

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 821

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MARCH 2, 2022

SUMMARY

- Synopsis:** Requires certain health care facilities to offer consultations with lactation consultants to persons who have given birth.
- Type of Impact:** Annual State expenditure and revenue increases. Annual local expenditure increase.
- Agencies Affected:** Department of Human Services, Department of the Treasury, University Hospital, local governments.

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) concludes that State and local government costs may increase by an indeterminate amount due to the lactation consultant staffing ratios provided under the bill. If the need to hire additional lactation consultants leads hospitals and licensed birthing centers to increase maternity care fees, the NJ FamilyCare program, the State Health Benefits Program (SHBP), the School Employees Health Benefits Program (SEHBP), and local governments that provide employee health benefits may face increased costs.
- The OLS notes that to the extent additional State Medicaid expenditures are matched by federal Medicaid funds, any additional costs incurred by the State pursuant to the bill would correspond to an increase in State revenues.
- To the extent that University Hospital, a non-profit legal entity that is an instrumentality of the State located in Newark, is required to hire additional lactation consultants in order to comply with the staffing ratios instituted under the bill, the facility may face higher staffing costs.

BILL DESCRIPTION

This bill requires every hospital that provides inpatient maternity services and every State-licensed birthing center to offer a person who has given birth at the facility: (1) at least one in-

person, one-on-one consultation with a lactation consultant prior to discharge; or (2) lactation counseling or consultation with a lactation consultant conducted remotely through live voice communication.

The bill provides a definition of “lactation consultant” and requires hospitals that offer inpatient maternity services and licensed birthing centers to institute lactation consultant staffing ratios as recommended by the United States Lactation Consultant Association (USLCA) in 2021.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the lactation consultant staffing ratios provided under the bill, which are based on recommendations from the USLCA, may increase State and local costs by an indeterminate amount, to the extent that current lactation consultant staffing ratios in hospitals and birthing centers fall below the USLCA recommended ratios. If hospitals and birthing facilities are required to hire additional lactation consultants, the facilities may pass increased staffing costs on to the NJ FamilyCare program, the SHBP, the SEHBP, University Hospital, and local governments that provide employee health benefits.

According to email communications from the USLCA, the organization does not currently have national or state data on lactation consultant staffing ratios in hospitals and birthing centers. The New Jersey Breastfeeding Coalition also does not track these data for hospitals and birthing centers located in the State. Additionally, the extent to which higher staffing costs for hospitals and birthing centers are ultimately shifted to State and local governments, in the form of higher capitation rates for NJ FamilyCare enrollees and employee health benefits, is unclear. To the extent that additional State Medicaid expenditures are matched by federal Medicaid funds, any additional costs incurred by the State pursuant to the bill would correspond to an increase in State revenues by an indeterminate amount.

The NJ FamilyCare program currently covers in-person, one-on-one lactation consultation for beneficiaries who have given birth, pursuant to P.L.2019, c.343 (C.30:4D-6o). The lactation consultation benefit also includes, upon the beneficiary’s request, telephonic lactation assistance in addition to, rather than as a substitute for, in-person, individual lactation consultation. The NJ FamilyCare program additionally covers lactation accessories, as recommended by a health care provider. New Jersey statute defines a lactation consultant as an individual who is credentialed as an International Board Certified Lactation Consultant. Both the SHBP and the SEHBP cover two visits by a lactation consultant in either a hospital or a birthing center per birth.

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.).