

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2007 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 24, 2023

SUMMARY

- Synopsis:** Requires Medicaid coverage for community violence prevention services; Requires DOH to approve training and certification program for violence prevention professionals.
- Type of Impact:** Annual impact on State costs and revenue.
- Agencies Affected:** Department of Human Services; Department of Health.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Impact	Indeterminate
State Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will cause the State to incur annual Medicaid costs to provide community violence prevention services to certain individuals who receive health care services under the State's Medicaid program. The cost to provide these services cannot be quantified as: (1) the reimbursement rate for these services is not established under the bill; and (2) the number of individuals who will receive these services is unpredictable. These State costs will be offset by an increase in federal Medicaid reimbursements.
- By way of context, based upon cost projections for an identical Medicaid benefit in Connecticut, the bill could cost the State \$600,000 in net annual State expenses, provided that the State establishes a reimbursement rate of \$12.65 per 15-minute block of service. The OLS notes that research has also shown with the implementation of similar benefits, it is possible that these expenditures may result in an indeterminate decrease in medical costs covered under the Medicaid program associated with repeated injury, trauma, or poor health following victimization due to violence.

- The OLS assumes that the Department of Health will be able to comply with the provisions of the bill, regarding the approval of an accredited training and certification program for certified violence prevention professionals, under the department's existing budget as such a task is within the department's current scope of responsibilities.

BILL DESCRIPTION

The bill requires Medicaid coverage for community violence prevention services to an individual who has: 1) received medical treatment for an injury sustained as a result of an act of community violence, and 2) been referred by a certified or licensed health care provider or social services provider to receive community violence prevention services from a certified violence prevention professional.

This bill also requires that Department of Health, within six months of the effective date of the bill, to approve at least one accredited training and certification program for certified violence prevention professionals.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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For context, the bill mirrors legislation adopted in Connecticut in June of 2021. According to the Medicaid State Plan Amendment submitted by the Connecticut Department of Social Services to the Centers for Medicare and Medicaid Services, the anticipated cost of the bill due to increased state and federal Medicaid expenditures in State Fiscal Year 2024 is \$630,388, which is based on a reimbursement rate of \$12.65 for each 15-minute block of services.

By way of comparison, Connecticut's Medicaid enrollment as of August 2022 is 970,031, while New Jersey's enrollment for the same time is 1,890,250, roughly 100 percent more than

Connecticut's enrollment. Moreover, as community violence prevention services are frequently provided to individuals to prevent the spread of gun violence, the Centers for Disease Control and Prevention indicate that the two states have similar rates of gun deaths. Assuming an identical reimbursement rate as Connecticut, and adjusting for the differences in Medicaid enrollment, it is estimated that this bill would result in an increase of \$1.2 million in State and federal Medicaid expenditures for New Jersey. To the extent that New Jersey's reimbursement rate is higher, this estimate will increase; to the extent, that New Jersey's reimbursement rate is lower, this estimate will decrease.

It is possible that any increase in Medicaid expenditures under the bill may, over time, be offset by certain cost savings. For example, a 2014 study examined the financial burden of violent injury on the Medicaid program, specifically with the implementation of hospital-based violence intervention programs services. Similar to community violence prevention programs, hospital-based violence intervention programs are multidisciplinary programs that identify patients at risk of repeat violent injury and link them with hospital- and community-based resources aimed at addressing underlying risk factors for violence. At the time of the study, it was suggested that if these services, costing \$3,889 per patient, were provided to all violently injured hospitalized Medicaid patients in a single year, estimated at 7,383 individuals nationally, the total cost would be \$29 million. However, due to the prevention of violent re-injury, violent retaliation, and other adverse consequences associated with violent injury, the national saving to the Medicaid program would be \$69 million, for a net savings of \$40 million. The OLS emphasizes that this example is regarding the national Medicaid program under the context of hospital-based violence intervention programs and not illustrative of the cost or cost savings of the bill in New Jersey.

Section: Human Services

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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.).