

**SENATE, No. 3446**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED FEBRUARY 11, 2021

**Sponsored by:**

**Senator PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**SYNOPSIS**

Requires DOH to establish Community Health Center Integrated Care Loan Program; appropriates funds for purposes of loan program.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning integrated health care at certain community  
2 health centers, supplementing Title 26 of the Revised Statutes,  
3 and making an appropriation.  
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*  
7

8 1. As used in the act,

9 “Commissioner” means the Commissioner of Health.

10 “Community health center” means a federally qualified health  
11 center (FQHC), an ambulatory care facility, a certified community  
12 behavioral health clinic (CCBHC), a behavioral health program, and  
13 a substance use disorder facility.

14 “Medicaid” means the Medicaid program established pursuant to  
15 P.L.1968, c.413 (C.30:4D-1 et seq.).  
16

17 2. a. The Commissioner of Health, in collaboration with the  
18 Commissioner of Human Services, shall establish the Community  
19 Health Center Integrated Care Loan Program. The purpose of the  
20 loan program shall be to provide zero percent interest, short-term  
21 financing loans to community health centers to support the  
22 integration of the center’s existing health services with an  
23 additional modality of care. Eligible modalities of care under the  
24 loan program shall include: primary care services, behavioral  
25 health care services, and substance abuse disorder services.

26 b. A community health center that elects to participate in the  
27 loan program shall submit an application to the commissioner on a  
28 form and in a manner prescribed by the commissioner. The  
29 application shall, at a minimum, require the center to provide the  
30 following:

31 (1) a description of the existing health care services offered at  
32 the center and of the new modality of care that will be integrated  
33 within the center upon receipt of the loan;

34 (2) a requested loan amount, along with a corresponding budget  
35 outlining how the funds will be expended to achieve integration of  
36 the new modality of care;

37 (3) data which demonstrates that the center is in need a financial  
38 resources to successfully provide an additional modality of care;  
39 and

40 (4) information on the community health center’s patient  
41 population.

42 c. Upon receipt of an application, the commissioner shall  
43 review the application and, subject to evaluation and the availability  
44 of funds appropriated to the Community Health Center Integrated  
45 Care Loan Fund, established pursuant to section 2 of this act, award  
46 a loan to each approved applicant within 30 days of the receipt of  
47 an application. The commissioner, to the maximum extent  
48 practicable, shall equitably distribute loans to successful applicants

1 in the northern, central, and southern regions of the State. The  
2 commissioner shall give priority to centers that are located in areas  
3 with a high Medicaid population, as determined by the  
4 commissioner.

5 d. Loan recipients shall use funds received pursuant to this act  
6 for the following purposes associated with the integration of a new  
7 modality of care:

8 (1) staff and training costs;

9 (2) licensure fees;

10 (3) infrastructure improvements required to comply with  
11 licensure requirements; and

12 (4) any other costs approved by the commissioner in the  
13 application process.

14

15 3. a. The Community Health Center Integrated Care Loan  
16 Fund is established as a nonlapsing, revolving fund, which shall be  
17 administered by the Department of Health. The fund shall be  
18 credited with monies received from the General Fund, pursuant to  
19 section 4 of this act, as well as the federal government, private  
20 foundations, or other sources, which may be available to support the  
21 Community Health Center Integrated Care Loan Program.

22 b. The State Treasurer is the custodian of the fund, and all  
23 disbursements from the fund shall be made by the State Treasurer  
24 upon vouchers signed by the commissioner. The monies in the fund  
25 shall be invested and reinvested by the Director of the Division of  
26 Investment in the Department of the Treasury as are other trust  
27 funds in the custody of the State Treasurer in the manner provided  
28 by law. Interest received on the monies in the fund shall be credited  
29 to the fund.

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31 4. There are hereby appropriated from the General Fund to the  
32 Community Health Center Integrated Care Loan Fund, established  
33 pursuant to section 3 of this act, such sums as may be necessary for  
34 the implementation of this act, as determined by the Commissioner  
35 of Health, in collaboration with the Commissioner of Human  
36 Services.

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38 5. Pursuant to the "Administrative Procedure Act," P.L.1968,  
39 c.410 (C.52:14B-1 et seq.), the Commissioner of Health, in  
40 collaboration with the Commissioner of Human Services and the  
41 State Treasurer, shall adopt rules and regulations to effectuate the  
42 purposes of this act.

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44 6. This act shall take effect immediately.

## STATEMENT

This bill requires the Commissioner of Health, in collaboration with the Commissioner of Human Services, to establish the Community Health Center Integrated Care Loan Program. The purpose of the loan program is to provide zero percent interest, short-term financing loans to community health centers to support the integration of the center's existing health services with an additional modality of care. Under the bill, a "community health center" means a federally qualified health center (FQHCs), an ambulatory care facility, a certified community behavioral health clinic (CCBHC), a behavioral health program, and a substance use disorder facility. Eligible modalities of care include: primary care services, behavioral health care services, and substance abuse disorder services.

Research demonstrates that integrating physical and behavioral health care services enhances access to services, improves quality of care and patient outcomes, and lowers overall health care costs. However, funding constraints often make the shift to integrated care difficult for community health centers that lack the capital to make the initial staffing and infrastructure investments needed to comply with the additional licensure requirements. It is the sponsor's goal that this loan program will provide the opportunity to the State's health care providers, who serve the most vulnerable residents, to offer the benefits of integrated care to their patients.

A community health center that elects to participate in the loan program is required to submit an application to the commissioner on a form and in a manner prescribed by the commissioner. The application, at a minimum, is to require the center to provide the following: 1) a description of the existing health care services offered at the center and of the new modality of care that will be integrated within the center upon receipt of the loan; 2) a requested loan amount, along with a corresponding budget outlining how the funds will be expended to achieve integration of the new modality of care; 3) data which demonstrates that the center is in need a financial resources to successfully provide an additional modality of care; and 4) information on the community health center's patient population.

Upon receipt of an application, the commissioner is to review the application and, subject to evaluation and the availability of funds in the Community Health Center Integrated Care Loan Fund, award a loan to each approved applicant within 30 days of the receipt of an application. The Community Health Center Integrated Care Loan Fund is a non-lapsing revolving fund established under the bill and credited with monies received from the General Fund as well as any monies available from the federal government, private foundations, or other sources. The commissioner, to the maximum extent practicable, is required to equitably distribute loans to

1 successful applicants in the northern, central, and southern regions  
2 of the State and give priority to centers that are located in areas with  
3 a high Medicaid population, as determined by the commissioner.

4 Loan recipients are required to use the funds for the following  
5 purposes associated with the integration of a new modality of care:  
6 1) staff and training costs; 2) licensure fees; 3) infrastructure  
7 improvements required to comply with licensure requirements; and  
8 4) any other costs approved by the commissioner in the application  
9 process.