[First Reprint]

SENATE, No. 4477

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED JUNE 18, 2026

Sponsored by:
Senator JAMES BEACH
District 6 (Burlington and Camden)
Senator JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
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District 7 (Burlington)

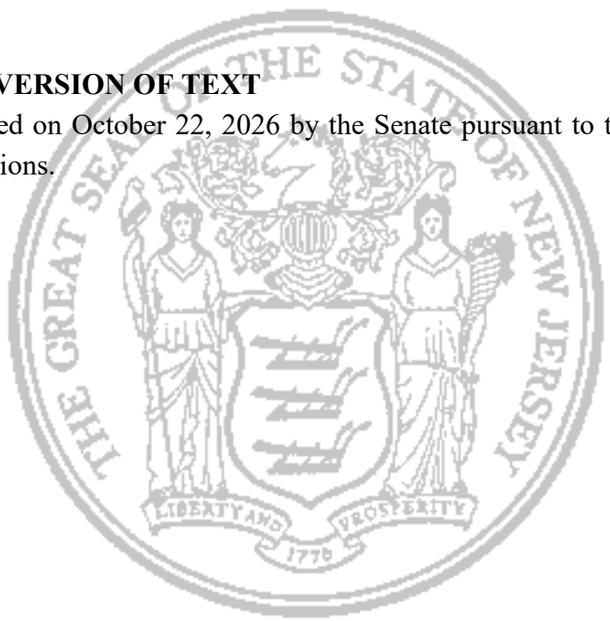
Co-Sponsored by:
Senator Diegnan and Assemblywoman Speight

SYNOPSIS

Authorizes creation of pilot program to offer residential mental health treatment services under specified hospital affiliation and clinical support criteria.

CURRENT VERSION OF TEXT

As amended on October 22, 2026 by the Senate pursuant to the Governor's recommendations.



(Sponsorship Updated As Of: 6/30/2026)

AN ACT concerning residential mental health [1]treatment[1] 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. The Legislature finds and declares that:

a. New Jersey faces a significant and growing population of individuals with [1]mental health or[1] co-occurring mental health and substance use disorders who often require coordinated, sub-acute residential treatment of an acuity level that falls between traditional inpatient psychiatric hospitalization and outpatient community care.

b. The absence of a statutory mechanism for a residential [1]**[**substance use disorder**]**[1] treatment facility [1]**[**or program**]**[1] to deliver structured [1]residential[1] mental health [1]treatment[1] services under formal hospital affiliation leads to fragmented care, unnecessary transfers, emergency department boarding, and increased cost to the health care system.

c. Hospital partnerships provide clinical oversight, medical staffing, and quality infrastructure necessary to ensure safety and effectiveness of sub-acute residential mental health treatment.

d. Therefore, it is in the public interest to authorize [1]**[**certain licensed residential substance use disorders treatment facilities or programs**]** the creation of a pilot program[1] to offer residential mental health treatment services under clear statutory affiliation and support criteria [1]as provided for in this act, and to provide the State an opportunity to contemplate whether such services should be allowable in a permanent manner[1].

2. As used in this act:

"Clinical and medical support" means ongoing oversight and participation by psychiatric and medical personnel of a hospital, which has entered into a formal affiliation contractual agreement, in the assessment, treatment planning, medication management, and quality assurance activities of the affiliated [1]**[**residential substance use disorders treatment facility or**]** mental health pilot[1] program.

[1]"Commissioner" means the Commissioner of Health.

"Department" means the Department of Health.[1]

"Formal hospital affiliation" means a written contractual agreement between a [1]**[**residential substance use disorders treatment**]** licensed[1] facility [1]**[**or program**]**[1] and a general acute care hospital licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) that provides inpatient psychiatric services, a State psychiatric

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:
[1]Senate amendments adopted in accordance with Governor's recommendations October 22, 2026.

hospital listed in R.S.30:1-7, or a [1]**[**county**]**[1] psychiatric hospital licensed to operate in the State.

"Residential mental health treatment services" means mental health [1]treatment[1] services consistent with the Level of Care Utilization System (LOCUS), or other nationally recognized mental health placement criteria, provided in a 24-hour structured, residential environment for individuals whose needs do not require inpatient hospitalization, and delivered for time-limited episodes with the goal of stabilizing the individual and transitioning them to lower levels of care.

[1]**[**"Residential substance use disorders treatment facility or program" or "facility or program" shall have the same meaning as set forth in N.J.A.C.8:111-1.3.**]**[1]

[1]3. a. The Department of Health, in consultation with the Department of Human Services, shall establish a five-year pilot program for the provision of the services described in section 4 of this act. In establishing the pilot program, the department, in consultation with the Department of Human Services:

(1) shall issue a Request for Proposals (RFP) and guidance on the process for submitting an RFP for participation in the pilot program within 60 days of the effective date of this act;

(2) shall select up to three licensed facilities for participation in the pilot program, considering the geographic distribution of sites across the State, within six months of the effective date of this act. The denial of an application shall be considered a final agency decision, subject to appeal to the Appellate Division of the Superior Court;

(3) shall establish guidelines for participation in the pilot program including, but not limited to, admission criteria, and quality, safety, and programmatic guidance; and

(4) may require the pilot program participants to obtain licensure as a residential mental health treatment facility from the department pursuant to rules and regulations established under this act. The department may charge a licensure fee as established under section 12 of P.L.1971, c.136 (C.26:2H-12).

b. At the end of the pilot program period, sites selected for participation in the pilot program may continue to provide residential mental health treatment services in accordance with a formal hospital affiliation contractual agreement entered pursuant to section 4 of this act, except as prohibited due to State enforcement actions or State and federal law, until the first day of the 13th month next following the end of the initial five-year pilot period or until the Legislature acts upon the recommendations of the department, whichever shall occur sooner. The commissioner, in consultation with the Department of Human Services, may in the commissioner's discretion provide an additional six-month extension to the pilot program participant sites' operations of the activities authorized under the pilot program pursuant to this act.

c. No later than the first day of the seventh month next following the end of the initial five-year pilot period, not including any extensions of such period allowed pursuant to subsection b. of this section, the department, in consultation with the Department of Human Services, shall submit a report to the Governor and to the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on the progress and outcomes of the pilot program, including a recommendation as to whether this service model should continue.

d. The department, in consultation with the Department of Human Services, may establish data elements or program information that pilot program sites shall submit to the department in a manner and form determined by the department to allow for evaluation of the pilot's effectiveness and to guide the department's recommendations as to whether the services provided as a part of this pilot program should be continued.[1]

[1][[]3.[]] 4. a.[1] Notwithstanding any law or regulation to the contrary, [1]if selected for participation in the pilot program,[1] a licensed [1][[]residential substance use disorders[]][1] facility [1][[]or program[]][1] that maintains a formal hospital affiliation and receives clinical and medical support from that hospital, consistent with this act, shall be permitted to provide residential mental health treatment services as a distinct program component. A facility or program providing residential mental health treatment services under this act shall be subject to [1][[]all existing[]] applicable[1] State law and regulation regarding the provision of residential mental health treatment services, including the Department of Health's survey and enforcement authority.

b. A formal hospital affiliation contractual agreement in compliance with this act shall:

(1) establish joint clinical governance, including participation by hospital medical staff in the oversight [1]and supervision[1] of the residential mental health treatment services program component;

(2) provide for shared clinical policies, procedures, and treatment protocols, including medication management [1][[]and[]] ,[1] psychiatric consultation [1], and mental health treatment planning, interventions, and associated psychiatric supervision[1];

(3) ensure 24-hour on-call coverage for psychiatric and medical consultation;

(4) include provisions for timely transfer to inpatient care when clinically indicated;

(5) provide for participation by the hospital in the facility or program's quality assessment and performance improvement activities; and

(6) define responsibilities for training, emergency response, and clinical escalation.

c. A facility or program meeting the criteria in this act shall file a copy of the formal hospital affiliation contractual agreement with the Department of Health. Any termination or material amendment to the formal hospital affiliation contractual agreement shall be promptly filed with the department. Upon termination of a formal hospital affiliation contractual agreement, the facility or program shall cease admitting new patients to the residential mental health treatment service program component, except that the facility or program may complete the treatment plan for any patient admitted to the residential mental health treatment service program component prior to the termination of the formal hospital affiliation contractual agreement.

[1]5. Nothing in this act shall authorize or otherwise allow for the involuntary commitment of an individual to a facility authorized to provide residential mental health services under this act.[1]

[1]6. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Commissioner of Health, in consultation with the Department of Human Services, may adopt, immediately, upon filing with the Office of Administrative Law, regulations that the commissioner deems necessary to implement the provisions of this act, which regulations shall be effective for a period not to exceed 60 months from the date of the filing. The commissioner may thereafter amend, adopt, or readopt the regulations in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

The regulations adopted pursuant to this section shall include penalties that the department may impose upon entities operating in violation of the rules and regulations adopted pursuant to this act. The penalties authorized by this section shall be recovered in a summary proceeding instituted by the Attorney General, at the request of the commissioner, pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). Monetary penalties, when recovered, shall be payable to the General Fund.[1]

[1][4.] 7.[1] This act shall take effect immediately.