LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 4407
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JULY 1, 2026

SUMMARY

Synopsis: Extends certain provisions relating to involuntary commitment.

Type of Impact: Potential net expenditure increase for State and local governments; potential State revenue increase.

Agencies Affected: Department of Human Services; Department of Health; State Health Benefits Program; School Employees' Health Benefits Program; the Judiciary; Office of the Public Defender; University Hospital and Bergen New Bridge Medical Center; State and County Psychiatric Hospitals; State, County, and Municipal Law Enforcement Agencies.

Office of Legislative Services Estimate

Fiscal Impact	Eight-Month Period
Potential Net State Expenditure Increase	Indeterminate
Potential Net State Revenue Increase (Federal Funds)	Indeterminate
Potential Net Local Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill may increase NJ FamilyCare expenditures and other State and local costs by indeterminate amounts during its eight-month effective period, due to hospital, legal, and administrative costs associated with extending initial 72-hour involuntary holds and placing patients in appropriate psychiatric facilities.

- Some offsetting savings may result from discharging fewer non-stabilized patients into the community, thereby reducing other State and local expenditures on hospital emergency department services, community-based mental health care, and law enforcement activities.

- Any net increase in NJ FamilyCare expenditures under the bill for services rendered to beneficiaries will also increase State revenue in the form of federal Medicaid and Children's Health Insurance Program cost reimbursements, partially offsetting the applicable State costs.

- Data from the Department of Human Services suggest that any State and local fiscal impacts may be modest due to the small number of patients receiving extended holds.

BILL DESCRIPTION

This bill extends a general hospital's or emergency department's authority, by eight months, to hold an involuntarily committed person for up to 72 hours beyond the initial 72-hour period typically allowed in civil commitment matters (for a maximum total of 144 hours) provided that the hospital has submitted an emergent application to the court for a temporary court order and cannot discharge or admit the person to another facility. This authority was originally provided by P.L.2023, c. 139, which took effect on August 16, 2023 and is set to expire on August 31, 2026.

Further, the bill extends, by eight months, requirements that the Department of Human Services: collect and publish certain quarterly data related to the continued involuntary holds authorized under the bill; and establish an educational committee to provide education to short-term care facilities and individual county assignment judges about the facilities' legal obligations to accept patients. The bill also extends, through July 31, 2026, the Department of Health's authority to issue temporary licenses for involuntary commitment beds to general acute care hospitals that are already licensed for acute care hospital psychiatric beds.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill may increase certain State and local government costs by indeterminate amounts during its eight-month effective period, due to hospital, legal, and administrative costs associated with extending initial 72-hour involuntary holds by up to an additional 72 hours. These extended holds may also increase the likelihood that patients are placed in appropriate psychiatric facilities, generating additional State and local costs for those placements. However, some offsetting savings may result from discharging fewer non-stabilized patients into the community prior to placement, thereby reducing other expenditures on hospital emergency department services, community-based mental health care, and law enforcement activities.

The bill may increase expenditures for State and local health payers that reimburse hospital services during members' extended holds and that cover any new psychiatric placements (offset to some extent by decreased expenditures on other emergency department and community-based services). Potentially affected payers include: NJ FamilyCare, the State Health Benefits Program (including participating local governments), school districts that participate in the School Employees' Health Benefits Program, and local governments and school districts contracting with private health insurers. The bill may also increase expenditures for: the State court system, when processing extended-hold applications submitted by hospitals; the Office of the Public Defender, when representing patients in applicable involuntary commitment cases; University Hospital and Bergen New Bridge Medical Center, as public hospitals, when providing services to uninsured patients during extended holds; State and county psychiatric hospitals, if providing additional placements after extended holds; and the Department of Health and the Department of Human Services, when fulfilling administrative responsibilities under the bill.

To the extent that net expenditures on NJ FamilyCare services increase under the bill, State revenue will increase in the form of federal Medicaid and Children's Health Insurance Program cost reimbursements, partially offsetting the applicable State costs. The bill may also reduce operational costs for State and local law enforcement agencies by decreasing the number of non-stabilized patients who are discharged into the community and require crisis responses.

The OLS has insufficient data regarding the hospital, legal, and administrative costs associated with extending 72-hour involuntary holds to estimate the specific State and local expenditure and revenue increases that are likely under the bill. However, any fiscal impacts may be modest due to the small number of patients receiving extended holds. According to data from the Department of Human Services, extended holds were granted for 161 patients, on average, over any given eight-month period during the timeframe between August 16, 2023 (when extended holds were initially authorized by P.L.2023, c. 139) and March 31, 2026. During this timeframe, general hospitals and emergency departments in the State submitted a total of 651 temporary court order applications to extend initial 72-hour involuntary holds, of which 635 extended holds (98 percent) were granted. By comparison, over the same timeframe, these hospitals placed 44,427 patients in appropriate treatment settings within the initial 72-hour involuntary hold periods. Of note, University Hospital and Bergen New Bridge Medical Center did not report any patients with extended holds during this timeframe, suggesting that the bill may have minimal fiscal impacts on those public hospitals.

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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.).