

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
ASSEMBLY, No. 463

STATE OF NEW JERSEY

DATED: JANUARY 17, 1997

Assembly Bill No. 463 (1R) of 1996, the "Veterans Alternative Health Care Assessment and Demonstration Act," requires the Adjutant General of the Department of Military and Veterans' Affairs (DMAVA) to assess the availability of home health care, adult day care and assistive living services for frail, elderly or disabled veterans who would otherwise require long-term institutional care and who are not eligible for coverage under the Medicaid program. After such an assessment is made, the Governor and the Legislature shall determine whether it is necessary to institute a Veterans Alternative Health Care Demonstration Program or whether State funds would be better spent developing methods to give veterans increased access to existing alternative health care programs throughout the State. If the Governor and the Legislature determine that existing alternative health care programs throughout the State will better assist frail, elderly or disabled veterans, the department will use the cost savings realized by the State, if any, to provide placement for additional veterans into existing alternative health care programs.

The bill further directs the Adjutant General to establish financial eligibility limits for the demonstration program; establish guidelines for the comprehensive medical, social and financial assessment required; determine each applicant's eligibility for the program; prepare a specific plan of services needed by each applicant; and establish a fee scale for the services provided by the program based on the veteran's ability to pay, not to exceed 50% of the costs of services provided. The assessment and pilot program, if necessary, will be self-financed to the extent possible by DMAVA through savings and cost avoidance realized by increased efficiencies within the department.

The Department of Military and Veterans' Affairs and the Office of Management and Budget have not provided any fiscal information on the legislation.

The Office of Legislative Services (OLS) is unable to estimate the fiscal impact of this bill, as the demand for such services and the exact type of service to be provided is unknown. However, the OLS notes that on December 1, 1995, DMAVA entered into an agreement with Rutgers University's Center for Social and Community Development, for \$70,000, for a study to assess the noninstitutional health care needs of New Jersey veterans and to develop an alternative health care delivery system, including an analysis of existing resources internal and

external to DMAVA. This study should meet the needs of the assessment required by the bill with no additional costs.

In addition, the OLS notes that DMAVA is currently proposing an adult day care project at the Paramus Veterans' Memorial Home. The project would involve a 32-bed unit certified as a medical adult day care center for individuals who do not need the services of a nursing home, but do need some assistance with daily living. The center would provide medical assistance, a dietician, social worker, registered nurse and a full rehabilitation department. This project may also meet some of the requirements of the bill.

The OLS estimates that it is likely that the three State Veterans' Homes would continue to operate at full capacity even with alternative health care opportunities for veterans, as they maintain sizeable waiting lists. Given this assumption and that the bill requires services not currently provided by DMAVA, additional appropriations, beyond any cost avoidances and savings realized by DMAVA, would most likely be necessary to either provide placement for veterans into existing alternative health care programs or establish and operate a demonstration program.

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.