

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3587

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3587.

As amended by the committee, this bill sets a Medicaid fee-for-service (FFS) and managed care per diem rate for pediatric medical day care services, and provides a \$3.6 million appropriation to support the fiscal year (FY) 2024 rate increases.

Providers of pediatric medical day care services deliver complex medical, developmental, educational and other socialization services to medically fragile children, for the purpose of supporting a more normal developmental process for these children. Currently, the FFS per diem rate for pediatric medical day care services is \$330.81.

Under the bill, beginning in FY 2024, and annually adjusted in each subsequent fiscal year, the bill would establish a Medicaid per diem rate for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. Currently, in FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is equal to \$390.50.

COMMITTEE AMENDMENTS:

The committee amendments remove provisions from the bill regarding a retroactive payment amount issued to certain providers for services delivered in FY 2023.

The committee amendments remove provisions of the bill increasing the Medicaid per diem rate for pediatric medical day care services to \$390 in FY 2023.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities in FY 2024, and

adjust this rate in subsequent fiscal years. In FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is \$390.50. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill. The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to support the FY 2024 per diem rate increases.