# ASSEMBLY, No. 5500

# STATE OF NEW JERSEY

## 222nd LEGISLATURE

INTRODUCED SEPTEMBER 14, 2026

**Sponsored by:**
**Assemblywoman CAROL A. MURPHY**
**District 7 (Burlington)**
**Assemblyman MICHAEL VENEZIA**
**District 34 (Essex)**

**SYNOPSIS**

Removes licensing restrictions for expansion of certain inpatient behavioral health units and establishes minimum reimbursement rate for inpatient behavioral health care services.

**CURRENT VERSION OF TEXT**

As introduced.

**(Sponsorship Updated As Of: 10/15/2026)**

**AN ACT** concerning behavioral health care services and supplementing Title 26 of the Revised Statutes.

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

1. As used in this act:

"Behavioral health unit" means a distinct unit of a general hospital or other health care facility licensed by the Department of Health that is authorized to provide inpatient psychiatric or behavioral health care services.

"Commissioner" means the Commissioner of Health.

"Department" means the Department of Health.

2. a. Notwithstanding any provision of law to the contrary, a behavioral health unit that is licensed to operate fewer than 30 beds shall be permitted to increase the licensed bed capacity of the unit to not more than 30 beds without obtaining a certificate of need, undergoing a review, or requiring approval or permission from the department.

b. A behavioral health unit shall be permitted to increase its licensed bed capacity as provided in subsection a. of this section if the unit provides written notice to the department in a form and manner prescribed by the commissioner. The notice shall identify:

(1) the existing licensed bed capacity of the behavioral health unit;

(2) the number of additional beds to be added; and

(3) the location within the facility in which the additional beds will be operated.

c. The department shall not require the facility to demonstrate a need for the additional beds, conduct a market or utilization analysis, or demonstrate that existing behavioral health beds in the applicable service area are fully utilized to increase the licensed bed capacity of the unit to not more than 30 beds.

3. a. Notwithstanding any provision of law to the contrary, and in a manner that is consistent with federal law, the reimbursement rate for inpatient behavioral health care services provided by a behavioral health unit shall be not less than $675 per patient per day for contracts formed on or after the effective date of this act.

b. Beginning on January 1 of the second calendar year next following the effective date of this act, and annually thereafter, the minimum reimbursement rate established pursuant to this section shall be increased by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers for the New York-Newark-Jersey City metropolitan area, as reported by the United States Department of Labor, for the 12-month period ending September 30 of the preceding calendar year.

4. The Commissioner of Health and the Commissioner of Human Services shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), as are necessary to effectuate the provisions of this act.

5. This act shall take effect on the first day of the fourth month next following the date of enactment, except that the Commissioner of Health and the Commissioner of Human Services may take any anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

STATEMENT

This bill removes licensing restrictions for the expansion of inpatient behavioral health units and establishes a minimum reimbursement rate for inpatient behavioral health care services.

Under the bill, a behavioral health unit that is licensed to operate fewer than 30 beds would be permitted to increase its licensed capacity to not more than 30 beds without obtaining a certificate of need, undergoing a review, or requiring approval or permission from the Department of Health (department).

A facility seeking to increase the capacity of a behavioral health unit would instead provide notice to the department identifying its existing capacity, the number of beds to be added, and the location of the additional beds.

The bill additionally establishes a reimbursement rate for inpatient behavioral health care services provided by a behavioral health unit to be not less than $675 per patient per day for contracts formed on or after the effective date of this bill. Beginning on January 1 of the second calendar year next following the effective date of this bill, and annually thereafter, the minimum reimbursement rate is to be increased by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers for the New York-Newark-Jersey City metropolitan area, as reported by the United States Department of Labor, for the 12-month period ending September 30 of the preceding calendar year.