

**A PLAN FOR THE TRANSFER OF CERTAIN MENTAL HEALTH AND ADDICTION  
FUNCTIONS FROM THE DEPARTMENT OF HEALTH TO THE DEPARTMENT OF  
HUMAN SERVICES**

**PLEASE TAKE NOTICE** that on June 21, 2018, Governor Philip D. Murphy hereby issues the following Reorganization Plan, No.001-2018 ("the Plan") to return the Division of Mental Health and Addiction Services ("DMHAS" or "Division") to the Department of Human Services ("DHS"). The purpose of the plan is to ensure that the State is delivering behavioral health services in the most efficient, effective manner possible to patients by connecting behavioral health services with critical community based supports administered by DHS and continuing to advance integrated licensing efforts for physical and behavioral health care.

**GENERAL STATEMENT OF PURPOSE**

Ensuring that individuals struggling with substance use and mental health diagnoses have access to quality, affordable, and consumer-friendly care is critical to achieving a stronger and fairer New Jersey. From suicide prevention and combating the opioid epidemic to increasing employment opportunities and reducing incarceration rates, the State's behavioral system is key to helping families and communities thrive.

The Division of Mental Health and Addiction Services is responsible for mental health and substance use services and supports. DMHAS plans, coordinates and contracts with community-based agencies that provide a wide array of services to consumers and their families, including prevention and early intervention initiatives, emergency screening, outpatient counseling, detoxification centers, partial and day treatment services, and case management; as well as residential and

supported housing, prison diversion efforts, family support programs, self-help centers, supported employment and integrated behavioral health services. Through community partners, the Division serves approximately 134,000 individuals each year in outpatient services alone.

Although for many years, DMHAS has operated the four psychiatric hospitals - Ancora Psychiatric Hospital, Greystone Park Psychiatric Hospital, Trenton Psychiatric Hospital, and the Ann Klein Forensic Center - the core legal authority to do so, which had always been with the Commissioner of Human Services, was transferred to the Commissioner of Health through the 2017 reorganization plan. The Department of Health ("DOH") will continue to operate the hospitals and oversee the civil commitment process.

DHS, in coordination with county and municipal welfare agencies and community-based service providers, meets the health care needs of residents with low incomes through NJFamilyCare (Medicaid), helps to combat food insecurity through the Supplemental Nutrition Assistance Program ("SNAP"), ensures a safety net for individuals with low incomes through Temporary Assistance to Needy Families and General Assistance, assists families in succeeding at work by administering child care subsidies, and supports individuals with developmental disabilities and physical challenges, such as vision, hearing, and mobility impairments. Until August 2017, DHS was also responsible for coordinating and implementing the State's mental health and substance use services and programs.

DOH is the State's public health agency, responsible for the oversight, licensure, and inspection of health care facilities, integration of specialized services, such as

behavioral diagnoses, into primary care and administration of traditional public health programs.

In recent years, both DOH and DHS have furthered the shared goal of holistic treatment for individuals with substance use disorders and mental health conditions, in particular by working to integrate behavioral and physical healthcare services. This has become increasingly important as the opioid crisis continues to deeply impact families and communities across New Jersey.

DHS is in the process of expanding detoxification, short-term residential and long-term residential substance use disorder services for Medicaid eligible individuals through a Medicaid Waiver with the federal government. DHS also is working to increase access to substance use disorder services for Medicaid populations such as individuals in the Long-Term Services and Supports program, the service system for individuals dually eligible for Medicare and Medicaid, and the developmental disability system. In addition, DOH has worked to facilitate better care integration through improved licensing of providers, including creating a shared-space license waiver to allow providers of primary care services to also offer on-site behavioral health treatment. Currently, DOH is in the process of creating a single license for such integrated care models.

On June 29, 2017, Governor Christie filed Reorganization Plan 001-2017 to transfer DMHAS from DHS to DOH, which became effective August 28, 2017. The 2017 reorganization plan was premised on the integration of behavioral and physical healthcare only being achievable by co-locating DMHAS within DOH. This plan failed to consider the role of vital wrap-around services administered by DHS that support the treatment, recovery, and long-term well-being of individuals struggling with substance use and mental health diagnoses. The plan also

ignored the fiscal reality of Medicaid's significant role as the primary payor for mental health and substance use treatment services in the State, as it is the insurance provider for approximately 1.7 million residents.

Following New Jersey's 2017 gubernatorial election, experts and stakeholders were convened through the Transition Team to issue reports and recommendations to the new Administration. Consistent with public comments, the Human and Children Services Advisory Committee report recommended that DMHAS be moved back to DHS and proposed that DOH retain licensing functions related to substance use and mental health programs and facilities. The Murphy Administration has reviewed these recommendations and, for the following reasons, concurs that DMHAS should be returned to DHS while licensing responsibilities should remain at DOH:

- The behavioral health service delivery system is best served when maximizing the resources, skills, and talents of each department and its experienced personnel. DHS has long-standing expertise in the administration of community-based services and supports, including in the provision of mental health and substance use disorder services prior to August 2017. DOH has long-standing expertise in licensing healthcare providers, including the primary care programs and sites with which behavioral services are becoming clinically and administratively integrated;
- Access to care is enhanced when service delivery and payment methods are closely linked. Administratively reconnecting the community-based service delivery system through DMHAS with the payor, Medicaid, reduces potential for delays or challenges in timely and accurate payments

to service providers, enhances opportunities for payment model pilots and demonstration projects, and provides for streamlined oversight of the payment and service delivery components of programs;

- The success of prevention, treatment, and long-term recovery efforts is greatly increased when social risk factors are concurrently addressed. Assistance with food security, housing, employment, child care, and transportation impact health outcomes and DHS, through local, county, and statewide service delivery networks, is best equipped to maintain and increase community-based clinical services with critical community-based social supports; and
- Expanding care options for dually-diagnosed individuals is enhanced when the behavioral health and developmental disability systems are coordinated. In the new Administration, DHS has made it a priority to increase treatment for individuals dually-diagnosed with a developmental disability and mental health or behavioral issues. As DHS already administers services and supports to the State's adult developmental disability community through its Division of Developmental Disabilities ("DDD"), rejoining DMHAS with DHS will boost the ongoing collaboration and coordination needed for multi-disciplinary program design and development.

Thus, in order to achieve the goals outlined above, it is necessary to transfer DMHAS back to the Department of Human Services.

**NOW, THEREFORE,** in accordance with the provisions of the Executive Reorganization Act of 1969, P.L. 1969, c. 203, (C.

52:14C-1 et seq.) I find, with respect to the transfer and reorganization provided for in this Plan, that they are necessary to accomplish the purposes set forth in Section 2 of the Act and will do the following:

1. Promote the better execution of the laws, the more effective management of the Executive Branch and of its agencies and functions, and the expeditious administration of the public business;

2. Reduce expenditures and promote economy consistent with the efficient operation of the Executive Branch;

3. Increase the efficiency of the operations of the Executive Branch;

4. Group, coordinate, and consolidate functions of the Executive Branch according to major purposes; and

5. Eliminate overlapping and the duplication of effort.

#### **PROVISIONS OF THE REORGANIZATION PLAN**

**THEREFORE**, I hereby order the following reorganization:

1. The Division of Mental Health and Addiction Services in the Department of Health is continued and transferred from the Department of Health to the Department of Human Services.

2. All of the functions, powers, and duties of the Commissioner of Health, the Department of Health, and the Division of Mental Health and Addiction Services, as they relate to the functions, powers and duties of the Division of Mental Health and Addiction Services, including, but not limited to, the functions, powers and duties under:

- (a) L. 1952, c. 157, §3 as amended (C. 12:7-46)
- (b) L. 1986, c. 39, §9 as amended (C. 12:7-57)
- (c) L. 1975, c. 305 as amended (C. 26:2B-7, et seq.,  
except §9) (C. 26:2B-14)
- (d) L. 1984, c. 243 (C. 26:2B-9.1)
- (e) L. 2001, c. 48 (C. 26:2B-9.2)
- (f) L. 1983, c. 531 (C. 26:2B-32 et seq.)
- (g) L. 1995, c. 318 (C. 26:2B-36 et seq.)

(h)	L. 1989, c. 51		(C. 26:2BB-1, et seq.)
(i)	L. 1969, c. 152	as amended	(C. 26:2G-1, et seq.)
(j)	L. 1970, c. 334	§1, §2	(C. 26:2G-21, C. 26:2G-22)
(k)	L. 2015, c. 293		(C. 26:2G-25.1 et seq.)
(l)	L. 1971, c. 128	as amended	(C. 26:2G-31 et seq.)
(m)	L. 2015, c. 9		(C. 26:2G-38)
(n)	L. 1996, c. 29,	§4	(C. 26:2H-18.58a)
(o)	R.S. 39:4-50,	as amended	(C. 39:4-50)
(p)	L. 1965, c. 59	as amended	(C. 30:1-12; C. 30:4-24 et seq.)
(q)	L. 1988, c. 45		(C. 30:4-3.4 et seq.)
(r)	L. 2009, c. 220		(C. 30:4-3.27)
(s)	L. 1987, c. 116,	as amended	(C. 30:4-27.1 et seq.)
	L. 1991, c. 233		
(t)	L. 1973, c. 93		(C. 30:4-16.1)
(u)	L. 1953, c. 29	as amended	(C. 30:4-60 et seq.)

are continued, transferred to, and vested in the Commissioner of Human Services and the Department of Human Services. These functions, powers, and duties shall be organized and implemented within the Department of Human Services as determined by the Commissioner of Human Services. To the extent the functions, powers, and duties under the statutes are necessary or convenient for the Department of Health to continue operating the State psychiatric hospitals and the licensing of mental health and addiction services programs and facilities, and carry out its duties to the Special Treatment Unit, such functions, powers, and duties will continue within the Department of Health, and the Commissioner of Human Services shall provide such support as is needed to carry out those functions, including a proportionate share of personnel, support service or funds necessary to the objectives. Additionally, recognizing the current existence of Memoranda of Understanding ("MOUs") between the two Departments, those MOUs shall be adjusted as necessary to provide the Department of Human Services sufficient personnel, funding and equipment to restore DMHAS to DHS.

3. The functions, powers, and duties exercised by DMHAS with regard to the operation and administration of the State psychiatric hospitals and the Special Treatment Unit are

continued in the Department of Health, along with the personnel and resources necessary to do so.

4. This Plan is not intended in any way to amend or alter the functions, powers, and duties of the Commissioner of Corrections or the Department of Corrections as they relate to the Commissioner of Corrections' or the Department of Corrections' authority and obligations under the Sexually Violent Predator Act, P.L. 1988, c. 71 (as amended) or to the Special Treatment Unit.

5. All files, books, papers, records, equipment, and other property including real property held by DOH related to DMHAS functions as provided for in the Plan, including, without limitation, funds and other resources and any such property or funds received after the effective date of this Plan and personnel are transferred to the Department of Human Services, pursuant to the "State Agency Transfer Act," P.L. 1971, c. 375 (C. 52:14D-1 et seq.). Funds shall be deposited in such accounts as may be required by law.

6. The functions, powers, and duties of the Department of Health that pertain to the licensure and inspection of mental health programs and providers and addiction services programs and providers and were transferred to DOH under Reorganization Plan 001-2017 are continued in DOH, as are those related to investigation of claims of patient abuse and neglect and other types of misconduct or wrongdoing within the psychiatric hospitals. Investigation of claims of abuse and neglect and other acts of wrongdoing or misconduct within community-based DMHAS-funded programs are transferred to the Department of Human Services. The functions, powers, and duties related to background checks of staff members at the psychiatric hospitals



and DMHAS licensees are transferred to the Department of Human Services.

7. The Commissioners of the Department of Human Services and the Department of Health may enter into or amend interagency agreements, as necessary and appropriate, to effectuate the provisions of this plan.

Whenever, in any law, rule, regulation, order, contract, tariff, document, judicial or administrative proceeding, or agreement otherwise relating to the functions or authority of the Commissioner of Health or the Department of Health regarding mental health or addiction services not related to licensure or operation of the psychiatric hospitals as described herein, or the Division of Mental Health and Addiction Services, the same shall mean the Commissioner of Human Services or the Department of Human Services as appropriate.

#### **GENERAL PROVISIONS**

1. I find that this organization is necessary to accomplish the purposes set forth in Section 2 of P.L. 1969, c. 203. Specifically, this reorganization will promote the more effective management of the Executive Branch and its agencies, and it will promote economy to the fullest extent consistent with the efficient operation of the Executive Branch, according to major purposes. It will group, coordinate, consolidate, and focus functions in a more consistent and practical manner and eliminate overlapping and duplication of functions.

2. Any section or part of this Plan that conflicts with federal law or regulation shall be considered null and void unless and until addressed and corrected through an interagency agreement, federal waiver, or other means.

3. All acts and parts of acts and reorganization plans or parts of reorganization plans inconsistent with any of the provisions of this Plan are superseded to the extent of such inconsistencies.

4. If any provision of this Plan or the application thereof to any person or circumstance or the exercise of any power or authority hereunder is held invalid or contrary to law such holding shall not affect other provisions or applications of the Plan, or affect other exercises of power or authority under such provision not contrary to law. To this end, the provision of the Plan is declared to be severable.

5. This plan is intended to protect and promote the public health, safety, and welfare and shall be liberally construed to attain the objectives and effect the purposes thereof.

6. All transfers directed by this Plan shall be effected pursuant to the "State Agency Transfer Act," P.L. 1971, c. 375 (C. 52:14D et seq.).

7. A copy of this Reorganization Plan was filed on June 21, 2018, with the Secretary of State and the Office of Administrative Law for publication in the New Jersey Register. This Plan shall become effective at the end of a period of 60 calendar days after the date of filing, unless disapproved by each House of the Legislature by the passage of a concurrent resolution stating in substance that the Legislature does not favor this reorganization Plan, or at a date later than the end of such 60-calendar-day period after the date of filing, should the Governor establish such a later date for the effective date of the Plan, or any part thereof, by Executive Order.

**PLEASE TAKE NOTICE** that this Plan, if not disapproved, has the force and effect of law and will be printed and published in

the annual edition of the Public Laws and in the New Jersey Register under the heading of "Reorganization Plans."