

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

## SENATE, No. 2891 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MAY 19, 2023

### SUMMARY

- Synopsis:** Expands scope of Office of State Long-Term Care Ombudsman.
- Type of Impact:** Annual State expenditure increase, potential annual State revenue increase.
- Agencies Affected:** Office of the State Long-Term Care Ombudsman.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2 &amp; Thereafter</u></b>
<b>State Cost Increase</b>	Between \$460,000 and \$965,000	At a minimum between \$460,000 and \$965,000
<b>Potential State Revenue Increase</b>	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) concludes that the Office of the State Long-Term Care Ombudsman (LTCO) will incur an expenditure increase of between \$460,000 and \$965,000 in the first year of the bill's implementation. Annual State costs thereafter are estimated to be at least at these levels and may increase over time as more complaints are filed with the office due to the bill's provisions, thereby requiring the LTCO to hire more staff to investigate and resolve those complaints.
- The OLS estimates that annual State revenue may increase under the bill by an indeterminate amount to the extent that penalties are collected, as permitted under current law, from long-term care staff and facilities for non-compliance with the new reporting mandate under the bill regarding a resident, under the age of 60, who is being or has been abused or exploited.

### BILL DESCRIPTION

The bill expands the current statutory responsibilities of the LTCO to include long-term care residents under 60 years of age. The LTCO is responsible for securing, preserving, and promoting the health, safety, and welfare of New Jersey's long-term care residents, primarily through investigations of abuse and exploitation.

The bill also requires a staff member employed at a long-term care facility to report to the ombudsman that a resident, under the age of 60, is being or has been abused or exploited. Under current law, staff are only mandated to report abuse or exploitation if the resident is 60 years of age or older.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

While the Executive has not submitted a formal fiscal note for this bill, the Office of the Long-Term Care Ombudsman estimates that the provisions of this bill will increase the number of complaints it receives by 300 to 400 complaints a year, an increase of between 7.7 percent and 10.3 percent over federal fiscal year 2022 levels based on complaint data shared by the LTCO.

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

The OLS concludes that the LTCO will incur an expenditure increase of between \$460,000 and \$965,000 in the first year of the bill's implementation as a result of hiring additional staff to respond to indeterminate growth in the number of annual complaints made by or on behalf of long-term care residents made to the LTCO. The low estimate reflects the LTCO hiring four full-time equivalent employees (FTEs) at a base salary of \$72,000 plus fringe benefits and the high estimate reflects the LTCO hiring six FTEs at a salary of \$100,000 plus fringe benefits.

Annual State costs thereafter are estimated to be at least at these levels and may increase over time as more complaints are filed with the office due to the bill's provisions. Complaints will increase under the bill due to the provisions that: 1) expand the scope of the ombudsman's office to include services to long-term care residents under the age of 60; and 2) mandate staff members employed at long-term care facilities to report to the ombudsman that a resident, under the age of 60, is being or has been abused or exploited.

The OLS notes, that since 2016, the LTCO has gradually been expanding its services, as staffing and volunteer resources permit, to address complaints involving residents under the age of 60; however, there has been little promotion of this policy change to residents and their families. In federal fiscal year 2022, the LTCO opened 417 cases regarding residents under 60, which accounted for 11 percent of all cases opened that were associated with residents of a specific age. By way of comparison, two years prior the LTCO opened 83 cases regarding residents under 60.

Under the bill, the LTCO is required to prepare and distribute to each long-term care facility written notices providing information about the LTCO and how to file a complaint. The facility is then to distribute these notices to each resident, regardless of age, or the resident's guardian. It is assumed that once the LTCO's expanded scope is more widely known, the number of complaints filed will increase. Moreover, mandating long-term care staff and facilities to report abuse and exploitation for residents under 60 years of age will drive a caseload increase as well, particularly since non-compliance holds a financial penalty for the staff member and the facility. However, current law permits the LTCO not to investigate a complaint when it determines that the resources available are insufficient for an adequate investigation. Absent the bill, according to the LTCO, the office will employ 58 staff in FY 2023, which includes two temporary positions and eight part-time hourly staff, and 42 of the staff, or 72 percent, are performing investigations.

Finally, the OLS estimates that annual State revenue may increase under the bill by an indeterminate amount to the extent that penalties are collected, as permitted under current law, from long-term care staff and facilities for non-compliance with the new reporting mandate

regarding a resident, under the age of 60, who is being or has been abused or exploited. Generally, it is assumed that this expanded mandate could increase the possibility of non-compliance; however, the number and nature of such infractions is unpredictable.

*Section: Human Services*

*Analyst: Sarah Schmidt  
Lead Research 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.).