

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4535

STATE OF NEW JERSEY

DATED: JUNE 23, 2026

The Assembly State and Local Government Committee reports favorably Assembly Bill No. 4535.

As reported, this bill permits a licensed residential substance use disorders facility or program (facility or program), that maintains a formal hospital affiliation and receives clinical and medical support from that hospital, to provide residential mental health treatment services as a distinct program component. The bill defines a “formal hospital affiliation” as a written contractual agreement between a facility or program and a general acute care hospital that provides inpatient psychiatric services or a State or county psychiatric hospital. Additionally, the phrase “clinical and medical support” is defined to mean the ongoing oversight and participation by psychiatric and medical personnel of a hospital, which has entered into a formal hospital affiliation contractual agreement, in the assessment, treatment planning, medication management, and quality assurance activities of the affiliated facility or program.

A formal hospital affiliation contractual agreement in compliance with the bill is required to: (1) establish joint clinical governance; (2) provide for shared clinical policies, procedures, and treatment protocols; (3) ensure 24-hour on-call coverage for consultation; (4) include provisions for timely transfer to inpatient care; (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. The bill directs a facility or program meeting the criteria in this bill to file a copy of the contractual agreement, as well as any subsequent termination or material amendment to that agreement, with the Department of Health. Upon termination of a contractual agreement, the bill provides that a facility or program is to cease admitting new patients to the residential mental health treatment service program component.

Under the bill, a facility or program providing residential mental health treatment services is subject to all existing State law and regulation regarding the provision of residential mental health treatment services, including the Department of Health’s survey and enforcement authority.