

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2894 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MARCH 17, 2023

SUMMARY

- Synopsis:** Establishes "Mission Critical Long-Term Care Teams;" provides for identification of and intervention at long-term care facilities at risk of operational and financial distress.
- Type of Impact:** No State fiscal impact in first year; State expenditure increase in subsequent fiscal years. Annual increase in expenditures for county-operated nursing homes.
- Agencies Affected:** Department of Health, County-operated nursing homes.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2 and Thereafter</u>
State Cost Increase	\$0	Minimum \$500,000
Local Cost Increase	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) notes that this bill codifies the Mission Critical Long-Term Care Team program, which received \$500,000 in funding pursuant to the FY 2023 Appropriations Act. The OLS concludes that the funding included in the FY 2023 Appropriations Act is sufficient for the Department of Health to fulfill the requirements established pursuant to this bill in the first year following the bill's effective date.
- The OLS also determines that the State will incur additional costs of at least \$500,000 in subsequent fiscal years, in order to provide salary and benefits for the four employees staffing the initial Mission Critical Long-Term Care Team. A portion of these costs will also be for the ongoing administrative costs of the program.
- The State's nine county-operated nursing homes may face increased annual expenditures under the bill, to the extent that one or more facilities may be required to implement corrective measures recommended by the Mission Critical Long-Term Care Team.

BILL DESCRIPTION

This bill codifies the Mission Critical Long-Term Care Teams program within the Department of Health, which is responsible for identifying long-term care facilities for which progressive levels of oversight and direct intervention may be necessary to prevent the decline of health and safety at the facility or the disruption of necessary health care services at the facility.

Pursuant to the bill, the Commissioner of Health will identify specific indicators by which a team will evaluate a long-term care facility for operational and financial soundness, and the facility's ability to ensure residents' legal rights and to deliver the quality of care required by applicable licensing standards.

The commissioner may dispatch a team to evaluate a facility and advise the facility on any corrective measures it should take to resolve any issues identified by a facility survey or inspection conducted by the Division of Health Facility Survey and Field Operations in the department, or by a complaint received by a department employee. The commissioner may also dispatch a team at the request of facility management.

The bill requires that any facility to which a team is dispatched cooperate with the team, grant both the team and the department access to all physical plant operations and locations and to all requested financial, operational, and programmatic information.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The FY 2023 Appropriations Act appropriated \$500,000 to the department to establish and operate a Mission Critical Long-Term Care Team program; this bill codifies and permanently establishes this program. According to the department's response to an FY 2023 OLS Discussion Points Question, the department anticipated hiring four permanent employees to staff the Mission Critical Long-Term Care Team. The OLS concludes that the funding included in the FY 2023 Appropriations Act is sufficient for the Department of Health to fulfill the requirements established pursuant to this bill in the first year following the bill's effective date.

The OLS also determines that the State will incur additional costs of at least \$500,000 in subsequent fiscal years, in order to provide salary and benefits for the four employees staffing the initial Mission Critical Long-Term Care Team. A portion of these costs will also be for the ongoing administrative costs of the program. Depending upon demand for the services provided by the team and the financial condition of the State's nursing homes, the department may need to create additional teams to evaluate and advise at-risk long-term care facilities in future years.

The State's nine county-operated nursing homes, moreover, may incur higher annual expenditures in order to provide a team with the requested information and to implement any corrective measures that may be recommended by a team. The State's nine county-operated facilities are located in Bergen (3), Middlesex (2), Atlantic (1), Cape May (1), Gloucester (1), and Passaic (1) counties.

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.).