

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL
RELATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3974

STATE OF NEW JERSEY

DATED: MAY 13, 2024

The Assembly Oversight, Reform and Federal Relations Committee reports favorably Assembly Bill No. 3974.

This bill prohibits the use of deceptive marketing practices by substance use disorder treatment providers.

The bill defines a “treatment provider” as a facility licensed in accordance with section 8 of P.L.1975, c.305 (C.26:2B-14) for substance use disorder treatment or services, a substance use disorder treatment facility issued a certificate of approval pursuant to P.L.1970, c.334 (C.26:2G-21 et seq.), or a recovery residence located within the State.

The bill requires each treatment provider in the State to provide accurate and complete information, in plain language, on the types and methods of services provided, the location in which services are provided, and the treatment provider’s name and brand name when publishing or disseminating any marketing or advertising materials.

Under the bill, it will be an unlawful practice for a treatment provider to:

(1) make a false or misleading statement about the treatment provider’s status as an in-network or out-of-network provider;

(2) provide, or direct any other person or entity to provide, false or misleading information about the identity of, or contact information for, any treatment provider;

(3) include false or misleading information about the Internet address of any treatment provider’s website, or to surreptitiously direct or redirect a person to another website;

(4) suggest or imply that a relationship with another treatment provider exists, unless the other treatment provider has provided express, written consent to indicate that relationship;

(5) make a false or misleading statement about the substance use disorder treatment services the treatment provider provides; or

(6) make a false or misleading statement about the geographic location of the treatment provider or the geographic location in which the treatment provider provides substance use disorder treatment services.

Any treatment provider who violates the provisions of the bill will be liable to a civil penalty of not more than \$20,000 for each violation. Any person who suffers any injury or damages as a result of the use or employment by a treatment provider of any method, act, or practice declared unlawful under the bill may bring an action or assert a counterclaim therefor in any court of competent jurisdiction. The court will, in addition to any appropriate legal or equitable relief, award threefold the damages sustained by any person in interest and award reasonable attorney's fees, filing fees, and reasonable costs of suit.

The Office of Licensing in the Department of Health may investigate alleged violations of this bill. Upon finding a violation, the division may suspend or revoke the treatment provider's license or certification, if applicable, or may impose a civil penalty against the treatment provider. If the department imposes a civil penalty, the civil penalty will be not more than \$20,000 for each violation.