

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 1902

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 30, 2022

SUMMARY

- Synopsis:** Increases maximum number of respite care service hours funded through DCF for certain families; appropriates \$13 million.
- Type of Impact:** Annual State expenditure increase; potential annual State revenue increase.
- Agencies Affected:** Department of Children and Families.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	\$10.4 million to \$15.7 million
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that annual State expenditures will increase between \$10.4 million and \$15.7 million to provide eligible families with up to 30 additional hours of respite services over a 90-day authorization period. The lower end of the range represents the cost increase to the State if all services are provided by a self-hired respite worker while the upper range represents services provided by an agency-hired respite worker. Since not every family receiving respite services will be authorized for the maximum number of respite service hours available, and because two-thirds of respite services are currently provided by less costly self-hired respite workers, actual annual costs will likely skew toward the lower end of the range.
- To the extent that families of children with intellectual or developmental disabilities who are enrolled in the NJ FamilyCare program are authorized for respite care services, federal matching funds will be available for 50 percent of qualifying State expenditures on respite care. Since information on the number of families for whom respite services are covered under the NJ FamilyCare program is not publicly available, the OLS cannot estimate the magnitude of the potential increase in State revenues pursuant to the bill.

BILL DESCRIPTION

This bill increases the maximum number of respite care service hours funded through the Department of Children and Families for families of children with an intellectual or developmental disability, and appropriates \$13 million for this purpose. Currently, the Division of Children's System of Care in the department authorizes eligible families for a maximum of 60 hours of respite services over a 90-day authorization period. This bill would raise this cap to 90 hours of respite services, provided by either an agency-hired or self-hired respite worker, over a 90-day authorization period. The bill additionally directs the Department of Children and Families to use available State and federal funds to effectuate the bill's provisions.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that annual State expenditures will increase between \$10.4 million and \$15.7 million to provide eligible families with up to 30 additional hours of respite services over a 90-day authorization period. The lower end of the range represents the cost increase to the State if all services are provided by a self-hired respite worker, while the upper range represents services provided by an agency-hired respite worker. Since not every family receiving respite services will be authorized for the maximum number of respite service hours available, and because two-thirds of respite services are currently provided by less costly self-hired respite workers, actual annual costs will likely skew toward the lower end of the range.

To the extent that families of children with intellectual or developmental disabilities who are enrolled in the NJ FamilyCare program are authorized for respite care services, federal matching funds will be available for 50 percent of qualifying State Medicaid expenditures on respite care. Since information on the number of families for whom respite services are covered under the NJ FamilyCare programs is not publicly available, the OLS cannot estimate the magnitude of the potential increase in State revenues pursuant to the bill.

According to the April 2022 Children's InterAgency Coordinating Council Summary of Activity report, PerformCare, the division's contracted systems administrator, authorized a total of 3,132 requests for respite services that month; this number includes services approved for existing clients of the division, as well as those approved for new clients.

Reimbursement rates for respite services vary with the type and timing of the service provided, and are based on 15 minute service intervals. According to information provided by the department in response to a FY 2023 OLS Discussion Point, reimbursement rates range from a low of \$27.56 per hour for self-hired respite service workers to a high of \$41.72 per hour for agency-hired respite workers. Assuming that all 3,132 authorized requests for respite services utilized the maximum number of respite service hours available under the law, and a reimbursement rate of either \$27.56 or \$41.72 per hour, the OLS estimates that this proposal would potentially increase annual State costs between \$10.4 million and \$15.7 million, plus an indeterminate amount in administrative costs for the department to update and track the additional respite service hours provided under the bill.

Section: Human Services

*Analyst: Anne Cappabianca
Associate Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).