LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5236

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JULY 2, 2026

SUMMARY

Synopsis: Requires DCF to strengthen Statewide pediatric psychiatry and behavioral health care services for children and families.

Type of Impact: Annual State expenditure and revenue increases.

Agencies Affected: Department of Children and Families, Department of Health, Department of Banking and Insurance, Department of Human Services, and Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2 and Beyond
State Expenditure Increase	At least $380,000	At least $235,000
State Revenue Increase	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) concludes that the State will incur an indeterminate annual cost increase as a result of overseeing and implementing the policies and procedures required under the bill. These State costs may be offset to some extent by the collection of penalties from various types of healthcare providers for noncompliance with a reporting requirement established under the bill.

- At a minimum, the OLS estimates that one-time expenditures for the Department of Children and Families will increase by approximately $145,000, while annual costs for the Department of Children and Families and the Department of Health will increase by approximately $235,000. These estimates reflect salary and benefit expenses associated with the staffing needs of implementing the bill's provisions. Additional annual costs may include materials and supplies.

- The OLS notes that the department may incur additional expenses under the bill associated with supporting the potential expansion of the services provided under the Child Collaborative Mental Health Care Program; however, it is assumed that any costs will be minimal as the collaborative largely fulfills the requirements of the bill under its current service offerings.

- To the extent that these efforts include collaboration with the Department of Banking and Insurance, the Division of Consumer Affairs in the Office of the Attorney General, and the Department of Human Services, those departments may also experience increases in expenditures under the bill.

BILL DESCRIPTION

This bill requires that the Department of Children and Families be responsible for overseeing and implementing policies and procedures to strengthen Statewide pediatric psychiatry and behavioral health care services for children and their families.

Specifically, in implementing the policies and procedures prescribed in the bill, the department is to: (1) complete an evaluation, and potential expansion, of the current services provided by the contracted entity for the Child Collaborative Mental Health Care Program; (2) analyze and recommend, in consultation with the Department of Banking and Insurance, the Department of Health, and the Department of Human Services, adjustments to payment structures and reimbursement rates for pediatric primary care physicians providing pediatric psychiatry and behavioral care health services; and (3) increase transparency and accountability within contracted system administrators.

Additionally the Department of Health, in consultation with the Department of Children and Families, the Division of Consumer Affairs in the Office of the Attorney General, and the Department of Human Services, is to: (1) require health care facilities, pediatric primary care physicians, and hospital emergency departments, and pediatric behavioral health care programs that use electronic health records to report to the department standardized data on hospitalization visits and admissions, discharge, and placement information concerning children seeking pediatric psychiatry or behavioral health care services; and (2) collect, compile, analyze, and publicly report the standardized data reported by providers under the bill to guide service delivery planning, identify service gaps, prioritize capacity development, and support policy and funding decisions. The bill establishes a penalty of at least $100 but not more than $500 for each day a provider is in violation of this reporting requirement.

The Department of Children and Families is to submit to the Governor and the Legislature a report on the standardized data collected pursuant to the provisions of the bill and to make the materials and the data available to the public on the department's Internet website.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the State will incur an indeterminate cost increase as a result of overseeing and implementing the policies and procedures required under the bill. At a minimum, the OLS estimates that one-time expenditures incurred by the Department of Children and Families will increase by approximately $145,000, while annual costs for the Department of Children and Families and the Department of Health will increase by approximately $235,000. These estimates

reflect salary and benefit expenses associated with the staffing needs of implementing the bill's provisions. Additional annual costs may include materials and supplies. To the extent that these efforts include collaboration with the Department of Banking and Insurance, the Division of Consumer Affairs in the Office of the Attorney General, and the Department of Human Services, those departments may also experience increases in expenditures under the bill.

These State costs may be offset to some extent by the collection of penalties from various types of healthcare providers for noncompliance with a reporting requirement established under the bill. The nature and number of infractions that may be committed, however, is unpredictable. As such, the OLS cannot quantify the amount of revenue generated from penalties under the bill.

The one-time salary and benefits cost increases estimated under this analysis assume two new temporary six month positions, each reflecting a $72,500 increase in Department of Children and Families expenditures: one full-time equivalent employee in a program specialist position who will lead the provisions of the bill regarding adjustments to payment structures and reimbursement rates for pediatric primary care physicians; and one full-time equivalent employee in a program specialist position who will evaluate the current services provided under the Child Collaborative Mental Health Care Program.

The annual salary and benefit cost increases estimated under this analysis assume two new permanent positions: one 0.5 full-time equivalent Department of Children and Families employee in a contract administrator position, costing approximately $89,000 per year, who will implement the required changes to, and oversight of, the contract with the contracted system administrators; and one full-time equivalent Department of Health employee in a program specialist position, costing approximately $146,000 per year, who will collect, compile, and analyze the standardized data required to be submitted by various provider types under the bill.

The OLS notes that the Department of Children and Families may incur additional expenses under the bill associated with supporting the potential expansion of the services provided under the Child Collaborative Mental Health Care Program; however, it is assumed that any costs will be minimal as the collaborative largely fulfills the requirements of the bill under its current service offerings. For reference, the Child Collaborative Mental Health Care Program is a Statewide, Department of Children and Families grant-funded program available for children, adolescents, and young adults up to the age of 21 who are under the care of their pediatric primary care provider. This program is available free of cost and allows participating pediatric primary care providers to consult with mental health professionals.

Specifically, the bill requires the Child Collaborative Mental Health Care Program to: increase access to telepsychiatry services; develop structured consultation, follow-up support, clinical guidance, and intake and referral services; and provide medical education via case-based learning collaboratives. Currently, the collaborative administers a telehealth project under which its members have access to telepsychiatry services facilitated by a regional hub, as well as to telehealth equipment, in order to allow patients and families to access consultations from child psychiatrists at a primary care provider's office. Additionally, participation in the collaborative includes such benefits as: timely access to psychiatry consultation for the patient, consultative support to assist the primary care provider with diagnostic clarification, medication management, and care coordination; and referrals for patients and families to appropriate community mental health treatment services. Finally, the collaborative offers a variety of continued education opportunities, such as monthly learning opportunities featuring didactic and case-based presentations.

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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.).