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LEGISLATIVE FISCAL ESTIMATE
[First Reprint]
ASSEMBLY, No. 5173
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 22, 2023

SUMMARY

- Synopsis:** Requires hourly reimbursement rate for home health aide services provided through Statewide Respite Care Program and Jersey Assistance for Community Caregiving Program to be no less than Medicaid fee-for-service rate for personal care services; makes appropriation.
- Types of Impact:** Annual increases in State expenditures and State revenues.
- Agency Affected:** Department of Human Services.

Office of Legislative Services Estimate	
Annual State Expenditure Increase	\$2,200,000
Annual State Revenue Increase	Up to \$25,000

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures by \$2.2 million in setting the hourly reimbursement rates for home health aide, personal care, and homemaker services provided through the Statewide Respite Care Program and the Jersey Assistance for Community Caregiving program at a rate equal to the Medicaid fee-for-service rate for personal care services.
- The OLS projects that the bill will generate up to \$25,000 in additional annual copayments from participants in the Statewide Respite Care Program and the Jersey Assistance for Community Caregiving program.

BILL DESCRIPTION

The bill requires that the hourly reimbursement rate for home health aide, personal care, and homemaker services accessed through the Statewide Respite Care Program (SRCP) and the Jersey Assistance for Community Caregiving (JACC) program on a weekday be no less than the hourly

Medicaid fee-for-service reimbursement rate for personal care services. On a weekend or a State or federal holiday, the hourly rate is required to be \$1 higher.

In FY 2023, the Medicaid fee-for-service reimbursement rate for personal care services is set at \$24.52 per hour. The FY 2023 hourly rate for the Jersey Assistance for Community Caregiving program is identical, while the hourly rate for the Statewide Respite Care Program is \$17 on weekdays and \$18 on weekend or a State or federal holiday.

The bill also codifies the current monetary caps on annual benefits for service recipients under the two program: \$6,559.63 per calendar year for the Statewide Respite Care Program and \$11,158.56 per calendar year for the Jersey Assistance for Community Caregiving Program.

The programs are operated by the Division of Aging Services in the Department of Human Services. The Jersey Assistance for Community Caregiving program provides home and community-based services to individuals age 60 and older who meet clinical eligibility for nursing home level of care and who desire to remain within the community. The Statewide Respite Care Program, in turn, gives short-term breaks to caregivers who support functionally impaired persons.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State expenditures by \$2.2 million and annual State revenue collections by no more than \$25,000. The estimates are predicated on total program costs in FY 2023, as projected by the Department of Human Services in response to an FY 2024 OLS Discussion Point.

Program Expenditures: Jersey Assistance for Community Caregiving Program and Statewide Respite Care Program			
Program	FY 2021	FY 2022	FY 2023 (Projected)
Jersey Assistance for Community Caregiving Program	\$8,760,000	\$10,950,000	\$11,400,000
Statewide Respite Care Program	\$4,330,400	\$4,354,000	\$4,810,248
Total Expenditures	\$13,090,400	\$15,304,000	\$16,210,248

The hourly reimbursement rate for home health aide, personal care, and homemaker services under the Jersey Assistance for Community Caregiving program on a weekday already equals the hourly Medicaid fee-for-service reimbursement rate for personal care services of \$24.52 in FY 2023. The Jersey Assistance for Community Caregiving program rate includes a temporary supplement utilizing enhanced federal matching funds for Home and Community Based Services under the federal American Rescue Plan Act of 2021. According to the Department of Human Services reply to an FY 2024 OLS Discussion Point, the rate is not expected to change in FY 2024. Therefore, the bill will only increase State expenditures for the Jersey Assistance for Community Caregiving program from the extra \$1 in the weekend and holiday rate.

As such, increased State costs under the bill are mostly attributable to the extension of rate parity to service providers under the Statewide Respite Care Program.

Currently, home health aide, personal care, and homemaker services accessed through the Statewide Respite Care Program are reimbursed at \$17.00 per hour for services provided on a weekday and \$18.00 per hour for services rendered on a weekend or a holiday. By raising the Statewide Respite Care Program's reimbursement rates to no less than the Medicaid fee-for-service rate for personal care services, which is \$24.52 per hour in FY 2023, the bill effectuates a 44.2 percent rate increase for services rendered during the week and a 41.8 percent rate increase for services provided on a weekend or holiday. If the program costs \$4.8 million in FY 2023, then the rate increases will grow program expenditures by \$2.1 million in FY 2024.

In FY 2023, State funding for Statewide Respite Care Program and Jersey Assistance for Community Caregiving program services, however, is constrained by a per participant annual cap of \$6,559.63 and \$11,158.56, respectively. The higher hourly reimbursement rates paid under the bill may potentially result in some program participants attaining the benefits cap earlier in the year than they would absent the rate increases.

Furthermore, the Department of Human Services charges income-based copayments to participants in the Statewide Respite Care Program and the Jersey Assistance for Community Caregiving program. Under the Statewide Respite Care Program, copayments range up to 25 percent of the cost of services provided. Under the Jersey Assistance for Community Caregiving program, copayments represent a flat monthly fee ranging up to \$120. According to the response by the department to an FY 2024 OLS Discussion Point, copayments received from both programs combined totaled \$409,114 in FY 2022 and are projected to yield \$475,172 in FY 2023.

Because the larger Jersey Assistance for Community Caregiving program is already operating at the rate contemplated by the bill, the OLS anticipates no additional copayments that would be attributable to the bill. For the smaller Statewide Respite Care Program, the OLS anticipates up to \$25,000 in additional annual State revenue from higher income-based copayments.

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.).