

SENATE HEALTH COMMITTEE

STATEMENT TO

SENATE, No. 368

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 22, 1996

The Senate Health Committee reports favorably Senate Bill No. 368 with committee amendments.

As amended by committee, this bill would permit acute care hospitals, comprehensive rehabilitation hospitals and skilled nursing facilities to establish subacute care units. In addition, the bill permits acute care hospitals and comprehensive rehabilitation hospitals to convert a portion of existing bed capacity into a subacute care unit without having to obtain a certificate of need from the Department of Health.

Subacute care is defined as a comprehensive in-patient program for patients who have had an acute illness, injury or exacerbation of a disease process for which they were hospitalized immediately prior to entry into the program, have a determined course of treatment prescribed, and do not require intensive diagnostic or invasive procedures, but the patient's condition does require physician direction, intensive nursing care, frequent recurrent patient assessment and review of the clinical course and treatment plan for a period of time, significant use of ancillary medical services and an interdisciplinary approach using a professional team of physicians, nurses and other relevant professional disciplines to deliver complex clinical interventions.

As it applies to acute care hospitals and comprehensive rehabilitation hospitals, the bill provides that:

- a hospital may convert 15% of its licensed bed capacity into a subacute care unit, or 24 beds, whichever is greater;
- the unit must comply with all State regulations governing its operations, and is subject to the physical requirements for skilled nursing beds under the federal Medicare program;
- the average length of patients' stays in the unit cannot exceed 20 days;
- the subacute care unit must be certified to participate in the Medicare program as a skilled nursing facility; and
- a hospital's licensed bed capacity will be reduced by the number of beds converted to a subacute care unit.

Also, the bill specifies that a subacute care unit shall not

discriminate against a patient on the basis of a patient's ability to pay or source of payment for the care provided in the subacute care unit. Also, the long-term care beds in the unit will not be included in long-term care bed inventories for certificate of need review purposes.

The bill sets forth diagnostic categories and criteria for clinically stable hospital patients who should be placed in a comprehensive rehabilitation hospital rather than a subacute care unit. The bill also requires hospitals and other health care facilities that convert beds for subacute care to periodically report various activities to the Department of Health.

The committee amended the bill to provide that a subacute care unit shall not discriminate against a patient on the basis of ability to pay or source of payment and deleted the provisions concerning Medicaid occupancy levels. The amendments also provide that an acute care hospital with a subacute care unit which plans to transfer a patient from the hospital to the subacute care unit, shall discharge the patient from the hospital and then admit the patient into the subacute care unit.

This bill was prefiled for introduction in the 1996-97 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.