

## Governor Phil Murphy

# Governor Murphy Signs Legislation to Protect Employees During Changes in Ownership of Health Care Entities

08/18/2022

**TRENTON** – Governor Phil Murphy today signed S-315 ([https://pub.njleg.state.nj.us/Bills/2022/S0500/315\\_R2.PDF](https://pub.njleg.state.nj.us/Bills/2022/S0500/315_R2.PDF)) which establishes employment protections for workers in the health care sector when there is a change in control of their health care entity employer. The bill requires any change in control to be made via a contract or agreement between the parties, that preserves the wages, benefits, and employment status of current employees. “New Jersey is a state that both values the contributions of our health care workers and stands by the right of all workers to fair wages and employment practices,” **said Governor Murphy**. “With this law, we will eliminate the uncertainty many health care workers face during transfers of ownership by implementing the wage, benefit, and employment protections these dedicated employees deserve. Ensuring continuity of employment for existing workers will not only benefit employees of a health care entity, but ensure continuity of care for the many patients who have come to rely on the critical services provided by the health care professionals they know and trust.” Under the new law, non-governmental health care entities must offer continued employment to all eligible employees for at least four months following the transfer of control, without any reduction in wages, paid time off, or the total value of their benefits – including health care, retirement, and education benefits. All available jobs must be offered in writing to current employees who previously held that position, until all positions are filled or there are no more eligible employees available.

Employees who are retained as a result of this policy may not be let go during the four-month transitional period, unless the successor employer downsizes the total number of positions – in which case priority must be given to employees based on seniority and experience. At the end of the transitional period, the employer must conduct a written performance evaluation of each employee they retained during the transitional period and offer to keep them on board if that employee’s performance was satisfactory.

These rules apply to sales, transfers, and other arrangements that change the control of a health care entity, including consolidations, mergers, and reorganizations. Employers found in violation of these requirements will be subject to penalties for noncompliance.

Sponsors of the bill include Senators Joseph Vitale and Richard Codey, and Assemblyman Wayne DeAngelo.

“Throughout the coronavirus pandemic, and since then, those who show up every day to staff our hospitals, clinics, nursing homes and health care facilities, and to administer care to the sick and dying stand among our bravest essential workers,” **said Senator Vitale, who is also Chair of the Senate Health, Human Services and Senior Citizens Committee**. “We owe them our undying gratitude, certainly, but we also must honor their commitment by ensuring they are treated humanely and fairly as employees. This legislation will make sure of that, and make sure their wages and benefits are protected, regardless of the volatility in and around the health care industry.”

“Our front-line workers in the health care industry risked their lives to provide care to sick and in some cases dying patients during the height of the coronavirus pandemic,” **said Senator Codey**. “Those same workers have a right to expect their wages and benefits are going to be protected, and be insulated from any structural change that might come from the consolidation of health care entities.”

“We must honor collective bargaining agreements and ensure the workers of new jersey are always treated fairly,” **said Assemblyman DeAngelo**. “This law will ensure workers rights are protected through company takeovers and transfers of ownership.”

“We appreciate Governor Murphy and prime sponsors Senator Joseph Vitale, Senator Richard Codey, and Assemblyman Wayne DeAngelo for recognizing the need for this legislation in our state and working together to pass this bill into law,” **said Rhina Molina, Executive Vice President of 1199SEIU New Jersey**. “It is designed to preserve labor standards for essential healthcare workers and ensure continuity of care for residents. Nursing home workers deserve a chance to adjust when their workplace is sold, and nursing home residents deserve uninterrupted high-quality care. We look forward to continuing to work with the Murphy administration and the Legislature to secure justice for frontline healthcare workers, patients, and all New Jersey residents.”

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