

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 4193

# STATE OF NEW JERSEY

DATED: DECEMBER 14, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4193.

This bill establishes a minimum base NJ FamilyCare per diem reimbursement rate of \$1,100 for special care nursing facilities which operate a neurologically impaired young adult unit. Under the bill, a special care nursing facility is defined as a nursing facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) that is not a unit attached to, or on the same campus as, a rehabilitation or acute care hospital and is not a distinct unit within a NJ FamilyCare-certified conventional nursing facility, and which has been approved by the Department of Human Services to provide care to NJ FamilyCare recipients who require specialized nursing facility services beyond the scope of a conventional nursing facility

Specifically, the bill requires the Division of Medical Assistance and Health Services in the Department of Human Services to reimburse a special care nursing facility, issued a certificate of need by the Department of Health as of July 1, 2023 to operate a neurologically impaired young adult unit, a base NJ FamilyCare per diem reimbursement rate that is, at a minimum, the greater of the special care nursing facility's FY 2022 base NJ FamilyCare per diem reimbursement rate or \$1,100 per diem. This bill applies to reimbursements beginning January 1, 2024 and only those facilities in compliance with all applicable federal and state laws and regulations concerning licensure, patient safety, and quality of care.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will increase State expenditures under the NJ FamilyCare program by approximately \$3.2 million annually in order to provide a base reimbursement rate of \$1,100 per diem to special care nursing facilities operating a neurologically impaired young adult unit.

Subsequently, State revenue will increase annually by \$1.6 million due to growth in federal reimbursements under the NJ FamilyCare program, for an annual net State cost increase of \$1.6 million. As the bill applies to reimbursements beginning January 1, 2024, the cost and revenues of this bill in FY 2024 will be half the annual estimate.

This estimate assumes that Statewide there are 22 NJ FamilyCare special care nursing facility beds that will qualify each year for this increased reimbursement rate. To the extent that the number of beds changes, this estimate will increase or decrease accordingly.