

ASSEMBLY, No. 4482

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 6, 2024

Sponsored by:

Assemblyman DAVID BAILEY, JR.

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Regulates use of social care information.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning social care information and supplementing
2 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 “Closed-Loop Referral System” or “CLRS” means any system
9 that stores the social care information of one or more individuals;
10 enables the sharing of social care information with and between
11 participating entities for the purpose of referring individuals for
12 social care; and is capable of updating or showing updated referral
13 activity, including data related to participating organizations
14 completing referrals.

15 “Participating organization” means any entity that has the ability
16 to create, receive, or update referrals, or other social care
17 information in a CLRS, including, but not limited to, healthcare
18 providers, health plans, public agencies, charitable and nonprofit
19 organizations, CLRS technology vendors, and entities that provide
20 social care.

21 “Social care” means care, services, goods, or supplies related to
22 an individual’s social needs. “Social care” includes, but is not
23 limited to, support and assistance for an individual’s food stability
24 and nutritional needs, housing, transportation, economic stability,
25 employment, education access and quality, child care and family
26 relationship needs, and environmental and physical safety.

27 “Social care information” means any information that relates to
28 the need for, payment for, or provision of social care, and identifies
29 the person receiving social care, or for which there is a reasonable
30 basis to believe the information can be used to identify the
31 individual receiving social care.

32

33 2. a. In a manner that is consistent with federal and State law, a
34 participating organization shall not sell or license social care
35 information that is stored in or transmitted through a closed-loop
36 referral system.

37 b. In a manner that is consistent with federal and State law,
38 social care information stored in or transmitted through a closed-
39 loop referral system shall not be used for any purpose other than the
40 purpose for which that information was collected or generated.

41 c. A participating organization that sells, offers for sale,
42 licenses, or otherwise furnishes, provides, or transmits to any other
43 individual or entity social care information in violation of this
44 section shall be liable to a civil penalty of \$1,000 for each violation.

45 d. A civil penalty assessed pursuant to this section shall be
46 collected and enforced by the Division of Consumer Affairs in the
47 Department of Law and Public Safety in summary proceedings
48 before a court of competent jurisdiction pursuant to the provisions

1 of the “Penalty Enforcement Law of 1999,” P.L.1999, c.274
2 (C.2A:58-10 et seq.).

3

4 3. The Director of the Division of Consumer Affairs in the
5 Department of Law and Public Safety shall adopt rules and
6 regulations, pursuant to the “Administrative Procedure Act,”
7 P.L.1968, c.410 (C.52:14B-1 et seq.), as shall be necessary for the
8 implementation of this act.

9

10 4. This act shall take effect 180 days following the date of
11 enactment.

12

13

14

STATEMENT

15

16 This bill regulates the use of social care information.

17 The bill defines “Closed-Loop Referral System” or “CLRS” to
18 mean any system that stores the social care information of one or
19 more individuals; enables the sharing of social care information
20 with and between participating entities for the purpose of referring
21 individuals for social care; and is capable of updating or showing
22 updated referral activity, including data related to participating
23 organizations completing referrals. “Participating organization”
24 means any entity that has the ability to create, receive, or update
25 referrals, or other social care information in a CLRS, including, but
26 not limited to, healthcare providers, health plans, public agencies,
27 charitable and nonprofit organizations, CLRS technology vendors,
28 and entities that provide social care. “Social care” means care,
29 services, goods, or supplies related to an individual’s social needs.
30 “Social care” includes, but is not limited to, support and assistance
31 for an individual’s food stability and nutritional needs, housing,
32 transportation, economic stability, employment, education access
33 and quality, child care and family relationship needs, and
34 environmental and physical safety. “Social care information”
35 means any information that relates to the need for, payment for, or
36 provision of social care, and identifies the person receiving social
37 care, or for which there is a reasonable basis to believe the
38 information can be used to identify the individual receiving social
39 care.

40 The bill provides that a participating organization is not to sell or
41 license social care information that is stored in or transmitted
42 through a closed-loop referral system.

43 Under the bill, social care information stored in or transmitted
44 through a closed-loop referral system is not to be used for any
45 purpose other than the purpose for which that information was
46 collected or generated.

A4482 BAILEY

4

1 The bill provides that a participating organization that sells,
2 offers for sale, licenses, or otherwise furnishes, provides, or
3 transmits to any other individual or entity social care information in
4 violation of the bill's provisions is to be liable to a civil penalty of
5 \$1,000 for each violation.