

SENATE, No. 1396

STATE OF NEW JERSEY

INTRODUCED JULY 25, 1996

By Senator MATHEUSSEN

1 AN ACT concerning the licensure of hospitals and amending and  
2 supplementing P.L.1971, c.136.

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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. Section 12 of P.L.1971, c.136 (C.26:2H-12) is amended to read  
8 as follows:

9 12. a. No health care facility shall be operated unless it shall: (1)  
10 possess a valid license issued pursuant to this act, which license shall  
11 specify the kind or kinds of health care services the facility is  
12 authorized to provide; (2) establish and maintain a uniform system of  
13 cost accounting approved by the commissioner; (3) establish and  
14 maintain a uniform system of reports and audits meeting the  
15 requirements of the commissioner; (4) prepare and review annually a  
16 long range plan for the provision of health care services, which plan  
17 shall be compatible with the State Health Plan as related to medical  
18 health services, health care services, and health manpower; and (5)  
19 establish and maintain a centralized, coordinated system of discharge  
20 planning which assures every patient a planned program of continuing  
21 care and which meets the requirements of the commissioner which  
22 requirements shall, where feasible, equal or exceed those standards and  
23 regulations established by the federal Government for all  
24 federally-funded health care facilities but shall not require any person  
25 who is not in receipt of State or federal assistance to be discharged  
26 against his will.

27 b. (1) Application for a license for a health care facility shall be  
28 made upon forms prescribed by the department. The department shall  
29 charge such nonrefundable fees for the filing of an application for a  
30 license and any renewal thereof, as it shall from time to time fix in  
31 rules or regulations; provided, however, that no such fee shall exceed  
32 \$2,000.00. The application shall contain the name of the health care  
33 facility, the kind or kinds of health care service to be provided, the

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 location and physical description of the institution, and such other  
2 information as the department may require. (2) A license shall be  
3 issued by the department upon its findings that the premises,  
4 equipment, personnel, including principals and management, finances,  
5 rules and bylaws, and standards of health care service are fit and  
6 adequate and there is reasonable assurance the health care facility will  
7 be operated in the manner required by this act and rules and  
8 regulations thereunder. (3) In the case of a general or special hospital,  
9 the department shall issue a license to the facility upon receipt of  
10 written confirmation of its accreditation by a voluntary accreditation  
11 agency approved by the department. Except as provided in this  
12 subsection, a hospital which maintains its accreditation by a voluntary  
13 accreditation agency approved by the department is exempt from the  
14 requirement of an inspection by the department for the purposes of  
15 licensure issuance and renewal only, subject to the following  
16 conditions: the hospital shall be required to furnish the department  
17 with a copy of the accreditation agency findings within 60 days after  
18 its receipt of those findings and the hospital's plan for correcting any  
19 deficiencies found by the accreditation agency, as well as any progress  
20 reports required by the accreditation agency or the department with  
21 regard to the correction of those deficiencies; and the hospital shall be  
22 required to correct those deficiencies within the time period specified  
23 by the accreditation agency. In the case of a three-year accreditation  
24 by an agency approved by the department, the department shall  
25 conduct an unannounced inspection of the hospital no later than 24  
26 months after the date the accreditation was granted.

27 Nothing as herein provided shall be construed as exempting the  
28 hospital from compliance with State hospital licensing standards as set  
29 forth in chapter 43G of the New Jersey Administrative Code, or  
30 precluding inspection by the department of a hospital under the  
31 following circumstances:

32 (a) for an investigation of specific complaints, services or  
33 conditions which have been reported to or identified by the  
34 department;

35 (b) when an investigation is necessary for the furnishing to the  
36 department by a hospital of any information and reports which are  
37 authorized by State or federal law; or

38 (c) if the hospital receives a conditional accreditation from, or fails  
39 to be accredited by, a voluntary accreditation agency approved by the  
40 department.

41 If any State hospital licensing standards exceed the requirements of  
42 a voluntary accreditation agency approved by the department, a  
43 hospital shall be required to meet the State standards as a condition of  
44 licensure, notwithstanding its accreditation by that agency. The  
45 department shall monitor a hospital's compliance with any such  
46 standards.



1 While the bill exempts accredited hospitals from the annual  
2 inspection requirement, it requires that in the case of a three-year  
3 accreditation, the department shall conduct an unannounced inspection  
4 of the hospital no later than 24 months after the date the accreditation  
5 was granted. This requirement will ensure a continued State role in  
6 the inspection of hospitals.

7 The bill also provides that DOH may inspect an accredited hospital  
8 under the following circumstances:

9 (a) for an investigation of specific complaints, services or  
10 conditions which have been reported to or identified by the  
11 department;

12 (b) when an investigation is necessary for the furnishing to the  
13 department by a hospital of any information and reports which are  
14 authorized by State or federal law; or

15 (c) if the hospital receives a conditional accreditation or fails to be  
16 accredited.

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21 Provides for licensure of hospitals by DOH based on accreditation by  
22 voluntary accreditation agencies approved by DOH.