

**ASSEMBLY BILL NO. 2771
(First Reprint)**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 2771 (First Reprint) with my recommendations for reconsideration.

This bill would create a new program administered by the New Jersey Economic Development Authority to guarantee loans issued to non-profit organizations engaged in preventative health services. The financial savings derived from the loans provided under this program would be based on potential reductions in long-term hospital stays and the occurrence of serious diseases.

While I agree that preventative health services are a valuable piece of the State's overall healthcare picture, I am concerned that establishing such a new financial structure requires further consideration before enactment. There have been mixed results concerning the true benefits of these programs in extensive studies conducted by the most respected experts. The legislative fiscal estimate accompanying this bill, published a week after the bill was passed, only confirms the indeterminate and speculative costs and benefits associated with this new program. Nevertheless, preserving the health of our residents is paramount, and any program with the potential to save lives is worthy of further analysis.

Therefore, I am recommending the New Jersey Healthcare Facilities Financing Authority further examine the issue and determine whether it should, under its existing authority, initiate such a loan program using already available funds. After such further review, the State will be better able to evaluate the potential for tangible health benefits for patients

and determine the most cognizable cost savings so that the State can achieve a sound preventative health facilities agenda.

Accordingly, I herewith return Assembly Bill No. 2771 (First Reprint) and recommend that it be amended as follows:

<u>Page 2, Title, Line 1:</u>	Delete "establishing a social innovation loan pilot program" and insert "concerning preventative health care facilities"
<u>Page 2, Title, Line 2:</u>	Delete "34" and insert "26"
<u>Page 2, Section 1, Lines 7-8:</u>	Delete in their entirety
<u>Page 2, Line 9:</u>	Insert new sections 1 and 2 to read as follows: "1. The Director of the New Jersey Health Care Facilities Financing Authority may initiate a loan program using existing financing authority under section 5 of P.L. 1972, c. 29 (C. 26:2I-5) to fund the construction of preventative health care facilities. 2. The Director will examine and track the health care costs and benefits that may be attributed to the preventative health care facilities constructed under any loan program initiated pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill)."
<u>Page 2, Section 2, Lines 10-33:</u>	Delete in their entirety
<u>Page 2, Section 3, Lines 35-44:</u>	Delete in their entirety
<u>Page 3, Section 3, Lines 1-47:</u>	Delete in their entirety
<u>Page 4, Section 3, Lines 1-45:</u>	Delete in their entirety
<u>Page 5, Section 4, Lines 1-46:</u>	Delete in their entirety
<u>Page 6, Section 4, Lines 1-46:</u>	Delete in their entirety
<u>Page 7, Section 4, Lines 1-15:</u>	Delete in their entirety
<u>Page 7, Section 5, Lines 17-47:</u>	Delete in their entirety
<u>Page 8, Section 5, Lines 1-7:</u>	Delete in their entirety
<u>Page 8, Section 6, Lines 9-13:</u>	Delete in their entirety
<u>Page 8, Section 7, Lines 15-27:</u>	Delete in their entirety
<u>Page 8, Section 8, Lines 29-31:</u>	Delete in their entirety
<u>Page 8, Section 9, Line 33:</u>	Delete "9." and insert "3."

Page 8, Section 9, Line 33:

Delete "on the first day of the fourth month" and insert "immediately."

Page 8, Section 9, Lines 34-36:

Delete in their entirety

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Thomas P. Scrivo

Chief Counsel to the Governor