

## NEW JERSEY

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### Types of Facilities

**Mental Health (MH):** New Jersey does not regulate adult residential MH treatment facilities within the scope of this summary.

**Substance Use Disorder (SUD):** New Jersey regulates residential SUD treatment facilities or programs, which means “a facility, or a distinct part of a facility that provides care for the treatment” of SUDs, for 24 or more consecutive hours to two or more clients who are not related to the governing authority or its members by marriage, blood or adoption. This includes facilities that provide residential SUD treatment services to women with dependent children and adult males and/or females. These facilities include:

- Halfway houses, which means a residential SUD treatment facility, operating in a physically separate location, in which the halfway house treatment modality is programmatically separate and distinct from short-term or long-term SUD residential services. A halfway house provides SUD treatment designed to assist clients in adjusting to regular patterns of living, engaging in occupational training, obtaining gainful employment and independent self-monitoring and generally approximates ASAM PPC-2R, Level III.1 (low intensity) treatment.
- Long-term residential facilities, which means a SUD facility in which treatment is primarily designed to foster personal growth and social skills development, with intervention focused on reintegrating the client into the greater community, and where education and vocational development are emphasized and generally approximates ASAM PPC-2R, Level III.5 (high intensity, clinically-managed) treatment.
- Short-term residential facilities, which means a SUD treatment facility in which treatment is designed primarily to address specific addiction and living skills problems through a prescribed 24-hour per day activity regimen on a short-term basis, and generally approximates ASAM PPC-2R, Level III.7 (medically monitored intensive inpatient treatment) treatment.
- Non-hospital-based (medical) detoxification [withdrawal management], which means a residential SUD treatment facility designed primarily to provide short-term care prescribed by a physician and conducted under medical supervision to treat a client's

physical symptoms caused by withdrawal from substances, according to medical protocols appropriate to each type of addiction, and generally approximates ASAM PPC-2R, Level 3.7WM (medically monitored inpatient withdrawal management) treatment.

*Unregulated Facilities:* There are no unregulated adult residential SUD treatment facilities in New Jersey. There potentially are unregulated adult residential MH treatment facilities in the state. We exclude from this summary supervised residences for adults with mental illness, community residences for adults with mental illness, and residential health care facilities, as not providing clinical mental health treatment within the scope of this summary. We exclude special treatment units operated by the Department of Corrections. We also exclude short term care facilities, IPUs, and hospital-based medically managed withdrawal management, which are located in hospitals.

## **Approach**

Pursuant to the New Jersey Reorganization Plan 001-2018<sup>1</sup>, regulation of SUD treatment lies with the Department of Human Services (DHS) but licensure for those programs is under the Department of Health, Office of Certificate of Need and Licensure (OCN&L).

## **Processes of Licensure or Certification and Accreditation**

*Substance Use Disorder (SUD):* Licensure by the OCN&L is required for operation of all residential SUD treatment facilities.

- Accreditation is not required and deemed status is not currently included in the regulations. The regulations do state that compliance with the standards set by the Joint Commission or the Commission on Accreditation of Rehabilitation Facilities (CARF) is required “as applicable.”
- An inspection is required for licensure and renewal.
- The state does have a Certificate of Need law.
- Licensure duration is one year.

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<sup>1</sup> See <https://www.nj.gov/humanservices/documents/June%2020%20reorganization%20plan.pdf>.

## **Cause-Based Monitoring**

*Substance Use Disorder (SUD):* Authorized staff may conduct announced or unannounced visits and periodic surveys of licensed facilities. Survey visits could include: (1) Review of the physical plant and architectural plans; (2) Review of all documents and client records; (3) Conferences or one-on-one interviews with clients and staff; and (4) Review of compliance with criteria set forth in this chapter.” These surveys could also be conducted in response to complaints. Enforcement remedies, including corrective action up to a revocation of licensure, may be used.

## **Access Requirements**

*Substance Use Disorder (SUD):* Wait-time requirements were not found.

## **Staffing**

*Substance Use Disorder (SUD):* All SUD treatment facilities must meet specific patient to staff ratios for direct care staff and substance abuse counselors meeting specified qualifications. Additional ratios are specified for facilities serving women and children. Standards are in place regarding qualifications of a medical director (required for all other than halfway houses), psychiatrists, nursing staff (required for short-term and long-term residential, and non-hospital-based (medical) withdrawal management facilities), a director of nursing, staff for withdrawal management services, an administrator, a director of SUD services, counseling staff, non-counseling staff, dietitians and food service supervisors. The facility administrator must develop written policies and procedures that determine the period of time during which staff in recovery are determined to be substance free before being employed by the facility. The facility also must develop a staff orientation plan and a staff education plan, that includes written plans for each service and designation of person(s) responsible for training that includes orientation at the time of employment and annual educating on topics such as emergency plans and procedures, client rights, treating individuals with co-occurring disorders, and cultural competence, among other things.

## **Placement**

*Substance Use Disorder (SUD):* For residential SUD treatment facilities, staff must conduct a preadmission interview with all clients. Upon admission, clients must receive a physical examination and, within 72 hours of admission, “a comprehensive biopsychosocial assessment of all clients using the Addiction Severity Index or a similar standardized validated assessment instrument that assesses medical status, employment and support, tobacco, drug and alcohol use, legal status, family status/social status, psychiatric status, including diagnosis, as well as behavioral risk factors for HIV and Hepatitis. In order to ensure that the client is placed in the

appropriate treatment facility, the client must be assessed for level of care determination based upon the ASAM PPC-2R.” At the time of assessment, all clients must also be screened for co-occurring disorders and, as appropriate, provided with or referred for full diagnosis and treatment planning.

## **Treatment and Discharge Planning and Aftercare Services**

*Substance Use Disorder (SUD):* Treatment/service planning is required for SUD treatment facilities. Plans must be revised as assessments are completed or new information is obtained. A team review must be completed at least every 30 days. Discharge planning (or continuum of care planning) beginning at admission is required. Aftercare service or follow-up requirements were not found.

## **Treatment Services**

*Substance Use Disorder (SUD):* Residential SUD treatment facilities must provide “medical and nursing services (including assessment, diagnostic, treatment), counseling, vocational, educational, case management and other supportive services.” Additionally, every residential SUD facility must provide substance abuse counseling on-site. The facility must provide each client education with respect to the client's drug, alcohol and tobacco use, risk of exposure to AIDS and hepatitis, other health consequences of SUD, relapse prevention, needs of clients with co-occurring disorders and gender-specific issues such as domestic violence, parenting and sexual abuse, for at least the number of hours per week specified in the regulations. All facilities are required to design treatment programs that designate at least seven hours each week for structured activities, including “individual and/or group counseling, psychoeducation, life skills training, vocational training/activity, education, recreation and self-help meetings.” Substance abuse counseling is to be provided for the amount time and at the frequency established in the regulations. Each facility also must provide family counseling as clinically indicated.

## **Patient Rights and Safety Standards**

*Substance Use Disorder (SUD):* All clients have the right, among other things, to be informed of their rights, notified of any facility rules or policies, informed of services available in the facility, participate in the planning of their treatment, and voice grievances or recommend changes in policies and services. All facilities must develop policies and procedures that govern reporting and management of reportable events. In residential facilities, no restraints, except for pharmacological restraints in facilities that provide medical withdrawal management services, are permitted.

## Quality Assurance or Improvement

*Substance Use Disorder (SUD)*: Facilities must “establish and implement an integrated comprehensive quality assurance program for client care, review the program at least annually and revise the program as necessary.” Among other things, the quality assurance program must incorporate all of the facility's quality assurance plans and discipline specific (medical, nursing, client care) quality assurance programs and identify one staff person who is responsible for administering the facility's quality assurance program and complying with the regulatory requirements.

## Governance

*Substance Use Disorder (SUD)*: Every facility must have a governing authority, which assumes legal responsibility for the management, operation, and financial viability of the facility. Among other things, the governing authority, must have written policies and procedures concerning specific matters, act in accordance with a plan of operation or bylaws, and appoint and oversee the administrator.

## Special Populations

*Substance Use Disorder (SUD)*: Facilities must ensure their policies and procedures are developed for the care of the general client population, but that the procedures address the needs of “any special populations that the facility may serve including, but not limited, to pregnant women, women with dependent children, adolescents, homeless and/or indigent, individuals with physical disabilities, individuals with communication limitations requiring communication services or persons with co-occurring mental health disorders.” Additional requirements apply to facilities that serve clients with co-occurring disorders, including regarding staff qualifications; clinical supervision; treatment planning; and policies and procedures for developing and maintaining affiliation agreements, case consultation, coordination and referral mechanisms to MH treatment services to facilitate the provision of integrated treatment.

## Location of Regulatory and Licensing Requirements

Department of Human Services Community Mental Health Program statutes title 30, chapter 9A<sup>2</sup>; MH licensing regulations<sup>3</sup>; Department of Human Services SU regulations<sup>4</sup>; Department of Health licensure regulations title 8, chapter 43E<sup>5</sup>. Regulatory data collected June 24, 2019.

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<sup>2</sup> See <https://law.justia.com/codes/new-jersey/2013/title-30/section-30-9a-1/>.

## Other Information Sources

V. Fresolone (DHS); personal communication K. Neylon (NRI) to P. O'Brien (IBM) 9-18-2019;  
Reorganization Plan 001-2018

<https://www.nj.gov/humanservices/documents/June%2020%20reorganization%20plan.pdf>

National Conference of State Legislatures CON Program Overview,

<http://www.ncsl.org/research/health/con-certificate-of-need-state-laws.aspx>

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<sup>3</sup> See

[https://www.state.nj.us/humanservices/providers/rulefees/regs/NJAC%2010\\_190%20Licensure%20Standards%20for%20Mental%20Health%20Programs.pdf](https://www.state.nj.us/humanservices/providers/rulefees/regs/NJAC%2010_190%20Licensure%20Standards%20for%20Mental%20Health%20Programs.pdf).

<sup>4</sup> See

[https://www.state.nj.us/humanservices/providers/rulefees/regs/NJAC%2010\\_161A%20Standards%20for%20Licensure%20of%20Residential%20Substance%20Use%20Disorders%20Treatment%20Facilities.pdf](https://www.state.nj.us/humanservices/providers/rulefees/regs/NJAC%2010_161A%20Standards%20for%20Licensure%20of%20Residential%20Substance%20Use%20Disorders%20Treatment%20Facilities.pdf).

<sup>5</sup> See

<https://advance.lexis.com/container?config=00JAA5OTY5MTdjzi1lMzYxLTQxNTEtOWFkNi0xMmU5ZTViODQ2M2MKAFBvZENhdGFsb2coFSYEAfv22IKqMT9DIHrf&crd=d62676d0-fb95-4e87-927c-89bb8e706579>.

# NEW JERSEY MEDICAID

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## Approach

The New Jersey Department of Human Services (DHS) oversees the state Medicaid program. New Jersey also has a Section 1115 waiver permitting Medicaid expenditures for the provision of substance use disorder (SUD) treatment services provided to Medicaid beneficiaries ages 21-64 while residing in residential treatment facilities that meet the definition of an Institution for Mental Diseases (IMD). New Jersey does rely on the in lieu of provision and Disproportionate Share Hospital (DSH) Payments to pay for certain services in IMDs.

## Types of Facilities

*Mental Health (MH):* New Jersey Medicaid reimburses for rehabilitative services provided in or by community residences for adults with mental illness, as well as in other settings. Because these facilities do not require clinical treatment within the realm of these summaries, they are excluded from discussion here.

*Substance Use Disorder (SUD):* The New Jersey Section 1115 waiver permits expenditures for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for substance use disorder (SUD) who are short-term (statewide average length of stay of 30 days) residents in facilities that meet the definition of an institution for mental diseases (IMD). The residential settings identified in the waiver include the following:

- Long Term Residential (LTR), ASAM 3.5.
- Short term residential, ASAM 3.7 and Withdrawal Management (WM) services.

Medication-assisted treatment also is to be available to those in IMDs.

## Processes of Medicaid Enrollment

*Mental Health (MH) and Substance Use Disorder (SUD):* To be enrolled as a Medicaid provider in New Jersey, the provider must, among other things, submit an application with necessary

information and sign a provider agreement. Enrollment may be denied or terminated, and reenrollment may be required “from time to time.” Maintenance of appropriate licensure is required.

## **Staffing**

*Substance Use Disorder (SUD):* Pursuant to the Section 1115 waiver, the state must establish residential treatment provider qualifications in licensure, policy or provider manuals, managed care contracts or credentialing, or other requirements or guidance that meet program standards in the ASAM Criteria or other nationally recognized, SUD-specific program standards regarding credentials of staff for residential treatment settings. The state must assess the availability of providers in the key levels of care throughout the state, or in the regions of the state participating under this demonstration, including those that offer MAT.

## **Placement**

*Substance Use Disorder (SUD):* Pursuant to the Section 1115 waiver, the state must establish a requirement that providers assess treatment needs based on SUD-specific, multidimensional assessment tools, such as the American Society of Addiction Medicine (ASAM) Criteria or other assessment and placement tools that reflect evidence-based clinical treatment guidelines. The state also must establish a utilization management approach such that beneficiaries have access to SUD services at the appropriate level of care and that the interventions are appropriate for the diagnosis and level of care, including an independent process for reviewing placement in residential treatment settings.

## **Treatment and Discharge Planning and Aftercare Services**

*Substance Use Disorder (SUD):* Requirements were not explicitly described in the state Medicaid regulations or the Section 1115 waiver.

## **Treatment Services**

*Substance Use Disorder (SUD):* Under the Section 1115 waiver, beneficiaries will have access to high quality, evidence-based OUD and other SUD treatment services ranging from medically supervised withdrawal management to on-going chronic care for these conditions in cost-effective settings while also improving care coordination and care for comorbid physical and mental health conditions. The state will establish residential treatment provider qualifications in licensure, policy or provider manuals, managed care contracts or credentialing, or other requirements or guidance that meet program standards in the ASAM Criteria or other



comparable, nationally recognized, SUD-specific program standards regarding in particular the types of services and hours of clinical care for residential treatment settings. In accordance with the state 1115 waiver, there shall be the establishment of a requirement that residential treatment providers offer MAT on-site or facilitate access to MAT off-site.

## Care Coordination

*Substance Use Disorder (SUD):* Under the Section 1115 waiver, beneficiaries will have improved care coordination and care for comorbid physical and mental health conditions. The state must ensure establishment and implementation of policies to ensure residential facilities link beneficiaries with community-based services and supports following stays in these facilities.

## Quality Assurance or Improvement

*Substance Use Disorder (SUD):* Pursuant to the Section 1115 waiver, the state must establish a provider review process to ensure that residential treatment providers deliver care consistent with the specifications in the ASAM Criteria or other comparable, nationally recognized SUD program standards based on evidence-based clinical treatment guidelines for types of services, hours of clinical care, and credentials of staff for residential treatment settings.

## Special Populations

*Substance Use Disorder (SUD):* No Medicaid requirements were located other than the requirement in the Section 1115 waiver that care for comorbid physical and mental health conditions be improved by the demonstration.

## Location of Medicaid Requirements

New Jersey Department of Human Services, Division of Medical Assistance and Health Services Administrative Rules and Regulations, 10:49 et seq.<sup>6</sup>; New Jersey FamilyCare Comprehensive Demonstration (formerly New Jersey Comprehensive Waiver)<sup>7</sup>; SUD Implementation Protocol<sup>8</sup>. Regulatory data collected January 2020.

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<sup>6</sup> See <https://www.state.nj.us/humanservices/providers/rulefees/regs/>.

<sup>7</sup> See <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/?entry=8017>.

<sup>8</sup> See <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nj/Comprehensive-Waiver/nj-1115-request-sud-imp-prtclt-appvl-05172018.pdf>.

## Other Information Sources

Kaiser Family Foundation. State Options for Medicaid Coverage of Inpatient Behavioral Health Services. KFF: San Francisco. November 2019 <http://files.kff.org/attachment/Report-Brief-State-Options-for-Medicaid-Coverage-of-Inpatient-Behavioral-Health-Services>

This state summary is part of the report **“State Residential Treatment for Behavioral Health Conditions: Regulation and Policy”**. The full report and other state summaries are available at <https://aspe.hhs.gov/state-bh-residential-treatment>.