entity that will be responsible for administering the voluntary recovery residence certification program.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that this bill will result in an indeterminate increase in State costs for the New Jersey Department of Health to provide funding to a nonprofit credentialing entity that would develop and administer a voluntary certification program for recovery residences and recovery residence administrators in the State. Due to the lack of centralized data regarding the number of recovery residences and recovery residence administrators in the

State, the OLS does not have a sufficient evidentiary basis to accurately determine the increase in State costs under this bill. Fiscal impact estimates from other states that have enacted substantively similar legislation, however, indicate cost increases of at least \$100,000 each year. A small State revenue increase would result from penalties collected pursuant to this bill. The bill establishes a civil penalty of up to \$1,000 for falsely advertising, representing, or implying to the public that a recovery residence is a certified recovery residence or that a residence's administrator is properly certified.