

[First Reprint]

ASSEMBLY, No. 3974

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED FEBRUARY 27, 2024

Sponsored by:

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Assemblyman CODY D. MILLER

District 4 (Atlantic, Camden and Gloucester)

Assemblywoman ROSAURA "ROSY" BAGOLIE

District 27 (Essex and Passaic)

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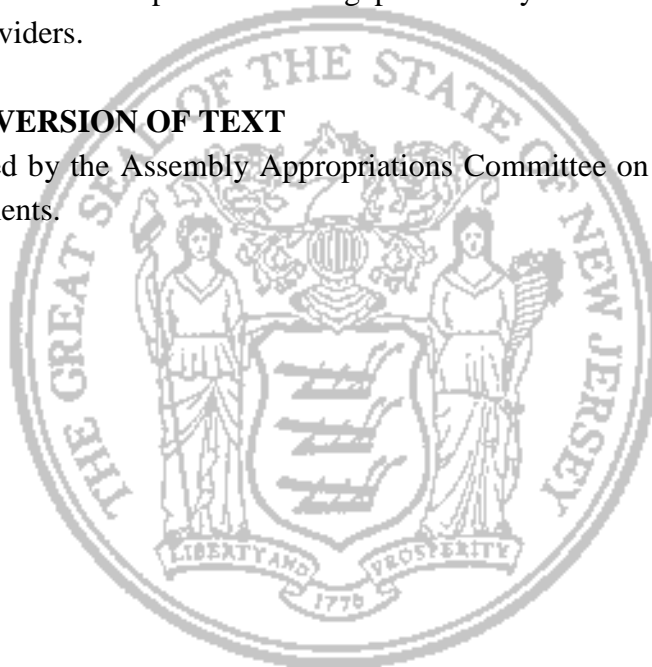
Assemblyman Conaway, Assemblywomen McCoy, Hall, Reynolds-Jackson, Peterpaul, Haider, Carter, Donlon, Assemblyman Sampson, Assemblywomen Speight, McCann Stamato, Lampitt and Ramirez

SYNOPSIS

Prohibits use of deceptive marketing practices by substance use disorder treatment providers.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 24, 2024, with amendments.



(Sponsorship Updated As Of: 9/26/2024)

1 AN ACT concerning substance use treatment providers and
2 supplementing Title 56 of the Revised Statutes.

3

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

6

7 1. As used in this act:

8 ¹“Affiliation” means a relationship where one party, directly or
9 indirectly, through one or more intermediaries, controls, is
10 controlled by, or is under common control with, the other party.¹

11 “Recovery residence” means housing with a home-like
12 atmosphere, which is available in either a professionally-managed
13 facility or a peer-managed facility, and which provides a sober
14 living environment and alcohol- and drug-free living
15 accommodations to individuals with substance use disorders, or to
16 individuals with co-occurring mental health and substance use
17 disorders, but which does not provide clinical treatment services for
18 mental health or substance use disorders. “Recovery residence”
19 includes, but is not limited to, a facility that is commonly referred
20 to as a sober living home.

21 “Treatment provider” means a facility licensed in accordance
22 with section 8 of P.L.1975, c.305 (C.26:2B-14) for substance use
23 disorder treatment or services, a substance use disorder treatment
24 facility issued a certificate of approval pursuant to P.L.1970, c.334
25 (C.26:2G-21 et seq.), or a recovery residence located within the
26 State.

27

28 2. Any marketing or advertising materials published or
29 disseminated by a treatment provider shall provide accurate and
30 complete information, in plain language, and shall include the
31 following:

- 32 a. information on the types and methods of services provided;
33 b. information about the location in which services are provided;
34 and
35 c. the treatment provider’s name and brand name.

36

37 3. a. It shall be an unlawful practice, pursuant to P.L.1960, c.39
38 (C.56:8-1 et seq.), for a treatment provider to:

39 (1) make a false or misleading statement about the treatment
40 provider’s status as an in-network or out-of-network provider;

41 (2) provide, or direct any other person or entity to provide, false
42 or misleading information about the identity of, or contact
43 information for, any treatment provider;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAP committee amendments adopted June 24, 2024.

- 1 (3) include false or misleading information about the Internet
2 address of any treatment provider's website, or to surreptitiously
3 direct or redirect a person to another website;
- 4 (4) suggest or imply that ¹~~["a relationship"]~~ an affiliation¹ with
5 another treatment provider exists, unless the other treatment
6 provider has provided express, written consent to indicate that
7 ¹~~["relationship"]~~ affiliation¹;
- 8 (5) make a false or misleading statement about the substance use
9 disorder treatment services the treatment provider provides; or
- 10 (6) make a false or misleading statement about the geographic
11 location of the treatment provider or the geographic location in
12 which the treatment provider provides substance use disorder
13 treatment services.
- 14 b. Any treatment provider who violates the provisions of
15 subsection a. of this section shall be liable to a civil penalty of not
16 more than \$20,000 for each violation. The civil penalty shall be
17 collected pursuant to the "Penalty Enforcement Law of 1999,"
18 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
19 before the municipal court having jurisdiction.
- 20 c. Any person who suffers any injury or damages, including, but
21 not limited to, paying for services that were performed in violation
22 of this act, as a result of the use or employment by a treatment
23 provider of any method, act, or practice declared unlawful under
24 this act may bring an action or assert a counterclaim therefor in any
25 court of competent jurisdiction. In any action under this subsection,
26 the court shall, in addition to any appropriate legal or equitable
27 relief, award threefold the damages sustained by any person in
28 interest. In all actions under this section, the court shall also award
29 reasonable attorney's fees, filing fees, and reasonable costs of suit.
- 30 d. The Office of Licensing in the Department of Health may
31 investigate alleged violations of this act. Upon finding a violation,
32 the division may suspend or revoke the treatment provider's license
33 or certification, if applicable, or may impose a civil penalty against
34 the treatment provider. If the department imposes a civil penalty,
35 the civil penalty shall be not more than \$20,000 for each violation.
36
- 37 4. This act shall take effect immediately.