

SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

STATEMENT TO **SENATE, No. 3323**

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 9, 2021

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 3323.

As amended by the committee, this bill makes a FY 2021 supplemental appropriation of \$180 million to the Department of Children and Families (DCF) and the Department of Human Services (DHS) for increased payments for social service providers, and to the Department of Health (DOH) for increased payments for early intervention providers, that are in financial distress due to coronavirus disease 2019 (COVID-19) public health crisis. The amounts will be appropriated via Interdepartmental Accounts.

Under the bill as amended, notwithstanding the provisions of any law or regulation to the contrary, the appropriated amount is to be used to increase provider payments issued to social service providers under contract or a fee-for-service agreement with the DCF or any division in the DHS, as well as to early intervention service providers under contract or other agreement with any division in the DOH, that are determined, according to parameters established by the commissioners of those departments, to be in extreme financial distress or at risk of being in extreme financial distress due to the effects of the coronavirus 2019 public health crisis. Any payment increase provided under the bill is required to be retroactive to all payments issued to a provider in FY 2021. Providers included under this payment increase are to include, but not be limited to, day habilitation providers, childcare providers, early intervention providers, behavioral health providers, and substance use disorder providers.

Of the \$180 million, the appropriate amounts, as determined by the Director of the Division of Budget and Accounting and approved by the Joint Budget Oversight Committee, are to be transferred, as necessary, to the departments and divisions contracting with social services providers and early intervention providers in order to effectuate the provisions of the bill. At least 30 days prior to the transfer of such amounts, the Director of the Division of Budget and Accounting is required to submit a report to the Joint Budget

Oversight Committee detailing, for each department and division, the specific providers that will receive a payment increase and an explanation of how the amounts associated with the payment increase were calculated. The Director of the Division of Budget and Accounting is not authorized to transfer any amounts without the approval of the Joint Budget Oversight Committee, provided that no action taken by the committee within 10 days of receiving a report from the director is deemed approval of the transfer. No more than 90 days after June 30, 2021, the Director of the Division of Budget and Accounting is required to submit a report to the Joint Budget Oversight Committee outlining the allocation of this appropriation as compared to the details provided in all previously approved transfer reports. This report is to also indicate the total amount expended from this appropriation, and any unexpended balances that are encumbered or will lapse.

COMMITTEE AMENDMENTS:

The committee amendments revise the bill to provide that early intervention service providers under the DOH will be eligible for increased payments under the bill. The amendments revise the synopsis of the bill to reflect this change.

The committee amendments revise the bill to reference provider payment increases, rather than provider rate increases, to clarify that the bill is applicable to both fee-for-service providers and managed care providers.