

NEW JERSEY ADMINISTRATIVE CODE  
TITLE 10. DEPARTMENT OF HUMAN SERVICES  
CHAPTER 10. COMMUNITY MENTAL HEALTH AND DEVELOPMENTAL DISABILITY  
SERVICES INVESTMENT

Subchapter 1. General Provisions

10:10-1.1 Purpose

The purpose of this chapter is to provide for a process by which the resources which result from the sale of residential facilities and/or the reduction of expenditures for State inpatient resources shall be invested in community-based services for persons with developmental disabilities and community-based mental health services for persons with serious mental illness, including children and adolescents with serious emotional disturbances.

10:10-1.2 Scope

This chapter applies to the Division of Mental Health Services and the Division of Developmental Disabilities.

10:10-1.3 Definitions

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

"Children and adolescents with serious emotional disturbances" means individuals under 18 years of age who are in psychiatric crisis or have a designated diagnosis of mental illness under the Diagnostic and Statistical Manual of Mental Disorders, DSM-IV, fourth edition, incorporated herein by reference, as amended and supplemented, published by the American Psychiatric Association, 1400 K Street, Washington, DC 20005, and whose severity and duration of mental illness result in substantial functional disability.

"Commissioner" means the Commissioner of the Department of Human Services.

"Community mental health and developmental disability services" means the following services for persons with serious mental illness, or for persons with developmental disabilities, as appropriate:

1. Emergency and crisis services provided in programs licensed or approved by the Commissioner;
2. Case management services;
3. Outpatient services which provide treatment and rehabilitation to persons with serious mental illness in accordance with N.J.A.C. 10:37E and 10:37F, and those with developmental disabilities, in accordance with [N.J.A.C. 10:46-2.3](#);
4. Residential services, other than inpatient services, provided in programs licensed or approved by the Commissioner and in long-term health care facilities licensed by the Department of Health and Senior Services, including, but not limited to, assisted living residences, comprehensive personal care homes and residential health care facilities;

5. Psychiatric rehabilitation services, including, but not limited to, supported employment, supported living, psychosocial clubhouse and other partial care modalities;
6. Other community support services, including, but not limited to, consumer advocacy, consumer operated self-help activities, drop-in centers, and family education and supports services; and
7. Services which are directed toward the alleviation of a developmental disability or mental illness, or toward the social, personal, physical or economic habitation or rehabilitation of a person with a developmental disability or mental illness, and provided by an agency or program licensed or approved by the Commissioner; and
8. Other services for which the Department has regulatory standards.

"Department" means the Department of Human Services.

"Developmental disability" means a developmental disability as defined in the "Developmentally Disabled Rights Act," P.L. 1977, c.82 ([N.J.S.A. 30:6D-1](#) et seq.).

"Facility" means a State psychiatric hospital or developmental center operated by the Department.

"Persons with serious mental illness" means individuals who are in psychiatric crisis, or have a designated diagnosis of mental illness under the Diagnostic and Statistical Manual of Mental Disorders, DSM-IV, fourth edition, incorporated herein by reference, as amended and supplemented, published by the American Psychiatric Association, 1400 K Street, Washington, DC 20005, and whose severity and duration of mental illness result in substantial functional disability. Persons with serious mental illness shall include children and adolescents with serious emotional disturbances.

## Subchapter 2. Policies and Procedures

### 10:10-2.1 Redeployment of proceeds

(a) All proceeds, net the costs of marketing and disposal of the property, from the sale of Department facility property shall be held in a separate account established by the Office of Management and Budget, within the Department of the Treasury.

(b) All such funds shall be used for the establishing or funding of community mental health and developmental disability services. Approval of the use of funds shall be in accordance with procedures established in the Capital Funding Program at N.J.A.C. 10:3-2.

(c) On an annual basis, or more frequently if necessary, the Department will forward to the Office of Management and Budget, within the Department of the Treasury, a plan for expenditure of these funds, outlining general subject areas and anticipated amounts.

(d) When a facility's residential capacity is reduced by 50 percent or more, the funds realized by such a reduction in capacity shall be used to support the individuals who formerly resided at the facility and have been moved to community mental health and developmental disability services.

1. When the amount of funds realized by such a reduction is not required for community

developmental disability services, the funds shall be used to provide for services for those individuals on the Division of Developmental Disabilities waiting list for services.

2. When the amount of funds realized by such a reduction is not required for individuals formerly residing at the psychiatric hospital, the funds shall be used by the Division of Mental Health Services to improve and enhance community mental health services.

(e) The Division of Mental Health Services and Division of Developmental Disabilities shall prepare a report, within 90 calendar days of the end of any fiscal year in which there is a 50 percent or greater reduction in residential capacity of any facility, which certifies to the Commissioner that funds realized by such a reduction have been utilized in a manner consistent with these rules.