

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4530
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 24, 2021

SUMMARY

Synopsis: Provides that New Jersey residents have access to one cost-free postpartum home visit.

Type of Impact: Annual State expenditure and revenue increases; potential annual revenue loss to University Hospital

Agencies Affected: Division of Medical Assistance and Health Services, Department of Human Services; Department of Health; University Hospital.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate
State Revenue Increase	Indeterminate
Potential University Hospital Revenue Loss	Indeterminate

- The Office of Legislative Services (OLS) concludes that the Division of Medical Assistance and Health Services (DMAHS) in the Department of Human Services would realize an indeterminate increase in annual expenditures in order to provide one postpartum home visit, at no cost to the patient, for each New Jersey FamilyCare beneficiary who gives birth at a New Jersey hospital or birthing facility. The State currently covers home visitation services for certain low-income, first-time mothers and children up to age two years, pursuant to a Medicaid Section 1115 demonstration waiver; this program is operated under the purview of the Department of Children and Families (DCF).
- State revenues would additionally increase pursuant to this bill, since State expenditures for postpartum home visits to eligible NJ FamilyCare enrollees will be eligible for federal matching funds for State Medicaid expenditures. Typically, the federal government provides 50 percent of the funding for State Medicaid expenditures; however, due to the coronavirus 2019 (COVID-19) pandemic, the federal government is providing a 6.2 percent enhanced Medicaid matching rate through the end of 2021.
- University Hospital, an independent nonprofit legal entity that is an instrumentality of the State, may realize lower revenues to comply with the requirements under this bill, to the extent

that the hospital is required to waive copayments, coinsurance, and deductibles for the postpartum home visits and is prohibited from billing maternity patients for any remaining balance, following payment by any third-party payer, for the required postpartum home visit.

BILL DESCRIPTION

This bill requires each hospital and birthing facility in the State to schedule a postpartum home visit, to take place within seven days of the patient's discharge, for each pregnant patient who gives birth at the hospital or facility, following the birth of the patient's infant and prior to the patient's discharge from the hospital or facility. The hospital or birthing facility must also provide the scheduled postpartum home visit. As defined in the bill, a "postpartum home visit" means a home visit to a woman and infant, within the first seven days following delivery, by a licensed healthcare provider to ensure proper recovery from childbirth and includes, but is not limited to: a weight and health check of the newborn; an assessment of the physical wellness of the woman; breastfeeding support; assistance identifying and coping with postpartum depression; and any referrals for medically necessary follow-up healthcare.

The bill includes two provisions to ensure that the services provided are cost-free to the patient. First, under the bill, a hospital or birthing facility is directed to waive the receipt of any copayment, coinsurance, or deductible that may be required from a patient, pursuant to the patient's contract with a third party payer, for services provided pursuant to the bill. Second, a hospital or birth facility is prohibited from seeking payment from a patient for services provided pursuant to the bill, including any remaining balances following payment by an applicable third party payer.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the Division of Medical Assistance and Health Services will incur additional costs to comply with the bill's requirement that hospitals and birthing centers in the State schedule and provide a postpartum home visit, to take place within seven days of the patient's discharge, for each pregnant patient who gives birth at the hospital or facility. Currently, under the State's Medicaid Section 1115 demonstration waiver, the Department of Children and Families provides postpartum home visits for low-income, at-risk women and young children through the federal Maternal, Infant and Early Childhood Home Visiting (MIECHV) program, which is administered by the Health Resources and Services Administration at the federal level. In 2019, the federal government approved the DCF's Home Visitation Program for federal financial participation for State Medicaid expenditures.

New Jersey's Home Visitation Program encompasses three separate programs: the Healthy Families, the Parents as Teachers, and the Nurse-Family Partnership programs. However, only the Nurse-Family Partnership program, which supports first time, low-income women and children up to age two years, offers postpartum health care services to new mothers and infants. In its response to an FY 2022 OLS Discussion Point, the Department of Children and Families reported

that the State's three Home Visitation Programs served nearly 6,250 families in 2020, at a projected cost of \$16 million, or \$2,560 per family. Because the OLS lacks information concerning the total number of prenatal and postpartum home visits provided to each mother and child under the Home Visitation Program, the cost per postpartum home visit cannot be estimated at this time.

Incremental costs to the New Jersey FamilyCare program to provide one postpartum home visit for eligible women who currently do not receive this service through the Nurse-Family Partnership program will depend upon the number of additional women who would qualify for this benefit under the bill. According to the United States National Center for Health Statistics, there were 99,549 births to New Jersey residents in 2019. Moreover, approximately 40 percent of all births in New Jersey are covered by the Medicaid program. Based on these data, the NJ FamilyCare program would be required to provide one postpartum home visit to over 33,500 eligible women in FY 2022. Because 95 percent of NJ FamilyCare beneficiaries are enrolled with a Medicaid managed care organization (MCO), which provides a comprehensive health services package, in exchange for a monthly capitation payment from the DMAHS, the OLS lacks access to Medicaid MCO payment rates for postpartum home visits.

Any additional costs incurred by the NJ FamilyCare under the bill would be eligible for federal financial participation for State Medicaid expenditures, thereby increasing State revenues.

University Hospital, an independent nonprofit legal entity that is an instrumentality of the State, may realize lower revenues to comply with the requirements under this bill, to the extent that the hospital is required to waive copayments, coinsurance, and deductibles for the postpartum home visits and is prohibited from billing maternity patients for any remaining balance, following payment by any third-party payer, for the required postpartum home visit.

Section: Human Services

*Analyst: Anne Cappabianca
Associate Fiscal Analyst*

*Approved: Thomas Koenig
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.).