

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 202**

STATE OF NEW JERSEY

DATED: NOVEMBER 7, 1996

The Assembly Health Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 202.

This committee substitute requires that a nursing home furnish a prospective resident or the resident's family or guardian with a copy of the contract or agreement between the nursing home and the resident prior to or upon admission.

The substitute further provides that a nursing home shall not, with respect to an applicant for admission or a resident of the facility:

(1) require that the applicant or resident waive any rights to benefits to which he may be entitled under the Medicare or Medicaid program; or

(2) require a third party guarantee of payment to the facility as a condition of admission or expedited admission to, or continued residence in, that facility; except that when an individual has legal access to a resident's income or resources available to pay for facility care pursuant to a durable power of attorney, order of guardianship or other valid document, the facility may require the individual to sign a contract to provide payment to the facility from the resident's income or resources without incurring personal financial liability.

In addition, the substitute requires a nursing home to prominently display in that facility, and provide to an applicant for admission or a resident of the facility, written information about how to apply for benefits under the Medicare or Medicaid program, and how to receive a refund of previous payments to the facility which may be covered by those benefits.

The provisions of the substitute which reference an applicant's or resident's right to Medicare or Medicaid benefits and any third party guarantor of payment shall not apply to a nursing home which does not participate in the Medicare or Medicaid program.

The provisions of this substitute, except as otherwise indicated, shall apply to any applicant for admission to a nursing home or any resident of the facility, whether the applicant or resident is eligible for benefits under the Medicare or Medicaid program or is a private pay patient, or may in the future convert from a private pay patient to a Medicare or Medicaid patient.

Finally, the substitute requires the Department of Health and Senior Services to provide a written explanation of these provisions to each nursing home which participates in the Medicare or Medicaid program, which the nursing home shall include in the contract or agreement which it furnishes to a prospective resident or the resident's family or guardian prior to or upon admission.