

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

## SENATE, No. 2844

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 13, 2023

#### SUMMARY

- Synopsis:** Increases maximum number of respite care service hours funded through DCF for certain families.
- Type of Impact:** Annual State expenditure increase; potential annual State revenue increase.
- Agencies Affected:** Department of Children and Families.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Cost Increase</b>	\$12.1 million to \$18.3 million Increase
<b>Potential State Revenue Increase</b>	\$2.5 million to \$3.8 million Increase

- The Office of Legislative Services (OLS) estimates that annual State expenditures will increase between \$12.1 million and \$18.3 million to provide eligible families with up to 30 additional hours of respite services over a 90-day authorization period. The lower end of the range represents the cost increase to the State if all services are provided by a self-hired respite worker while the upper range represents services provided by an agency-hired respite worker. Since not every family receiving respite services will be authorized for the maximum number of respite service hours available, and because two-thirds of respite services are currently provided by less costly self-hired respite workers, actual annual costs will likely skew toward the lower end of the range.
- To the extent that families of children with intellectual or developmental disabilities, who are also enrolled in the NJ FamilyCare program, are authorized for respite care services, federal reimbursement will be available for 50 percent of qualifying State Medicaid expenditures on respite care. As such, the OLS estimates that State revenues will increase between \$2.5 million and \$3.8 million annually, depending upon the number of respite care hours authorized and whether families utilize self-hired or agency-hired respite workers.

## **BILL DESCRIPTION**

This bill increases the maximum number of respite care service hours funded through the Department of Children and Families for families of children with an intellectual or developmental disability. Currently, the Division of Children's System of Care in the department authorizes eligible families for a maximum of 60 hours of respite services over a 90-day authorization period. This bill would raise this cap to 90 hours of respite services, provided by either an agency-hired or self-hired respite worker, over a 90-day authorization period. The bill additionally directs the Department of Children and Families to use available State and federal funds to effectuate the bill's provisions.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that annual State expenditures will increase between \$12.1 million and \$18.3 million to provide eligible families with up to 30 additional hours of respite services over a 90-day authorization period. The lower end of the range represents the cost increase to the State if all services are provided by a self-hired respite worker, while the upper range represents services provided by an agency-hired respite worker. Since not every family receiving respite services will be authorized for the maximum number of respite service hours available, and because two-thirds of respite services are currently provided by less costly self-hired respite workers, actual annual costs will likely skew toward the lower end of the range.

To the extent that families of children with intellectual or developmental disabilities, and who are also enrolled in the NJ FamilyCare program, are authorized for respite care services, federal reimbursement will be available for 50 percent of qualifying State Medicaid expenditures on respite care. Based upon NJ FamilyCare enrollment data for children and youth with intellectual or developmental disabilities, contained in the State's NJ FamilyCare Comprehensive Demonstration Renewal Proposal of February 2022, the OLS estimates that State revenues may potentially increase between \$2.5 million and \$3.8 million annually under the bill, depending upon whether eligible families utilize self-hired or agency-hired respite workers.

According to the October 2023 Children's Interagency Coordinating Council Summary of Activity report, PerformCare, the division's contracted systems administrator, authorized a total of 3,563 requests for respite services that month; this number includes services approved for existing clients of the division, as well as those approved for new clients.

Respite care services are one component of the family support services offered by the Division of Children's System of Care for eligible families of children and youth with an intellectual or developmental disability. Receipt of family support services, according to the division, is contingent upon the availability of State resources; moreover, prior to accessing family support services resources, a family must first access all other benefits for which their child may qualify, such as private insurance or Supplemental Security Insurance benefits.

Reimbursement rates for respite services vary with the type and timing of the service provided, and are based on 15-minute service intervals. According to information provided by the department in response to an FY 2024 OLS Discussion Point, proposed FY 2024 reimbursement

rates range from a low of \$28.24 per hour for self-hired respite service workers to a high of \$42.76 per hour for agency-hired respite workers. Assuming that all 3,563 authorized requests for respite services utilized the maximum number of respite service hours available under the law, and a reimbursement rate of either \$28.24 or \$42.76 per hour, the OLS estimates that this proposal would potentially increase annual State costs between \$12.1 million and \$18.3 million, plus an indeterminate amount in administrative costs for the department to update and track the additional respite service hours provided under the bill.

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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.).