

NJCTP UPDATE: New Laws Crack Down on “Body Brokering” & Deceptive Practices

Dear NJCTP Coalition Members,

We are thrilled to share a major victory for ethical addiction treatment in New Jersey. Acting Governor Tahesha Way has signed into law two groundbreaking bills – A3973 and A3974 – that directly target unethical “body brokering” and deceptive marketing in our field. These new laws, championed by legislative allies, will strengthen consumer protections and help safeguard the rights of people in recovery. This is a significant step forward in ensuring that vulnerable individuals seeking help are no longer exploited by profit-driven schemes.

New Jersey’s action comes on the heels of a state investigation that exposed widespread fraud and misconduct in the addiction recovery industry. The State Commission of Investigation’s 2024 report revealed egregious incidents of *patient brokering* (paid referrals), financial abuses, and misleading marketing within certain treatment and sober living facilities. Now, with A3973 and A3974 signed into law, New Jersey is decisively cracking down on these exploitative practices – aligning our state with a broader movement for ethical treatment reform. Families and patients will finally be protected by law from the kind of “*deceptive and unethical schemes*” that prey on people in crisis. In short, these reforms put client welfare first, ensuring patients have access to “*accurate, honest information, not false promises that stand in the way of recovery*”.

Key Legislative Highlights

- **Ban on Deceptive Marketing (A3974):** Treatment providers and recovery residences are now prohibited from misleading patients. This includes falsely claiming to be “in-network” when they are not, misrepresenting services or facility locations, secretly redirecting people to different websites, or pretending to have endorsements/affiliations that don’t exist. In essence, any form of bait-and-switch or false advertising to lure patients into a program is now illegal. Violators of these marketing rules face serious consequences, with civil penalties of up to \$20,000 per violation under the new law. These measures ensure transparency and honesty from any provider advertising addiction treatment services.
- **Crackdown on Kickbacks & “Body Brokering” (A3973):** Paying for patient referrals – so-called *body brokering* – is now a third-degree felony in New Jersey, upgraded from its previous status to reflect the severity of the offense. Any kickback, bribe, or incentive offered for referring a patient to a substance use treatment facility, recovery home, or even a clinical lab is strictly outlawed. The law imposes steep penalties (up to \$50,000 fines) for anyone caught engaging in these referral payment schemes. Importantly, A3973 also closes loopholes by expanding the anti-brokering provisions to cover *all* parties in the healthcare and recovery sector – not just

individuals. Recovery residences, clinical laboratories, non-profit organizations, healthcare providers, and healthcare facilities are all now explicitly forbidden from engaging in patient-brokering deals. This comprehensive scope ensures that unethical profiteering at the expense of patients is stamped out across the board.

Together, these reforms directly address the unethical practices that NJCTP has long denounced. Deceptive patient recruitment and profiteering have no place in a recovery system that puts patients first. By banning false marketing ploys and imposing tough penalties on “body brokers,” New Jersey is raising the bar for integrity in treatment. These laws are common-sense safeguards that “*crack down on exploitative practices that prey on people in crisis*” and they reflect what ethical providers stand for: truthful information, transparency in referrals, and care decisions based on patient needs – not kickbacks or lies.

NJCTP’s Support & Collaborative Role

The New Jersey Coalition of Treatment Providers enthusiastically supports A3973 and A3974. These measures represent exactly the kind of ethical, client-first policy reform that our coalition was created to champion. “*Every legislative effort we support is designed to put the needs of individuals in recovery first... Our coalition stands united to shape laws that protect and uplift those on their recovery journey.*” This is precisely what these new laws achieve – they promote ethical care, client safety, and accountability, aligning perfectly with NJCTP’s core mission. We believe this legislative milestone will help restore trust in the treatment process and ensure that care is driven by clinical best practices and compassion, rather than financial incentives.

NJCTP has been vocal in advocating for an end to patient brokering and deceptive marketing. Now that these laws are in effect, our work continues with a focus on implementation. We are actively working in partnership with the New Jersey Department of Health (DOH) to translate these laws into robust enforcement on the ground. As an alliance of reputable providers and advocates, NJCTP is uniquely positioned to help regulators understand industry practices and spot potential violations. “*NJCTP stands as a watchdog and advocate—demanding transparency, protecting client rights, and holding systems accountable to the people they serve.*” In that watchdog spirit, we’re collaborating with DOH to develop clear guidelines for providers, sharing expertise on ethical marketing standards, and assisting in the creation of inspection protocols to identify any facility engaging in unscrupulous behavior. Our goal is to ensure that these laws have real teeth: that violators are caught and held fully accountable, and that ethical providers are distinguished from bad actors.

Several members of NJCTP’s leadership have spoken out to emphasize our coalition’s commitment to these reforms and to the partnership with state officials going forward:

“This is a landmark victory for ethical treatment in New Jersey. For too long, unscrupulous actors put profits over people. With these new laws, we’re finally putting a stop to that abuse and sending a clear message: patient welfare comes first.” – [NJCTP President]

“Our coalition has fought hard for measures like these because we’ve seen the damage that “body brokers” and false promises inflict on families. Now that A3973 and A3974 are law, we can begin to heal that breach of trust. We applaud the legislature and Governor for standing up for vulnerable individuals in recovery.” – *[NJCTP Government Committee Chair]*

As reflected in the above sentiments, NJCTP is all-in on making these reforms a success. We consider it both a moral and a professional responsibility to help sweep out the fraudulent practices that have tarnished our industry’s reputation. By working hand-in-hand with regulators, we aim to create a healthier environment where ethical providers can thrive and patients can seek help with confidence, knowing they won’t be misled or traded as commodities.

Call to Action: Help Us Ensure Ethical Care for All

Now we call on you – our coalition members – to be part of this next phase. With these laws in place, your engagement is critical to help implement and monitor the reforms effectively. *This is a collective effort, and every provider and advocate’s participation counts.* Here’s how you can help:

- **Stay Informed & Compliant:** Make sure you understand the new legal requirements. Review your organization’s marketing materials, websites, and referral practices to ensure they meet the new standards of transparency and integrity. If you need guidance on compliance, reach out to NJCTP – we are here to support our members in adapting to these changes.
- **Promote a Culture of Ethics:** Use this moment to reinforce ethical norms within your teams. Educate staff and colleagues that any form of patient brokering or deceptive representation is not only unacceptable, it’s now illegal. Encourage an open dialogue about ethics in admissions, marketing, and referral relations. By creating a culture of accountability at the ground level, we collectively raise the bar across the state.
- **Partner with NJCTP & DOH:** Consider volunteering to assist NJCTP’s ongoing collaboration with the Department of Health. We will be forming working groups and advisory committees to help develop enforcement guidelines, training sessions, and peer monitoring initiatives. Your frontline experience as treatment providers is invaluable – whether it’s helping craft practical inspection checklists or sharing insights on common industry loopholes. Reach out if you are interested in contributing expertise or serving as a liaison in this public-private effort.
- **Report and Advocate:** Keep an eye out for unethical practices in your region. If you become aware of any facility or marketer engaging in patient brokering or deceptive advertising, speak up. You can confidentially report concerns to the appropriate authorities or notify the NJCTP team so we can funnel information to regulators. Protecting our community is a shared responsibility – by reporting bad actors, you help protect patients and uphold the reputation of our field. Additionally, continue to advocate for strong oversight: support NJCTP’s initiatives when we call for public comments, attend hearings, or meet with officials about enforcement of these

laws.

In the coming weeks, NJCTP will provide further resources including webinars on the new laws, Q&A documents, and opportunities to engage with DOH representatives, so that every member is equipped to help drive these reforms forward. Your active involvement is what will ultimately make these laws effective. Together, we will ensure that New Jersey's addiction treatment landscape becomes a model of transparency, integrity, and patient-centered care.

Thank you for your continued commitment to ethical treatment and recovery. This victory is ours as a community, but its promise will only be fulfilled through our persistent effort and vigilance. NJCTP will remain at the forefront of this fight – and with your help, we will make certain that the era of patient brokering and deceptive practices is permanently behind us.

In unity and purpose,

The NJCTP Leadership Team