

LEGISLATIVE FISCAL ESTIMATE
[Second Reprint]
ASSEMBLY, No. 4847
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JANUARY 13, 2022

SUMMARY

Synopsis: Authorizes expanded provision of harm reduction services to distribute sterile syringes and provide certain support services to persons who use drugs intravenously.

Type of Impact: Annual State expenditure and revenue increases.

Agencies Affected: Department of Health, Department of Human Services

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will increase annual State costs by an indeterminate amount for the Department of Health (DOH) to perform administrative functions that support the establishment and operation of additional harm reduction services programs.
- The Department of Human Services (DHS), in turn, will incur additional expenses to the extent that the bill increases the department’s provision of inpatient and outpatient substance use disorder treatment services. The magnitude of these costs will depend upon the additional number of NJ FamilyCare enrollees that initiate treatment following interaction with these newly-authorized harm reduction services programs. The DHS may also experience additional costs for public outreach related to the provisions of the bill.
- To the extent that NJ FamilyCare costs for substance use disorder treatment increase under the bill, the State will receive additional federal matching funds for eligible State Medicaid expenditures. Federal cost reimbursements represent a revenue gain to the State.

BILL DESCRIPTION

This bill makes possible the creation of additional harm reduction services programs in New Jersey. The harm reduction services offered by such programs provide health and social services to persons who use drugs intravenously.

Currently, these harm reduction services are provided through syringe access programs and may only be established by municipalities, subject to certain conditions, including a requirement that the program works with certain entities to provide a broad range of support services to clients.

This bill allows any entity to provide harm reduction services upon registration with the DOH, without requiring the approval by the municipality in which the services will be offered. The bill specifies that the provisions therein shall not be construed to limit the authority of a municipality's governing body or planning board to authorize municipal land use and development planning, zoning, or preservation.

Pursuant to the bill, entities operating the new harm reduction services programs will be subject to the same general operational requirements that currently apply, including training requirements for staff related to harm reduction, substance use disorder, medical and social service referrals, and infection control procedures. The DOH may terminate an authorization to provide harm reduction services that it grants under the bill. Furthermore, the DOH, to the extent permitted under federal law, may allow an authorized entity to deliver harm reduction services or related supplies to consumers through the United States Postal Service or other delivery services.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will increase annual State costs by an indeterminate amount for the DOH to perform administrative functions that support the establishment and operation of additional harm reduction services programs. The department's responsibilities include prescribing requirements for the establishment and operation of entities providing harm reduction services; facilitating linkages between these entities and other health care facilities and social services programs; the adoption of a uniform membership card for clients, staff, and volunteers of these entities; and the ongoing collection and dissemination of relevant data.

The DHS, in turn, will incur additional expenses to the extent that the bill increases the department's provision of inpatient and outpatient substance use disorder treatment services. The DHS may also experience additional costs for public outreach related to the provisions of the bill.

To the extent the State's Medicaid program, commonly known as the NJ FamilyCare program, covers the resultant additional outpatient and inpatient substance use disorder treatment expenditures, the federal government will reimburse 50 percent of the additional eligible State expenditures. The State is currently receiving enhanced federal funds from the 6.2 percent increase to its federal matching fund percentage for State Medicaid expenditures through the end of the current federal public health emergency. Federal cost reimbursements represent a revenue gain to the State.

Section: Human Services

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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.).