

**CHAPTER 37D****MANAGEMENT AND GOVERNING  
BODY STANDARDS****Authority**

N.J.S.A. 30:9A-10

**Source and Effective Date**

R.1999 d.330, effective September 1, 1999.  
See: 31 N.J.R. 1574(a), 31 N.J.R. 2879(a).

**Chapter Expiration Date**

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 37D, Management and Governing Body Standards, expires on February 28, 2005. See: 36 N.J.R. 3338(a).

**Chapter Historical Note**

Chapter 37D, Management and Governing Body Standards, was adopted as R.1994 d.464, effective September 6, 1994. See: 26 N.J.R. 1277(a), 26 N.J.R. 3726(a).

Pursuant to Executive Order No. 66(1978), Chapter 37D, Management and Governing Body Standards, was adopted as R.1999 d.330, effective September 1, 1999. See: Source and Effective Date.

**CHAPTER TABLE OF CONTENTS****SUBCHAPTER 1. GENERAL PROVISIONS**

- 10:37D-1.1 Scope and purpose  
10:37D-1.2 Definitions

**SUBCHAPTER 2. MANAGEMENT STANDARDS**

- 10:37D-2.1 Table of organization  
10:37D-2.2 Policies and procedures  
10:37D-2.3 Service accessibility  
10:37D-2.4 Staff communications  
10:37D-2.5 Environment  
10:37D-2.6 Quality assurance  
10:37D-2.7 Management information system  
10:37D-2.8 Coordination of services  
10:37D-2.9 Financial procedures  
10:37D-2.10 Personnel manual  
10:37D-2.11 Personnel files  
10:37D-2.12 Verification of staff credentials  
10:37D-2.13 Qualification of clinical staff  
10:37D-2.14 Training  
10:37D-2.15 Conflict of interest  
10:37D-2.16 Non-discrimination  
10:37D-2.17 Affirmative action and equal employment opportunity  
10:37D-2.18 Client confidentiality, rights and grievances

**SUBCHAPTER 3. GOVERNING BODY STANDARDS**

- 10:37D-3.1 Governing board; general duties and composition  
10:37D-3.2 Governing board; financial responsibility  
10:37D-3.3 By-laws  
10:37D-3.4 Conflict of interest  
10:37D-3.5 Meetings; schedule and minutes  
10:37D-3.6 Functions of the board  
10:37D-3.7 Reports to the board  
10:37D-3.8 Department access to records

**SUBCHAPTER 1. GENERAL PROVISIONS****10:37D-1.1 Scope and purpose**

(a) These rules shall apply to all provider agencies (PA) funded by the Division of Mental Health and Hospitals (Division). In the event any of these rules may conflict with the rules of another division of the Department, the rules of the cognizant Division, as determined in accordance with N.J.A.C. 10:3-4, shall apply.

(b) These rules are designed to promote client centered services which provide high quality, accessible and innovative treatment. These rules are also designed to promote creativity and responsiveness to client and staff needs, and goal directed services.

**10:37D-1.2 Definitions**

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

“Department” means the Department of Human Services.

“Division” means the Division of Mental Health and Hospitals.

“Provider agency (PA)” means an agency contracted with, or funded by, the Division to provide specific direct mental health services to clients.

**SUBCHAPTER 2. MANAGEMENT STANDARDS****10:37D-2.1 Table of organization**

(a) Each PA shall have a written table of organization.

1. The table of organization shall clearly delineate staff accountability and the chain of command of the PA.

2. The table of organization shall be revised within 90 days of any major change in the agency organizational structure.

3. The table of organization shall be approved by the governing board.

**10:37D-2.2 Policies and procedures**

(a) Each PA shall develop policies and procedures to adequately guide PA operations to meet organizational, fiscal, programmatic and management objectives.

1. Each PA shall ensure that agency policies and procedures are written, distributed to staff and clients, when relevant, and consistently enforced and monitored.

2. Clients shall be provided the opportunity to recommend and evaluate PA policies and procedures that impact the services they receive.

3. Each PA shall review all policies and procedures annually, and revise as necessary. The annual reviews shall be documented.

#### 10:37D-2.3 Service accessibility

(a) Each PA shall make services accessible to clients.

1. Mental health services shall be available at times and locations which provide all clients access to the services.

2. All services shall be accessible to physically handicapped individuals.

3. Through careful attention to ethnic, racial, primary language, and other characteristics, the PA shall assure that services provided to clients are culturally sensitive, culturally competent and in a language sufficiently well understood by the client to assure comprehension.

4. Each PA shall provide a written sliding fee scale for clients based on their ability to pay, and inability to pay for services shall not preclude the receipt of services.

#### 10:37D-2.4 Staff communications

(a) There shall be documentation that managers provide staff with the information they need to effectively perform the functions of their assigned tasks.

1. Methods for communicating information may include staff meetings, written memoranda and supervisory meetings. Documentation that such communication exists may include evidence of staff and supervisory meetings and informational memoranda.

#### 10:37D-2.5 Environment

(a) Each PA shall maintain a clean and safe environment which promote dignity and self respect for staff and clients.

1. The physical plant shall be regularly cleaned and inspected for possible life safety deficiencies.

2. There shall be sufficient space allocated for the programs and activities provided.

3. There shall be sufficient space to allow for privacy for individual, group or family sessions.

#### 10:37D-2.6 Quality assurance

(a) Managers in each PA shall participate in and support their quality assurance program.

1. There shall be documented evidence that information resulting from the quality assurance process is reviewed and used by management to promote and enhance the mission, goals and objectives of the organization.

2. There shall be evidence that management provides input into the agency's quality assurance process as required at N.J.A.C. 10:37-9.

#### 10:37D-2.7 Management information system

(a) Each PA shall develop a computerized or manual management information system which provides information to support the goals and objectives of the organization and the provision of high quality client-centered services.

1. The management information system may include, but need not be limited to, data on admissions, diagnoses, wait for service, referral sources, discharges, dropouts, readmissions, incidents, direct service staff activities, staff caseloads, frequency of services, and types of service modalities.

2. The information collected shall be used by management to assess accessibility of services and appropriateness of staffing, and to assist in management decision-making.

3. The PA's management information system shall be able to generate all routine system-wide contract and client registry data required by the Division.

4. Client information that is contained in the management information system shall be safeguarded to protect confidentiality.

#### 10:37D-2.8 Coordination of services

(a) Each PA shall develop methods to coordinate services between providers who serve mutual clients to ensure continuity of care.

1. Procedures to coordinate services shall ensure that clients' treatment goals and objectives are consistently reinforced and that the services provided are complementary.

#### 10:37D-2.9 Financial procedures

(a) Each PA shall have a system of financial internal controls to protect organizational assets and promote the goals and objectives of the organization.

(b) The system of financial internal controls shall provide reasonable assurance that:

1. Obligations and costs are in compliance with applicable laws;

2. Funds, property and other assets are safeguarded against waste, loss, unauthorized use and misappropriation;

3. All financial transactions applicable to agency operations are properly recorded and accounted for so that financial and statistical reports and accountability over the assets can be maintained and can be prepared; and

4. There is a system of checks and balances related to specific financial routine procedures and a careful separa-

tion of functions and responsibilities in authorizing, processing, recording and reviewing transactions.