

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 2017
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: OCTOBER 3, 2022

SUMMARY

- Synopsis:** Requires Medicaid Fraud Division to enter into data sharing agreement upon request of county to provide access to third party insurance liability data regarding certain COVID-19 related health claims.
- Type of Impact:** Annual State expenditure increase and county revenue increase.
- Agencies Affected:** Office of the State Comptroller, State Health Benefits Program, School Employees' Health Benefits Program, County Governments.

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) concludes that this bill may result in an indeterminate State expenditure increase due to costs incurred by: 1) the Office of the State Comptroller Medicaid Fraud Division upon entering into data sharing agreements with counties; and 2) the State Health Benefits Program (SHBP) and the School Employees' Health Benefits Program (SEHBP) in reimbursing counties for coronavirus disease 2019 (COVID-19) health services provided to beneficiaries. Moreover, the bill may result in an indeterminate revenue increase for county governments in the form of reimbursements from carriers for COVID-19 health-related services provided by the county to an individual who is covered by that carrier.
- The OLS emphasizes that the fiscal impacts of this bill related to the SHBP, the SEHBP, and county governments are contingent upon unpredictable data regarding the number of individuals who received COVID-19 health-related services from a county that used public funds to cover the cost of those services, and who are determined to be insured using available data provided via a data sharing agreement entered into under this bill.

BILL DESCRIPTION

This bill requires the Medicaid Fraud Division in the Office of the State Comptroller to enter into a data sharing agreement with a county, upon the county's request, for the purposes of providing the county access to third party insurance liability data utilized by the division's Third Party Liability Unit, and any private entity contracted by the division, to determine whether individuals receiving services provided in connection with COVID-19 have other insurance.

Under the bill, the term "carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation, or health maintenance organization authorized to issue health benefits plans in this State, and includes the State Health Benefits Program and the School Employees' Health Benefits Program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill may result in an indeterminate expenditure increase for the State and an indeterminate revenue increase for county governments. Under the bill, the Medicaid Fraud Division will likely experience administrative costs upon entering into data sharing agreements with counties. Currently, the Medicaid Fraud Division's Third Party Liability Group works with a vendor to determine whether Medicaid recipients have other insurance. The division may incur expenses under the bill to provide counties with the means to access the data available to the vendor, which may involve a technological component. Moreover, the Division may need to amend its contract with the vendor to allow for the data sharing agreements with counties.

Additionally, the SHBP and the SEHBP may experience an increase in expenditures, to the extent that the programs are required to reimburse for the costs of COVID-19 health services provided to beneficiaries by counties that used public funds to cover the cost of those services.

County governments may realize revenue increases, in the form of reimbursements from insurance carriers for COVID-19 health services provided by the county to an individual who is covered by that carrier. The OLS notes that these revenue increases may affect certain county-operated health facilities, to the extent that the facility does not currently monitor for third-party liability. Such facilities may include the Bergen New Bridge Medical Center (formerly the Bergen Regional Medical Center), a county-owned entity in Paramus, and the nine nursing homes operated in the State by Bergen (3), Middlesex (2), Atlantic (1), Cape May (1), Gloucester (1) and Passaic (1) counties. Furthermore, this estimate assumes that all 21 counties will request to enter into a data sharing agreement with the Medicaid Fraud Division, as the outcomes of the data sharing agreement are advantageous for counties.

The OLS emphasizes that the fiscal impacts of this bill related to the SHBP, the SEHBP, and county governments are contingent upon unpredictable data regarding the number of individuals who received COVID-19 health services from a county that used public funds to cover the cost of those services, and who are determined to be insured using available data provided via a data sharing agreement entered into under this bill.

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.).