

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 3233

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 29, 2021

SUMMARY

- Synopsis:** Requires certain electronic medical programs to include demographic data entry feature; requires certain laboratories to record patients’ demographic information; requires certain hospitals and laboratories to implement cultural competency training program.
- Type of Impact:** Increase in State costs; Increase in County costs; Increase in State revenues.
- Agencies Affected:** Department of Health, University Hospital, Bergen New Bridge Medical Center.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate
State Revenue Increase	Marginal
County Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes this bill would result in an indeterminate increase in costs incurred by University Hospital, an independent non-profit legal entity that is an instrumentality of the State, and Bergen New Bridge Medical Center (formerly the Bergen Regional Medical Center) in Paramus due to the implementation of an evidence-based cultural competency training program for certain employees mandated under the bill.
- State revenues may also increase marginally under a provision that would impose financial penalties on vendors of electronic medical records or laboratory information management systems that fail to comply with the reporting requirements established under this bill.

BILL DESCRIPTION

The bill requires each general acute care hospital that collects data concerning patient race, ethnicity, sexual orientation, or gender identity, as well as each clinical laboratory, to implement

an evidence-based cultural competency training program for all facility staff employed by, or working under the supervision of, the general acute care hospital who have direct contact with patients and are responsible for collecting race and ethnicity, sexual orientation, and gender identity information from patients. Under the bill, the Department of Health (DOH) is to identify an evidence-based cultural competency training tool to be utilized by cultural competency training programs implemented by general acute hospitals and clinical laboratories. Utilization of the department's approved training tool by a general acute hospital or a clinical laboratory will not preclude the hospital or clinical laboratory from utilizing additional or customized training tools, to supplement the department's approved training tool. The cultural competency training program is to encompass a broad range of topics, as specified in the bill.

The bill would also require each hospital or clinical laboratory employee who is required to undergo cultural competency training to complete the training program on a schedule to be determined by the hospital or clinical laboratory. Moreover, if deemed necessary by the hospital or clinical laboratory, an employee may be required to complete a cultural competency refresher course at least biennially.

This bill additionally requires clinical laboratories operating in the State to electronically record the race, ethnicity, sexual orientation, and gender identity of each patient who presents with a non-electronic order for testing at a clinical laboratory patient service center. If a clinical laboratory processes a specimen without the presence of a patient, the clinical laboratory would not be responsible for recording and reporting the patient's gender identity, sexual orientation, and racial and ethnic information.

The bill specifies that any health care data that clinical laboratories are legally required to report to a local or State governmental entity should also include gender identity, sexual orientation, and racial and ethnic data. Correspondingly, a local or State governmental entity is also required to incorporate gender identity, sexual orientation, and racial and ethnic data into the disease surveillance reporting systems utilized by the local or State governmental entity.

Under the bill, a non-electronic specimen collection and analysis requisition form distributed by a clinical laboratory is to contain a section for the manual entry of the patient's racial, ethnic, sexual orientation, and gender identity information on the form. Moreover, clinical laboratories are required to report race and ethnicity, sexual orientation, and gender identity information via a program that is compatible with the State's disease surveillance reporting system using such data fields as are available or necessary in the version of Health Level Seven International recording and reporting standards or equivalent standards adopted by the laboratory.

The bill also requires any electronic medical records or laboratory information management systems used in the State to be configured in a manner that prevents an authorized user from saving or storing a patient's demographic information into the electronic medical records or laboratory information management systems unless the patient's gender identity, sexual orientation, and racial and ethnic information is recorded. The gender identity, sexual orientation, and racial and ethnic information of a patient is also to be included in laboratory orders generated by electronic medical record systems. Any vendor of an electronic medical records or laboratory information management system that is not in compliance with these requirements of the bill will be subject to a civil penalty of \$1,000 for each day the vendor's system is out of compliance.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes this bill would result in an indeterminate increase in costs incurred by University Hospital, an independent non-profit legal entity that is an instrumentality of the State, and Bergen New Bridge Medical Center (formerly the Bergen Regional Medical Center) in Paramus due to the requirement that certain acute care general hospitals and clinical laboratories operating in the State implement an evidence-based cultural competency training program for all staff members employed by, or working under the supervision of, the general acute hospital or clinical laboratory who have direct patient contact and are responsible for collecting information on race, ethnicity, sexual orientation and gender identity from patients. The bill specifies that this requirement applies only to those hospitals that collect data regarding patient race, ethnicity, sexual orientation, or gender identity, and the OLS assumes that both University Hospital and Bergen New Bridge Medical center collect these data. Each hospital and clinical lab would determine the frequency that staff should undergo cultural competency training, as well as a biennial refresher course, if deemed necessary. However, without information concerning the cost of purchasing the cultural competency tool identified by the DOH, or the number of training sessions or refresher courses that University Hospital and Bergen New Bridge Medical Center would hold annually to meet the requirements under this bill, the OLS cannot determine the precise cost to the State or to Bergen County.

Under the bill, the DOH would incur additional costs to review options for, and identify, an evidence-based cultural competency training tool to be used by the training programs implemented by general acute hospitals and clinical laboratories. Absent additional information concerning how the department is to communicate with the relevant hospitals and clinical laboratories regarding the selected cultural competency training tool, or how often the department is required to review commercially-available training tools and update its selection, the OLS is unable to determine the additional costs to the department arising from this requirement.

The OLS also finds that this bill may increase State revenues, albeit marginally, through a provision that imposes financial penalties on vendors of electronic medical records or laboratory information management systems that fail to comply with the data reporting requirements established under the bill. Vendors of electronic medical records or laboratory information management systems that are not in compliance with the requirements of the bill will be subject to a civil penalty of \$1,000 for each day the vendor's system is out of compliance. However, the OLS concludes that any revenue increase resulting from penalties collected would likely be marginal.

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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.).