

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3009

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: DECEMBER 13, 2021

SUMMARY

- Synopsis:** Authorizes expanded provision of harm reduction services to distribute sterile syringes and provide certain support services to persons who use drugs intravenously; appropriates \$15 million.
- 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>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase	Up to \$15 million	Indeterminate	Indeterminate
State Revenue Increase	Indeterminate	Indeterminate	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 programs. The bill includes a one-time appropriation of \$5 million to the department for this purpose.
- 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 DHS may also experience additional costs for public outreach related to the provisions of the bill. The bill includes a one-time appropriation of \$10 million to the DHS to support these efforts.
- The State will receive federal matching funds for eligible State Medicaid expenditures under the NJ FamilyCare program for inpatient and outpatient treatment services. Federal cost reimbursements represent a revenue gain to the State.

BILL DESCRIPTION

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

Currently, these 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. Operators of the new harm reduction 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.

Prior to authorizing the provision of harm reduction services in a municipality for the first time, the DOH is to meet with the municipality's mayor and council and present to the municipality detailed plans for the provision of harm reduction services. The DOH additionally will be required to maintain communication with the municipality prior to and during the initiation of harm reduction services, and promptly respond to concerns and other issues raised by the municipality.

The bill appropriates \$5 million from the General Fund to the DOH to support harm reduction services, and \$10 million from the General Fund to the DHS for inpatient and outpatient substance use disorder treatment program slots and public outreach.

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 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 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 bill includes a one-time appropriation of \$5 million to the department for these purposes.

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. The bill includes a one-time appropriation of \$10 million to the DHS to support these efforts.

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.).