

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4052

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 26, 2023

SUMMARY

- Synopsis:** Establishes three-year sickle cell disease pilot program; appropriates \$10,200,000.
- Type of Impact:** Three-year State cost increase.
- Agencies Affected:** Department of Health, Department of Human Services.

Office of Legislative Services Estimate

| Fiscal Impact | <u>Years 1 through 3</u> |
|----------------------------|---------------------------------|
| State Cost Increase | Up to \$10.2 million |

- The Office of Legislative Services (OLS) determines that State costs will increase by up to \$10.2 million to implement a three-year sickle cell disease pilot program in select federally qualified health centers. The bill appropriates \$10.2 million for grants to these federally qualified health centers over the three-year duration of the pilot program.
- The OLS presumes that the Department of Health will base the number of federally qualified health centers selected to participate in the pilot program, and the amount of funding allocated to each center, upon the appropriations available under the bill, less any administrative costs incurred by the department. At minimum, the program will include six federally qualified health centers located in six specific municipalities.
- To the extent that the pilot program results in routine, comprehensive outpatient care for NJ FamilyCare enrollees who have a sickle cell disease diagnosis, in place of more costly emergency room or inpatient hospital care, the State could potentially realize an indeterminate amount of cost savings under the bill.

BILL DESCRIPTION

The bill requires that the Department of Health, in consultation with the Department of Human Services, establishes a three-year sickle cell disease pilot program, under which federally qualified health centers will be selected to develop and implement comprehensive sickle cell disease treatment programs and services. The federally qualified health centers will be selected for participation in the pilot program based on criteria to be established by the Department of Health. The competitive selection process will give priority to federally qualified health centers located in Jersey City, Newark, Paterson, Plainfield, Trenton, Camden, and, subject to the availability of funds, to federally qualified health centers in certain other municipalities. Federally qualified health centers selected for the pilot program will be eligible for financial support from appropriations to the department.

Federally qualified health centers applying for the pilot program are required to develop sickle cell disease treatment programs and services that provide coordinated, comprehensive, medical, behavioral health, social support, and monitoring services under the supervision of health care professionals who have expertise in treating individuals with sickle cell disease. The department is to coordinate with federally qualified health centers participating in the pilot program and other health care facilities and health care professionals to establish centers of excellence for sickle cell disease research and innovation.

The bill appropriates \$10.2 million for grants to federally qualified health centers over the three-year duration of the pilot program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that State costs will increase by up to \$10.2 million to implement the three-year sickle cell disease pilot program to establish comprehensive sickle cell disease treatment programs and services at select federally qualified health centers. The OLS presumes that the Department of Health will base the number of federally qualified health centers selected to participate in the pilot program, and the amount of funding allocated to each center, upon the appropriations available under the bill, less any administrative costs incurred by the department. At minimum, the program will include six federally qualified health centers located in six specific municipalities. The bill appropriates \$10.2 million for grants to these federally qualified health centers over the three-year duration of the pilot program.

To the extent that the pilot program results in routine, comprehensive outpatient care for NJ FamilyCare enrollees who have a sickle cell disease diagnosis, in place of more costly emergency room or inpatient hospital care, the State could potentially realize an indeterminate cost savings under the bill. Any decrease in NJ FamilyCare expenditures would result in a corresponding decrease in State revenues, in the form of lower federal Medicaid reimbursements for eligible State Medicaid expenditures.

Sickle cell disease affects approximately 100,000 Americans, and occurs in one out of every 365 Black or African American births and one out of every 1,600 Hispanic-American births, according to the federal Centers for Disease Control and Prevention. Based on these data, in FY

2021, the most recent year for which New Jersey State Health Assessment Data are available, roughly 38 Black or African-American infants born to New Jersey residents will be diagnosed with sickle cell disease, and fewer than one Hispanic-American infant born to State residents will receive a sickle cell disease diagnosis.

Section: Human Services

*Analyst: Anne Cappabianca
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

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.).