

P.L. 2019, CHAPTER 173, *approved July 19, 2019*
Senate, No. 1373

1 **AN ACT** concerning governmental home health care agencies and
2 supplementing Title 26 of the Revised Statutes.

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

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7 1. Notwithstanding any provision of Title 26 of the Revised
8 Statutes or any regulation promulgated thereunder to the contrary, a
9 county or municipal government that is the licensed operator of a
10 home health agency may contract with a non-governmental entity
11 that is licensed as a home health care agency to provide direct
12 services, administration, and financial services on behalf of the
13 governmental home health care agency, provided that the
14 governmental body that is the licensed operator retains ultimate
15 control over key governance responsibilities. Any such contractual
16 arrangement shall be subject to approval by the Department of
17 Health. Nothing in this section shall be construed to supersede any
18 applicable law or regulation concerning public bidding, licensure of
19 non-governmental home health care agencies, or reimbursement for
20 publicly funded health care programs.

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22 2. The Commissioner of Health shall, in accordance with the
23 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
24 seq.), adopt any rules and regulations as the commissioner deems
25 necessary to carry out the provisions of this act.

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27 3. This act shall take effect on the first day of the seventh
28 month next following the date of enactment, except that the
29 Commissioner of Health may take any anticipatory administrative
30 action in advance as shall be necessary for the implementation of
31 this act.

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STATEMENT

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36 This bill would permit a government-owned home health agency
37 to contract with a non-governmental entity that is licensed as a
38 home health care agency to provide direct services, administration,
39 and financial services. Current regulations at N.J.A.C.8:42-3.1
40 require a licensed home health agency to routinely provide nursing
41 services through its own staff, allowing an agency to retain nursing

1 services by contract only (1) temporarily because all available
2 employees have achieved maximum caseloads; or (2) to provide
3 specialized care that is not within either the expertise or scope of
4 practice of existing staff. This bill would allow governmental home
5 health agencies to contract with non-governmental agencies to
6 deliver services on a longer-term basis.

7 Under the bill, a contract between a governmental home health
8 care agency and a non-governmental contractor must leave ultimate
9 control over key governance responsibilities to the governmental
10 body that is the licensed operator. Any such contractual
11 arrangement would be subject to approval by the Department of
12 Health. Nothing in the bill would supersede any applicable law or
13 regulation concerning public bidding, licensure of non-
14 governmental home health care agencies, or reimbursement for
15 publicly funded health care programs.

16 It is the sponsor's belief that county and municipal governments
17 continue to have an important role in providing public health care
18 services to their residents that can be essential to ensure quality
19 health care services are available to all underserved residents,
20 irrespective of their ability to pay. However, governmental health
21 care agencies are often faced with challenges in the efficient
22 delivery of health care services not faced by private entities, and
23 these challenges can negatively affect their ability to serve as
24 critical access providers. By granting more flexibility to contract
25 for services, these governmental health care agencies can better
26 serve their missions to provide needed health care to their residents.

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31 Expands option of governmental home health care agency to
32 partner with non-governmental providers to deliver health care
33 services.