

## CHAPTER 32

## HEALTH CARE STABILIZATION FUND GRANTS

## Authority

N.J.S.A. 26:2H-18.74 et seq., particularly 26:2H-18.78 and 26:2H-18.78(5)c.

## Source and Effective Date

R.2009 d.123, effective March 19, 2009.  
See: 40 N.J.R. 6482(a), 41 N.J.R. 1853(a).

## Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 32, Health Care Stabilization Fund Grants, expires on March 19, 2016. See: 43 N.J.R. 1203(a).

## Chapter Historical Note

All provisions of this chapter "Medical Facilities Plan" were adopted pursuant to authority of N.J.S.A. 26:2H-1 et seq. and were filed and became effective January 31, 1972, as R.1972 d.24. See: 4 N.J.R. 5(a), 4 N.J.R. 46(c). Revisions were also filed and became effective June 7, 1973, as R.1973 d.151. See: 5 N.J.R. 142(a), 5 N.J.R. 223(a). Additional revisions were filed and became effective July 18, 1974, as R.1974 d.196. See: 6 N.J.R. 231(a), 6 N.J.R. 310(f). Further revisions were filed and became effective March 20, 1975, as R.1975 d.77. See: 6 N.J.R. 471(a), 7 N.J.R. 164(f). Subsequent revisions were filed and became effective on June 25, 1975, as R.1975 d.183. See: 7 N.J.R. 153(a), 7 N.J.R. 314(a). Further amendments were filed and became effective on September 23, 1976, as R.1976 d.300. See: 8 N.J.R. 380(a), 8 N.J.R. 466(a). Additional amendments were filed and became effective on March 14, 1980, as R.1980 d.110. See: 12 N.J.R. 12(a), 12 N.J.R. 186(b). Chapter 32 expired on March 12, 1985, pursuant to Executive Order 66(1978).

Chapter 32, Health Care Stabilization Fund Grants, was adopted as special adopted and concurrent proposed new rules by R.2008 d.319, effective September 25, 2008 (to expire March 27, 2009). Chapter 32, Health Care Stabilization Fund Grants, was adopted as concurrent new rules with changes by R.2009 d.123, effective March 19, 2009. See: Source and Effective Date. See, also, section annotations.

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## SUBCHAPTER 1. GENERAL PROVISIONS

## 8:32-1.1 Purpose and scope

(a) The purpose of this chapter is to:

1. Implement N.J.S.A. 26:2H-18.74 through 18.78 (P.L. 2008, c. 33), the Health Care Stabilization Fund Act;
2. Establish the regulatory framework for the Department to provide financial assistance through temporary grants to qualifying health care facilities that are facing closure or a significant reduction in services due to financial distress; and
3. Ensure continuation of access to and availability of necessary health care services for residents in communities served by qualifying health care facilities that have to discontinue or reduce health care services due to financial distress.

(b) This chapter applies to New Jersey based health care facilities and covers requirements for grant eligibility, application, selection, audit and recordkeeping.

## 8:32-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Act" means the Health Care Stabilization Fund Act set forth at N.J.S.A. 26:2H-18.74 through 18.78 (P.L. 2008, c. 33).

"Commissioner" means the Commissioner of the Department of Health and Senior Services, or his or her designee.

"Department" means the New Jersey Department of Health and Senior Services.

"Health care facility" shall have the meaning established at N.J.S.A. 26:2H-2a and shall include only those facilities that have a valid license from the Department.

"Health Care Stabilization Fund" shall mean the nonlapsing, revolving fund established in the Department pursuant to the Act for temporary funding through grants to qualifying facilities.

"Qualifying health care facility" means a health care facility that the Department identifies pursuant to the process established in N.J.A.C. 8:32-3 for receipt of a grant.

## 8:32-1.3 Applicant eligibility

Any New Jersey based health care facility may apply for a grant pursuant to the Act and this chapter if the facility is facing closure or decrease in health care services due to

financial distress, which will jeopardize the availability of any necessary services for its residents.

#### 8:32-1.4 Grant funding

(a) The Department's award of a grant pursuant to the Act and this chapter is contingent on State appropriations for the Health Care Stabilization Fund during the annual budget process.

(b) The Department shall administer the Health Care Stabilization Fund in consultation with the Department of the Treasury.

(c) The Department shall only disburse monies from the Health Care Stabilization Fund in the form of grants for qualifying health care facilities.

1. Prior to disbursement of funds for grants, the Department shall consult with the State Treasurer and the New Jersey Health Care Facilities Financing Authority.

(d) The Department shall only award a grant in an amount that is no less than \$1 million.

### SUBCHAPTER 2. GRANT APPLICATION PROCESS

#### 8:32-2.1 Notice of available funding

(a) The Department shall notify health care facilities of available grant funding and the specific application process and timeline each year through the following methods:

1. For the 2009 State fiscal year, publication of the Notice of Availability of Grant Funds in the New Jersey Register; and

2. For State fiscal years after July 1, 2009, either publication of the Notice of Availability of Grant Funds:

- i. In the New Jersey Register; or
- ii. In the Department's "Directory of Grant Programs," available electronically at <http://nj.gov/health/grants/directory.shtml>.

#### 8:32-2.2 Application process

Each health care facility applying for a grant shall complete the competitive application process, as directed in the Notice of Availability of Grant Funds, using the "DHSS Application for Grant Funds (FS-40)," which is available electronically at <http://nj.gov/health/grants/forms.shtml> under "Grant Application Package-General."

### SUBCHAPTER 3. PROJECT SELECTION

#### 8:32-3.1 Selection committee

(a) The Department's selection committee shall consist of one staff member representing each of the following offices or divisions:

1. Deputy Commissioner, Senior Services and Health Systems Branch;
2. Chief of Staff;
3. Legal and Regulatory Affairs;
4. Management and Administration; and
5. Family Health Services.

(b) The Department's selection committee shall, in consultation with the Health Care Financing and Funding Authority:

1. Review all applications submitted pursuant to N.J.A.C. 8:32-2; and
2. Identify qualifying health care facilities based on the factors set forth at N.J.A.C. 8:32-3.2.

#### 8:32-3.2 Factors for identifying qualifying health care facilities

(a) In order to be a qualifying health care facility, the facility shall demonstrate in its application that due to extraordinary circumstances, a grant is necessary to maintain access to essential health care services or referral sources.

(b) The selection committee shall identify qualifying health care facilities based on the following factors:

1. Extraordinary circumstances threaten access to essential health services for residents in a community;
2. Persons in a community will be without ready access to essential health care services in the absence of the award of the grant;
3. Funding is unavailable from other sources to preserve or provide essential health care services;
4. The grant is likely to stabilize access to the essential health care services;
5. There is a reasonable likelihood that the health care facility will sustain essential health care services upon the termination of the grant;
6. The health care facility agrees to the conditions for receipt of a grant set forth at N.J.A.C. 8:32-3.3; and
7. The health care facility serves a significant number of uninsured and underinsured persons.