SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 684

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 2024

The Senate Commerce Committee reports favorably Senate Bill No. 684.

The bill requires a service provider doing business in this State to allow a service recipient to terminate the service contract, as provided in the bill, without incurring an early termination fee. Unless otherwise waived by the service provider, the bill requires a service recipient to provide the service provider with no less than 45 days' notice prior to the contract termination or cancellation. However, if a physician's order requires immediate relocation to a long-term care facility, this notice requirement would be waived, and the contract could be terminated within 48 hours. The service provider is to provide a standard termination form to the service recipient upon request, which the service recipient and a physician are to utilize when requesting contract termination or cancellation from the service provider. If a service recipient is unable to submit the standard termination form and a representative of the recipient is requesting contract termination or cancellation, the representative is to submit to the service provider the standard termination form and a copy of the power of attorney, conservatorship, or guardianship documents verifying the representative's authority.

The bill also allows a service provider to require written proof of a service recipient's relocation to a long-term facility. In this event, the bill provides that the delivery of a written notice to the service provider of the contract termination and a letter signed by the service recipient's physician, no later than 45 days prior to the scheduled date of termination, would be deemed to constitute sufficient proof.

The bill further provides that nothing in the bill is to relieve a service recipient of an obligation to return equipment to the service provider or to be charged a lawful unreturned equipment charge, nor is a service recipient relieved from any amounts owed for any equipment purchased by the service recipient.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.