

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 1475**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: JUNE 22, 2016

**SUMMARY**

**Synopsis:** Establishes three-year Medicaid home visitation demonstration project.

**Type of Impact:** Indeterminate expenditure increase, General Fund, partially offset by enhanced federal Medicaid funds.

**Agencies Affected:** Department of Human Services

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1 to Year 3</u></b>
<b>State Cost</b>	Indeterminate expenditure increase
<b>State Revenue</b>	Indeterminate increase from federal Medicaid funds.

- The Office of Legislative Services (OLS) estimates that the home visitation demonstration project established pursuant to this bill will result in an indeterminate expenditure increase from the State General Fund, that will be partially offset by enhanced federal Medicaid funding.
- The OLS cannot quantify the costs for the project due to uncertainty on the design of the project, the staff needed to implement the project, and the number of households to be served by the project.

**BILL DESCRIPTION**

Senate Bill No. 1475 of 2016 establishes a three-year Medicaid home visitation demonstration project. The project would be designed to provide ongoing health and parenting information, parent and family support, and links to essential health and social services during pregnancy, infancy, and early childhood. The bill requires that the demonstration project be developed by the Department of Human Services, in consultation with the Department of Children and Families and the Department of Health, and that it be modeled on home visitation programs currently administered by the three different Executive departments currently operating such programs.

The project would be rolled out in stages, prioritizing expansion of services in counties with the highest number of births to eligible families and where current home visitation programs provide services to less than 10 percent of the eligible population. It is the sponsor's understanding that this would result in initial expansions in Hudson and Union counties (100 families), Essex and Morris counties (100 families), Middlesex county (100 families), Bergen county (100 families), Ocean county (75 families), and Monmouth county (75 families).

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS estimates that the home visitation demonstration project established pursuant to this bill will result in an indeterminate expenditure increase from the State General Fund.

The OLS cannot quantify the costs for the project due to uncertainty with several aspects of the project. The bill requires that the project be designed to provide ongoing health and parenting information, parent and family support, and links to essential health and social services during pregnancy, infancy, and early childhood.

The State currently provides home visiting services to over 5,000 families Statewide through several different programs. Home visitation programs typically provide frequent and regular visits to new families from pregnancy until the child is aged two or three, but vary in certain details according to the particular model. Although the project is to be modeled on current home visitation programs, without specifics on the design of the project, it is not possible for the OLS to quantify the costs of the project.

Additionally, the bill provides that the development and implementation of the project is dependent upon the availability of federal financial participation through the Medicaid program. If Medicaid approves the project, a portion of the increased State expenditures will be eligible for federal Medicaid matching funds. The OLS anticipates the State will receive federal funds equal to fifty percent of any State expenditures. In some cases, such as individuals who are enrolled in Medicaid under the Affordable Care Act expansion, the federal matching rate may be higher.

In summary, it is likely that this project will result in increased State expenditures of an uncertain amount which will be offset by enhanced federal Medicaid revenue.

*Section: Human Services*

*Analyst: Robin Ford  
Lead Fiscal Analyst*

*Approved: Frank W. Haines III  
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.).