

**SENATE, No. 2558**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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INTRODUCED MAY 12, 2022

**Sponsored by:**

**Senator NIA H. GILL**

**District 34 (Essex and Passaic)**

**Senator JEAN STANFIELD**

**District 8 (Atlantic, Burlington and Camden)**

**Co-Sponsored by:**

**Senator Durr**

**SYNOPSIS**

Excludes veterans' benefits from calculation of financial obligation for care at psychiatric facility.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/27/2022)**

1   **AN ACT** concerning payments for patients in psychiatric facilities  
2       and amending R.S.30:4-60.

3  
4       **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7       1. R.S.30:4-60 is amended to read as follows:

8       30:4-60.   a. If the court shall determine that the person has a  
9       mental illness and is in need of treatment at a psychiatric facility, it  
10      may determine the legal settlement of the person and, consistent  
11      with the laws governing civil commitment and the Rules of Court,  
12      direct the admission or hospitalization of the person to the care of  
13      the Commissioner of Human Services for treatment in a psychiatric  
14      facility, short-term care facility, or special psychiatric hospital in  
15      this State.

16      b. If the Department of Human Services determines that the  
17      person has a developmental disability and is eligible for functional  
18      services from the Division of Developmental Disabilities, the  
19      department, using a formula of financial ability to pay as  
20      promulgated annually by the Department of the Treasury, shall  
21      determine if the person with a developmental disability has  
22      sufficient income, assets, resources, or estate to pay for the person's  
23      maintenance as fixed by the department, or is able to make any  
24      payment towards the person's maintenance, or if the person's  
25      chargeable relatives or other persons chargeable by contract are able  
26      to pay the person's maintenance or make any payment toward the  
27      person's maintenance on the person's behalf. The department shall  
28      determine the legal settlement of the developmentally disabled  
29      person pursuant to section 86 of P.L.1965, c.59 (C.30:4-165.3).

30      The department shall send written notice of the periodic payment  
31      amount to the person or the person's parent or guardian, chargeable  
32      relative, or other person chargeable by contract for the person's  
33      support. All required payments shall be made directly to the  
34      department unless otherwise specified in the notice. The notice  
35      may, in the discretion of the department, contain such direction as  
36      may seem proper concerning security to be given for the payment.  
37      The payment notice shall be separate and independent of any order  
38      of commitment to the care and custody of the commissioner or any  
39      order of guardianship.

40      The department shall annually review and revise, as appropriate,  
41      its payment calculations. If the financial circumstances of the  
42      person or persons chargeable by law or contract for the support of  
43      the developmentally disabled person change prior to the annual  
44      review, the chargeable person or persons shall immediately notify  
45      the department in writing.

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

Matter underlined thus is new matter.

1       c. (1) A person with mental illness who is 18 years of age or  
2 older and is being treated in a psychiatric facility as defined in  
3 section 2 of P.L.1987, c.116 (C.30:4-27.2) shall be liable for the full  
4 cost of the person's treatment, maintenance, and all necessary and  
5 related expenses of the person's hospitalization until the person is  
6 determined to be ineligible for or has exhausted any third party  
7 insurance benefits or medical assistance program that will pay an  
8 amount toward the facility's bill. The obligation by the person with  
9 mental illness for the remainder of the facility's bill, after the credit  
10 for all available third party insurance payments or medical  
11 assistance program payment, will be in an amount based upon the  
12 sliding scale fee schedule established for charity care pursuant to  
13 subsection b. of section 10 of P.L.1992, c.160 (C.26:2H-18.60). In  
14 calculating the obligation pursuant to this subsection, the person's  
15 income shall not include veterans' benefits the person receives.

16       (2) The obligation of the parent of a person with mental illness  
17 under the age of 18 for the remainder of the facility's bill shall be  
18 based upon the lesser of the sliding scale fee schedule established  
19 for charity care pursuant to subsection b. of section 10 of P.L.1992,  
20 c.160 (C.26:2H-18.60), or the formula of financial ability to pay as  
21 promulgated annually by the Department of the Treasury pursuant  
22 to subsection b. of this section.

23       (3) A person with mental illness or a person responsible under a  
24 court order for the cost of care and maintenance of a person with  
25 mental illness who, without good cause, (a) refuses to submit  
26 information and authorizations sufficient to enable the facility to  
27 access any available third-party payer, or (b) refuses to apply for  
28 public medical assistance for which the person with mental illness  
29 may be eligible, shall be responsible for the full cost of the person's  
30 care and maintenance at the facility without the application of the  
31 criteria set forth in paragraphs (1) and (2) of this subsection.

32       (4) Based upon the criteria set forth in paragraphs (1) and (2) of  
33 this subsection, the Department of Human Services or county  
34 adjuster in the county of settlement, as applicable, shall make a  
35 determination of the amount the person with mental illness who is  
36 18 years of age or older, or the parent of a person with mental  
37 illness under the age of 18, shall be liable to contribute toward the  
38 cost of the person's treatment, maintenance, and all necessary and  
39 related expenses of the person's hospitalization. The liability may  
40 be enforced by the Commissioner of Human Services in the manner  
41 set forth in section 1 of P.L.1962, c.207 (C.30:4-75.1).

42       (5) In the case of a person with mental illness who is married,  
43 the department shall establish a spousal share of the combined  
44 assets of the couple that shall be preserved for the  
45 noninstitutionalized spouse and immune from execution to satisfy  
46 the person's liability to contribute toward the cost of treatment,  
47 maintenance, and all necessary and related expenses of the person's  
48 hospitalization. In order to determine the spousal share of the

1 combined assets to be preserved, the Commissioner of Human  
2 Services shall employ the same methodology used by the State  
3 Medicaid program to determine the resources that are preserved for  
4 the needs of the community spouse of an institutionalized individual  
5 in accordance with N.J.A.C.10:71-4.8.

6 (6) The Commissioner of Human Services shall act on any  
7 request by a person with mental illness who is 18 years of age or  
8 older, or the parent of a person with mental illness under the age of  
9 18, to compromise for settlement of the obligation established  
10 pursuant to this section. With respect to the request, the  
11 commissioner shall allow the person or parent to retain adequate  
12 funds to:

13 (a) maintain the person's or parent's housing and usual standard  
14 of living in the community;

15 (b) provide for any necessary medical expenses or special needs;

16 (c) support any minor, disabled, elderly, or other dependent;

17 (d) establish a trust to ensure future self-sufficiency; or

18 (e) provide for any other genuine financial needs.

19 Requests to compromise for settlement of the obligation shall be  
20 liberally granted by the commissioner and shall promote the  
21 person's or the person's parent's opportunity to obtain and maintain  
22 employment, purchase property, both real and personal, and achieve  
23 full reintegration into the community, as applicable. The  
24 commissioner shall ensure that all persons and parents are notified  
25 of their right to request a compromise and the procedure for doing  
26 so.

27 (cf: P.L.2013, c.253, s.12)

28  
29 2. This act shall take effect immediately.

## 30 31 32 STATEMENT

33  
34 This bill amends R.S.30:4-60 to exclude veterans' benefits from  
35 income for the purpose of calculating the financial obligation for  
36 care in a psychiatric facility, which is defined as a State psychiatric  
37 hospital listed in R.S.30:1-7, county psychiatric hospital, or  
38 psychiatric unit of a county hospital.

39 Currently, subsection c. of R.S.30:4-60, which was added by  
40 P.L.2005, c.55, provides that the financial obligation of an adult  
41 with mental illness, after taking a credit for all available third party  
42 insurance or medical assistance program payments, is based on the  
43 sliding scale fee schedule established for charity care under section  
44 10 of P.L.1992, c.160 (C.26:2H-18.60).

45 Under the bill, veterans' benefits the person receives would be  
46 excluded from income when calculating the adult's obligation for  
47 psychiatric care using the sliding scale fee for charity care.