

# FISCAL NOTE

[First Reprint]

## **SENATE, No. 1012**

# **STATE OF NEW JERSEY**

## **208th LEGISLATURE**

DATED: JULY 6, 1999

### BILL SUMMARY

Senate Bill No. 1012 (1R) of 1998 permits a Medicaid recipient to remain eligible for a "special care nursing facility" without limitation as to the length of stay if the recipient resides in a special care nursing facility of 40 beds or less, develops skills leading toward a more independent life and continues to benefit from active participation in the following: community involvement, continuing education, employment in the community, sheltered workshop, extended rehabilitation, complex care and vocational training.

### AGENCY COMMENTS

The Department of Health and Senior Services (DHSS) and the Office of Management and Budget (OMB) estimate the cost of the legislation at approximately \$1.7 million annually based on the assumption that 22 patients will require care in a "special care nursing facility".

### OFFICE OF LEGISLATIVE SERVICES COMMENTS

Without reviewing patient records of "special care nursing facilities" to determine the number of patients who will require continued care in a "special care nursing facility," OLS is not able to verify the \$1.7 million estimate provided by DHSS and OMB. Furthermore, the number of patients who will require continued care in a "special care nursing facility" will vary from year to year.

Though OLS is not able to determine the legislation's fiscal impact as the number of Medicaid recipients who would be eligible to remain in a special care nursing facility without limitation as to the length of stay in certain situations is not known, the following information is known:

- There are 17 special care nursing facilities with 40 beds or less in the State.
- These facilities have a total of about 380 licensed beds.
- The FY1999 Medicaid rates range between \$244 and \$490 per day (gross) before patient income offsets are applied.
- For every patient that remains eligible for a "special care nursing facility," the approximate annual gross cost would be between \$89,100 and \$178,900 before income offsets are applied.

This fiscal note has been prepared pursuant to P.L.1980, c.67.