

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

DATED: JUNE 29, 2021

SUMMARY

Synopsis: Establishes Statewide universal newborn home nurse visitation program in DCF; appropriates \$2.75 million.

Type of Impact: Annual State expenditure and revenue increases.

Agencies Affected: Department of Banking and Insurance, Department of Children and Families, Department of Human Services, Department of the Treasury

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 Department of Human Services would realize an indeterminate increase in annual expenditures in order to provide between one and three postpartum home visits by a licensed registered nurse or advanced practice nurse, at no cost to the patient, for each New Jersey FamilyCare beneficiary who gives birth at a New Jersey hospital or birthing facility. State revenues would additionally increase pursuant to this bill, since State expenditures for postpartum home visits to eligible NJ FamilyCare enrollees would be eligible for federal matching funds for State Medicaid expenditures.
- Pursuant to the bill, the Department of Children and Families (DCF) is appropriated \$2.75 million to meet the requirements, established under the bill, concerning the expansion of the DCF’s current home visitation program to all parents of a newborn infant in every community of the State, including resource family parents, adoptive parents, and parents experiencing a stillbirth. This appropriation would also cover costs incurred by the DCF to inform expectant and new parents about the program’s benefits, collect and analyze data reported through the program, and conduct an outcomes assessment to improve the efficacy of the program.

- The School Employees Health Benefits Program (SEHBP) and the State Health Benefits Program (SHBP) would incur indeterminate costs in order to establish the home visitation program required under the bill. Currently the SEHBP and SHBP do not provide postpartum home nursing visits as prescribed by the bill.

BILL DESCRIPTION

The bill requires the Department of Children and Families (DCF) to establish a Statewide voluntary, universal newborn home nurse visitation program that provides home visitation services to newborn infants and parents of a newborn infant.

Under the provisions of the bill, the DCF will:

- (1) appoint an advisory group of stakeholders, which will consult, coordinate, and collaborate with the DCF on the development of the program.
- (2) have the authority to develop a plan for the managed rollout of the newborn home nurse visitation program throughout the State;
- (3) in consultation with the Departments of Banking and Insurance and Human Services, establish criteria for the coverage of services provided under the newborn home nurse visitation program by insurance carriers offering health benefits plans in the State; and
- (4) ensure that the program meets the needs of the residents in the communities in which the program operates.

The bill additionally requires that the newborn home nurse visitation program be operated in a culturally-competent manner and that the program:

- (1) is voluntary and carries no negative consequences for parents with a newborn infant who decline to participate in the program when applying for other services available to pregnant persons, and when applying for services available to all parents of newborn infants;
- (2) offers home nurse visitation services in every community in the State and to all newborn infants and parents of a newborn infant residing in the community in which the program operates, including resource family parents, adoptive parents, and parents experiencing a stillbirth;
- (3) includes at least one home nurse visit in the participating newborn infant's home within two weeks after the birth of an infant;
- (4) provides the opportunity for no more than two additional visits during the newborn infant's first three months of life, with such additional visits occurring based on the family's choice, as well as need and availability as determined by the program;
- (5) ensures that a home nurse visit be conducted by a registered nurse or an advanced practice nurse licensed in this State;
- (6) improves State outcomes in areas including maternal health, infant health and development, and parenting skills;
- (7) is based on criteria established by the United States Department of Health and Human Services for an evidence-based early childhood home visiting service delivery model;
- (8) includes an evidence-based evaluation of the physical, emotional, and social factors affecting a parent or parents and the parent's or parents' newborn infant, including, but not limited to, a health and wellness check of the newborn and an assessment of the physical and mental health of a person who has given birth;
- (9) provides support services to the parent or parents of a newborn infant, including, but not limited to, breastfeeding education and assistance to a person who has recently given birth in recognizing the symptoms of, and coping with, perinatal mood disorder;
- (10) coordinates with each hospital and birthing facility in the State to ensure that a person who has given birth is advised of the benefits of receiving a home nurse visit within two weeks

after the birth an infant, and to ensure that the program attempts to schedule a home nurse visit prior to the person's discharge from the hospital or facility; and

(11) develops a method for providing parents, who elect to have a home birth, information about the program; and

(12) provides information on, and referrals to, services that address the specific needs of newborn infants and parents of a newborn infant.

The DCF may contract with one or more third-party vendors or service providers to assist the department in administering the program, including hiring and staffing nurses and providing training on the home visiting model utilized by the program.

Under the provisions of the bill, the DCF, in consultation with the Department of Health, is required to prepare a resource guide providing information on the newborn home nurse visitation program and the services available to pregnant persons, persons who have recently given birth, and parents of a newborn infant born in this State. The resource guide is to be distributed at the time the parent or parents of a newborn infant are informed of the newborn home nurse visitation program and of their right to schedule a home nurse visit.

The bill further requires the DCF to collect and analyze data about the newborn home nurse visitation program, which will be used to evaluate, measure, and improve the effectiveness of the program in achieving its purpose of supporting healthy child development and strengthening families.

Pursuant to the bill, the DCF may contract with a third-party vendor with expertise in the model utilized by the program to assist with the analysis and evaluation of data collected pursuant to this section. In the event of such a contract, the department will facilitate the sharing of data with the third party, in accordance with State and federal law.

The bill requires health insurers to cover the newborn home nurse visit and provides that the health benefits coverage requirements apply to: health, hospital, and medical service corporations; commercial, individual, and group health insurers; health maintenance organizations; and health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs. The requirements for coverage will also apply to the State Health Benefits Program, which by law requires similar health benefits coverage under the School Employees' Health Benefits Program, as well as to the State Medicaid program.

The bill requires that health insurers are to: (1) notify a covered person of the services provided by the newborn home nurse visitation program; (2) ensure that contracts or policies do not contain any provision that requires a covered person to receive the services provided by the program as a condition of coverage, or that denies or limits benefits to the covered person if that person declines the services provided under the program; (3) have the discretion to determine how best to reimburse for the expenses incurred for services provided under the newborn home nurse visitation program; (4) waive the receipt of any copayment, coinsurance, or deductible that may be required for the home nurse visits and specify that any copayment, coinsurance, or deductible may not be imposed on the coverage required under the bill; (5) submit a report to either the DOBI, which will share information contained in the report to the DCF, or on the claims submitted for services provided under the program that will be used by the DCF to assess the newborn home nurse visitation program; and (6) and require that, when applicable, contracts or policies qualifying as a high deductible health plans or that meet the requirements of a catastrophic plan provide benefits for expenses incurred for services provided under the newborn home nurse visitation program at the lowest deductible and other cost-sharing requirement permitted under federal law for high deductible health plans or for catastrophic plans, as applicable.

The Commissioner of Banking and Insurance, in consultation with the Commissioner of the Department of Children and Families, will have the authority to permit carriers to use an in-network provider that meets the requirement of the program, or contract with a vendor or provider selected by the program, to provide home visitation services.

The bill additionally requires the Commissioner of Human Services to apply for any State plan amendments or waivers necessary to implement the provisions of the bill and to secure federal financial participation for State Medicaid expenditures under the federal Medicaid program.

The bill appropriates \$2.75 million from the General Fund to the DCF to implement the provisions therein.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the Division of Medical Assistance and Health Services in the Department of Human Services would realize an indeterminate increase in annual expenditures in order to provide between one and three postpartum home visits, 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; the existing initiative, called the Nurse-Family Partnership program, is operated under the purview of the DCF. State revenues would additionally increase pursuant to this bill, since State expenditures for postpartum home visits to eligible NJ FamilyCare enrollees would be eligible for federal matching funds 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 DCF 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.

Incremental costs to the New Jersey FamilyCare program to provide between one and three postpartum home visits for eligible parents who currently do not receive this service through the Nurse-Family Partnership program will depend upon the number of additional parents 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 additional postpartum home visits to over 39,000 eligible families in FY 2022.

The bill appropriates \$2.75 million to the DCF to carry out the administrative, programmatic, communications, and analytical duties assigned to the department therein. The DCF is responsible, in collaboration with the Departments of Banking and Insurance and Human Services and the State Health Benefits Commission, for expanding the existing Nurse-Family Partnership program to all

parents of a newborn infant in every community in the State, including resource family parents, adoptive parents, and parents experiencing a stillbirth.

Moreover, the DCF is tasked with: establishing criteria for the coverage of services provided through the newborn home nurse visitation program by insurance carriers offering health benefits plans in the State; coordinating with State hospitals and birthing facilities to ensure that individuals who have given birth are informed about this benefit; preparing a resource guide, in consultation with the Department of Health, that provides information concerning the newborn home nurse visitation program and other services available to pregnant individuals and individuals who have recently given birth; collecting and analyzing outcomes data reported through the program; and using these data to improve the efficacy of the program's services. Pursuant to the bill, the DCF is permitted to contract with third party vendors, as needed, to assist with hiring, staffing, and training the licensed registered nurses and advanced practice nurses who conduct the home visits under the program. The DCF is also authorized to contract with a third party vendor with expertise in the model used in the program to assist with the data analysis and evaluation, as required under the bill. Given the broad duties assigned to the DCF under the bill, it is not known if the \$2.75 million appropriation will be sufficient meet the department's expenses. Therefore, supplemental funding from the General Fund may be necessary in order for the DCF to meet the requirements established pursuant to the bill.

The SEHBP and the SHBP would incur indeterminate costs in order to establish the home visitation program required under the bill. Currently, the SEHBP and SHBP do not provide postpartum home nursing visits as prescribed by the bill. Costs to the SEHBP and SHBP would be driven by the number of participants who would sign up for postpartum home nursing visits, the cost of home nursing visits provided by a licensed registered nurse or advanced practice nurse, as well as the cost of any equipment or supplies required to provide necessary services.

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.).