

**30:4D-7oo & 30:4D-7pp; Sec.4 Appropriation
LEGISLATIVE HISTORY CHECKLIST**

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LAWS OF: 2023 **CHAPTER:** 85

NJSA: 30:4D-7oo & 30:4D-7pp; Sec.4 Appropriation Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS.

BILL NO: A5082 (Substituted for S3587 (1R))

SPONSOR(S) Greenwald, Louis D. and others

DATE INTRODUCED: 1/19/2023

COMMITTEE: **ASSEMBLY:** Human Services
Appropriations
Budget

SENATE: --

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: ASSEMBLY: 6/30/2023

SENATE: 6/30/2023

DATE OF APPROVAL: 6/30/2023

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (A5082 AcaAcaAca (3R) enacted) Yes

A5082

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes Human Services
Appropriations
Budget

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 06/23/2023
06/29/2023
07/06/2023

S3587 (1R)

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	06/29/2023

VETO MESSAGE:	No
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GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
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FOLLOWING WERE PRINTED:

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REPORTS:	No
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HEARINGS:	No
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NEWSPAPER ARTICLES:	No
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CL/JA

§§1,2
C.30:4D-7oo
and 30:4D-7pp
§4
Approp.

P.L. 2023, CHAPTER 85, *approved June 30, 2023*
Assembly, No. 5082 (Third Reprint)

1 AN ACT concerning per diem rates for pediatric medical day care
2 services, appropriating funds, and supplementing Title 30 of the
3 Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. a. Notwithstanding any other provision of law or regulation
9 to the contrary, the per diem reimbursement rate for pediatric
10 medical day care services delivered by a pediatric medical day care
11 provider offering on-site services shall be as follows:

12 ³**[(1) Upon the effective date of this act and continuing through**
13 **June 30, 2023, the per diem reimbursement rate shall be \$390.00** ²**].**
14 A provider that reopened for on-site services pursuant to the
15 Department of Health Executive Directive No.22-001, which set
16 forth the health and safety requirements for the reopening of a
17 pediatric medical day care facility following the mandatory onsite
18 closure of such facilities due to the onset of the coronavirus 2019
19 pandemic, on or before September 30, 2022 shall receive a
20 retroactive per diem reimbursement for services delivered from July
21 1, 2022 through ¹**[the effective date of this act]** June 30, 2023¹ that
22 shall be equal to \$390.00, less the per diem amount the provider has
23 been reimbursed for those services rendered during this period of
24 time]²; and

25 ³**(2)]** Beginning July 1, 2023, and annually adjusted in each
26 subsequent fiscal year, the per diem reimbursement rate shall be
27 equal to 45 percent of the average prevailing Medicaid fee-for-
28 service per diem rate for all pediatric skilled care nursing facilities
29 in the State.

30 b. The provisions of this act shall apply to pediatric medical day
31 care services provided under the Medicaid fee-for-service and
32 managed care delivery systems.

33 c. As used in this section,

34 “Medicaid” means the Medicaid program established pursuant to
35 P.L.1968, c.413 (C.30:4D-1 et seq.).

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHU committee amendments adopted June 8, 2023.

²Assembly AAP committee amendments adopted June 22, 2023.

³Assembly ABU committee amendments adopted June 27, 2023.

1 “Pediatric medical day care services” means a health care service
2 designed to meet the medical, developmental, educational,
3 nutritional and psycho-social needs of medically complex or
4 technology-dependent children whose medical condition requires
5 treatment and services beyond the scope provided to children with
6 special health care needs by day care centers or preschool
7 programs.

8

9 2. The Commissioner of Human Services shall apply for such
10 State plan amendments or waivers as may be necessary to
11 implement the provisions of this act and to secure federal financial
12 participation for State Medicaid expenditures under the federal
13 Medicaid program.

14

15 3. The Commissioner of Human Services shall adopt rules and
16 regulations pursuant to the "Administrative Procedure Act"
17 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of
18 this act.

19

20 4. There is appropriated from the General Fund to the
21 Department of Human Services the sum of \$3,600,000 for payment
22 to pediatric medical day care service providers in order to comply
23 with the requirements of ² [paragraph (1) of subsection a. of section
24 1 of] ² this act ² in State fiscal ³ years 2023 and year ³ 2024 ².

25

26 5. This act shall take effect immediately.

27

28

29

30

31 Establishes Medicaid per diem rate for pediatric medical day
32 care services delivered by provider offering on-site services;
33 appropriates \$3.6 million to DHS.

ASSEMBLY, No. 5082

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JANUARY 19, 2023

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Co-Sponsored by:

Assemblyman Atkins

SYNOPSIS

Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/8/2023)

1 AN ACT concerning per diem rates for pediatric medical day care
2 services, appropriating funds, and supplementing Title 30 of the
3 Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. a. Notwithstanding any other provision of law or regulation
9 to the contrary, the per diem reimbursement rate for pediatric
10 medical day care services delivered by a pediatric medical day care
11 provider offering on-site services shall be as follows:

12 (1) Upon the effective date of this act and continuing through
13 June 30, 2023, the per diem reimbursement rate shall be \$390.00. A
14 provider that reopened for on-site services pursuant to the
15 Department of Health Executive Directive No.22-001, which set
16 forth the health and safety requirements for the reopening of a
17 pediatric medical day care facility following the mandatory onsite
18 closure of such facilities due to the onset of the coronavirus 2019
19 pandemic, on or before September 30, 2022 shall receive a
20 retroactive per diem reimbursement for services delivered from July
21 1, 2022 through the effective date of this act that shall be equal to
22 \$390.00, less the per diem amount the provider has been reimbursed
23 for those services rendered during this period of time; and

24 (2) Beginning July 1, 2023, and annually adjusted in each
25 subsequent fiscal year, the per diem reimbursement rate shall be
26 equal to 45 percent of the average prevailing Medicaid fee-for-
27 service per diem rate for all pediatric skilled care nursing facilities
28 in the State.

29 b. The provisions of this act shall apply to pediatric medical
30 day care services provided under the Medicaid fee-for-service and
31 managed care delivery systems.

32 c. As used in this section,

33 "Medicaid" means the Medicaid program established pursuant to
34 P.L.1968, c.413 (C.30:4D-1 et seq.).

35 "Pediatric medical day care services" means a health care service
36 designed to meet the medical, developmental, educational,
37 nutritional and psycho-social needs of medically complex or
38 technology-dependent children whose medical condition requires
39 treatment and services beyond the scope provided to children with
40 special health care needs by day care centers or preschool programs.

41
42 2. The Commissioner of Human Services shall apply for such
43 State plan amendments or waivers as may be necessary to
44 implement the provisions of this act and to secure federal financial
45 participation for State Medicaid expenditures under the federal
46 Medicaid program.

1 3. The Commissioner of Human Services shall adopt rules and
2 regulations pursuant to the "Administrative Procedure Act"
3 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of
4 this act.

5
6 4. There is appropriated from the General Fund to the
7 Department of Human Services the sum of \$3,600,000 for payment
8 to pediatric medical day care service providers in order to comply
9 with the requirements of paragraph (1) of subsection a. of section 1
10 of this act.

11
12 5. This act shall take effect immediately.

13

14

15

STATEMENT

16

17 This bill sets a Medicaid fee-for-service (FFS) and managed care
18 per diem rate for pediatric medical day care services and provides a
19 supplemental appropriation to support the fiscal year (FY) 2023 rate
20 established under the bill.

21 Providers of pediatric medical day care services deliver complex
22 medical, developmental, educational and other socialization
23 services to medically fragile children, thereby supporting a more
24 normal developmental process for these children. These providers
25 also allow parents of medically fragile children to participate in the
26 workforce and to avoid the expense of a private duty nurse.

27 Currently, the FFS per diem rate for pediatric medical day care
28 services is \$330.81; however, this rate, along with the proprietary
29 rates provided under managed care have not been sufficient to
30 support providers of this service. As a result, several pediatric
31 medical day care facilities have closed, and many more have not
32 reopened for on-site services following the issuance of the
33 Department of Health's Executive Directive No. 22-001 on April 6,
34 2022, which rescinded the moratorium on on-site pediatric medical
35 day care programs imposed by the department on March 20, 2020 at
36 the start of the coronavirus 2019 pandemic.

37 This bill would increase the FY 2023 per diem rate to \$390.00,
38 effectively immediately upon the bill's adoption, for pediatric
39 medical day care services delivered by a pediatric medical day care
40 provider offering on-site services. Additionally, the bill directs that
41 providers which reopened for on-site services on or before
42 September 30, 2022 are to receive a retroactive per diem
43 reimbursement for services delivered from July 1, 2022 through the
44 effective date of the bill that is to be equal to \$390.00, less the per
45 diem amount the provider has been reimbursed for those services
46 rendered during this period of time. The bill makes a supplemental
47 appropriation of \$3.6 million to the Department of Human Services
48 for this increase in the reimbursement rate.

A5082 GREENWALD, MUKHERJI

4

1 Additionally, beginning FY 2024, and annually adjusted in each
2 subsequent fiscal year, the bill would establish a Medicaid per diem
3 rate for pediatric medical day care services delivered by a pediatric
4 medical day care provider offering on-site services equal to 45
5 percent of the average Medicaid fee-for-service per diem rate for in-
6 patient pediatric skilled care nursing facilities. Currently, in FY
7 2023, 45 percent of the average Medicaid fee-for-service per diem
8 rate for in-patient pediatric skilled care nursing facilities is equal to
9 \$390.50.

ASSEMBLY HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5082

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 8, 2023

The Assembly Human Services Committee reports favorably and with committee amendments Assembly Bill No. 5082.

As amended by the committee, this bill sets a Medicaid fee-for-service (FFS) and managed care per diem rate for pediatric medical day care services and provides a supplemental appropriation to support the fiscal year (FY) 2023 rate established under the bill.

Providers of pediatric medical day care services deliver complex medical, developmental, educational and other socialization services to medically fragile children, thereby supporting a more normal developmental process for these children. These providers also allow parents of medically fragile children to participate in the workforce and to avoid the expense of a private duty nurse.

Currently, the FFS per diem rate for pediatric medical day care services is \$330.81; however, this rate, along with the proprietary rates provided under managed care have not been sufficient to support providers of this service. As a result, several pediatric medical day care facilities have closed, and many more have not reopened for on-site services following the issuance of the Department of Health's Executive Directive No. 22-001 on April 6, 2022, which rescinded the moratorium on on-site pediatric medical day care programs imposed by the department on March 20, 2020 at the start of the coronavirus 2019 pandemic.

This bill would increase the FY 2023 per diem rate to \$390.00, effectively immediately upon the bill's adoption, for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services. Additionally, as amended, the bill directs that providers which reopened for on-site services on or before September 30, 2022 are to receive a retroactive per diem reimbursement for services delivered from July 1, 2022 through June 30, 2023 that is to be equal to \$390.00, less the per diem amount the provider has been reimbursed for those services rendered during this period of time. The bill makes a supplemental appropriation of \$3.6 million to the Department of Human Services for this increase in the reimbursement rate.

Additionally, beginning FY 2024, and annually adjusted in each subsequent fiscal year, the bill would establish a Medicaid per diem

rate for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. Currently, in FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is equal to \$390.50.

COMMITTEE AMENDMENTS

The committee amendments stipulate that providers which reopened for on-site services on or before September 30, 2022 are to receive a retroactive per diem reimbursement for services delivered from July 1, 2022 through June 30, 2023. Currently the bill requires that providers receive the retroactive reimbursement from July 1, 2022 through the effective date of the bill.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5082

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 2023

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 5082.

As amended by the committee, this bill sets a Medicaid fee-for-service (FFS) and managed care per diem rate for pediatric medical day care services, and provides a \$3.6 million appropriation to support the fiscal year (FY) 2023 and FY 2024 rate increases.

Providers of pediatric medical day care services deliver complex medical, developmental, educational and other socialization services to medically fragile children, for the purpose of supporting a more normal developmental process for these children. Currently, the FFS per diem rate for pediatric medical day care services is \$330.81.

This bill would increase the FY 2023 per diem rate to \$390.00, effectively immediately upon the bill's adoption, for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services. Additionally, beginning FY 2024, and annually adjusted in each subsequent fiscal year, the bill would establish a Medicaid per diem rate for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. Currently, in FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is equal to \$390.50.

COMMITTEE AMENDMENTS

The committee amendments remove provisions from the bill regarding a retroactive payment amount issued to certain providers for services delivered in FY 2023.

The committee amendments clarify that the \$3.6 million appropriation under the bill is to support both the FY 2023 and FY 2024 per diem rate increases.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase and annually adjust, beginning in FY 2024, the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, which is \$390.50 in FY 2023. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill. The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to support the FY 2024 per diem rate increases.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[Second Reprint] **ASSEMBLY, No. 5082**

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 5082 (2R).

As amended by the committee, this bill sets a Medicaid fee-for-service (FFS) and managed care per diem rate for pediatric medical day care services, and provides a \$3.6 million appropriation to support the fiscal year (FY) 2024 rate increases.

Providers of pediatric medical day care services deliver complex medical, developmental, educational and other socialization services to medically fragile children, for the purpose of supporting a more normal developmental process for these children. Currently, the FFS per diem rate for pediatric medical day care services is \$330.81.

Under the bill, beginning in FY 2024, and annually adjusted in each subsequent fiscal year, the bill would establish a Medicaid per diem rate for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. Currently, in FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is equal to \$390.50.

COMMITTEE AMENDMENTS

The committee amendments remove provisions of the bill increasing the Medicaid per diem rate for pediatric medical day care services to \$390 in FY 2023.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities in FY 2024, and adjust this rate in subsequent fiscal years. In FY 2023, 45 percent of

the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is \$390.50. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill. The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to support the FY 2024 per diem rate increases.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5082

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 23, 2023

SUMMARY

- Synopsis:** Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS.
- Type of Impact:** Annual State cost and revenue increases.
- Agencies Affected:** Department of Human Services, Department of Health.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	\$2.8 million to \$6.5 million
State Revenue Increase	\$1.8 million to \$4.2 million

- The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase, beginning in FY 2024, the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, which is \$390.50 in FY 2023.
- To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.
- The bill also provides that the increased Medicaid per diem reimbursement rate for pediatric medical day care service providers will be adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely be higher than the OLS estimate.
- The bill appropriates \$3.6 million from the General Fund to the Department of Human Services for the purposes of the bill.

BILL DESCRIPTION

This bill directs that pediatric medical day care service providers which reopened for on-site services on or before September 30, 2022 will receive a retroactive Medicaid per diem reimbursement for services delivered from July 1, 2022 through June 30, 2023 that is equal to \$390.00, less the Medicaid per diem amount the provider has been reimbursed for those services rendered during this period of time.

Beginning in FY 2024, and annually adjusted in each subsequent fiscal year, the bill establishes a Medicaid per diem rate for pediatric medical day care services, delivered by a pediatric medical day care provider offering on-site services, which is equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities.

The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to effectuate the purposes of the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that annual State costs will increase between \$2.8 million and \$6.5 million in order to increase, beginning in FY 2024, the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, which is \$390.50 in FY 2023. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.

The current Medicaid fee-for-service per diem rate for pediatric medical day care services, which is established in regulation, is \$330.81; the proprietary per diem reimbursement rates provided under Medicaid managed care are typically lower than the Medicaid fee-for-service rate for identical services. As such, the bill will increase Medicaid per diem rates for pediatric medical day care services, when provided on-site basis, by at least \$59.69, or 18 percent.

The bill also provides that the increased Medicaid per diem reimbursement rate for pediatric medical day care service providers will be annually adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely increase above this estimate.

According to representative of the State's pediatric medical day care service providers, only 33 percent of the licensed programs have resumed on-site services subsequent to Department of Health Executive Directive No. 22-001, which authorized pediatric medical day care centers to re-open for on-site services as of April 6, 2022. This fiscal estimate assumes that pediatric medical day care centers will remain at 33 percent operating capacity in the initial months of FY 2024, the first year in which the new Medicaid per diem rate will be in effect; however, in subsequent months, the OLS assumes that some of the currently-closed centers will resume on-site service delivery in response to higher reimbursement rates, but that service capacity will not return to 100 percent of pre-pandemic levels within the budget window.

The bill additionally provides a retroactive Medicaid per diem reimbursement, available to providers that resumed on-site services following Department of Health Executive Directive No.

22-001, for services delivered from July 1, 2022 through June 30, 2023. The OLS, however, is unable to determine the fiscal impact of this provision due to a lack of information regarding: the number of providers which delivered on-site services during this 12 month period, the date on which each provider reopened for on-site services, and the number of children receiving on-site services at each center during this time period.

Providers of pediatric medical day care services deliver complex medical, developmental, educational, and other socialization services to medically fragile children, thereby supporting a more typical developmental process for these children. These providers also allow parents of medically fragile children to participate in the workforce and to avoid the expense of a private duty nurse.

Section: Human Services

*Analyst: Anne Cappabianca
Senior 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.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 5082

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 29, 2023

SUMMARY

- Synopsis:** Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS.
- Type of Impact:** Annual State cost and revenue increases.
- Agencies Affected:** Department of Human Services, Department of Health.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	\$2.8 million to \$6.5 million
State Revenue Increase	\$1.8 million to \$4.2 million

- The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase, beginning in FY 2024, the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, which is \$390.50 in FY 2023.
- To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.
- The bill also provides that the increased Medicaid per diem reimbursement rate for pediatric medical day care service providers will be adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely be higher than the OLS estimate.
- The bill appropriates \$3.6 million from the General Fund to the Department of Human Services for the purposes of the bill.

BILL DESCRIPTION

This bill establishes a Medicaid per diem reimbursement rate for pediatric medical day care services, when provided on-site between the effective date of the bill and June 30, 2023, of \$390.00. Beginning in FY 2024, and annually adjusted in each subsequent fiscal year, the bill establishes a Medicaid per diem rate for pediatric medical day care services, delivered by a pediatric medical day care provider offering on-site services, which is equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. These per diem rates would apply to pediatric medical day care services provided through the Medicaid fee-for-service and managed care delivery systems.

The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to effectuate the purposes of the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that annual State costs will increase between \$2.8 million and \$6.5 million in order to increase, beginning in FY 2024, the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, which is \$390.50 in FY 2023. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.

The current Medicaid fee-for-service per diem rate for pediatric medical day care services, which is established in regulation, is \$330.81; the proprietary per diem reimbursement rates provided under Medicaid managed care are typically lower than the Medicaid fee-for-service rate for identical services. As such, the bill will increase Medicaid per diem rates for pediatric medical day care services, when provided on-site, by at least \$59.69, or 18 percent.

The bill also provides that the increased Medicaid per diem reimbursement rate for pediatric medical day care service providers will be annually adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely increase above this estimate.

According to a representative of the State's pediatric medical day care service providers, only 33 percent of the licensed programs have resumed on-site services subsequent to Department of Health Executive Directive No. 22-001, which authorized pediatric medical day care centers to re-open for on-site services as of April 6, 2022. This fiscal estimate assumes that pediatric medical day care centers will remain at 33 percent operating capacity in the initial months of FY 2024, the first year in which the new Medicaid per diem rate will be in effect; however, in subsequent months, the OLS assumes that some of the currently-closed centers will resume on-site service delivery in response to higher reimbursement rates, but that service capacity will not return to 100 percent of pre-pandemic levels within the budget window.

Providers of pediatric medical day care services deliver complex medical, developmental, educational, and other socialization services to medically fragile children, thereby supporting a more typical developmental process for these children. These providers also allow parents of medically fragile children to participate in the workforce and to avoid the expense of a private duty nurse.

Section: Human Services

*Analyst: Anne Cappabianca
Senior 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.).

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 5082

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 6, 2023

SUMMARY

- Synopsis:** Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS.
- Type of Impact:** Annual State cost and revenue increases.
- Agencies Affected:** Department of Human Services, Department of Health.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	\$2.8 million to \$6.5 million
State Revenue Increase	\$1.8 million to \$4.2 million

- The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, beginning in FY 2024. In FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for inpatient pediatric skilled care nursing facilities is \$390.50.
- To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.
- The bill also provides that the FY 2024 Medicaid per diem reimbursement rate for pediatric medical day care service providers will be annually adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely increase above the OLS estimate.

- The bill appropriates \$3.6 million from the General Fund to the Department of Human Services for the purposes of the bill in FY 2024.

BILL DESCRIPTION

This bill establishes a Medicaid per diem reimbursement rate for pediatric medical day care services, when provided on-site, that is equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, beginning in FY 2024. In subsequent fiscal years, the bill provides that the FY 2024 Medicaid reimbursement rate for pediatric medical day care services will be adjusted annually. This revised per diem rate would apply to pediatric medical day care services provided through the Medicaid fee-for-service and managed care delivery systems.

The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to effectuate the purposes of the bill in FY 2024.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that annual State costs will increase between \$2.8 million and \$6.5 million in order to increase the FY 2024 per diem Medicaid reimbursement rate for pediatric medical day care service providers, when provided on-site, to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. During FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is \$390.50. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.

The current Medicaid fee-for-service per diem rate for pediatric medical day care services, which is established in regulation, is \$330.81; the proprietary per diem reimbursement rates provided under Medicaid managed care are typically lower than the Medicaid fee-for-service rate for identical services. As such, the bill will increase Medicaid per diem rates for pediatric medical day care services, when provided on-site, by at least \$59.69, or 18 percent.

The bill also provides that the increased FY 2024 Medicaid per diem reimbursement rate for pediatric medical day care service providers will be annually adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely increase above this estimate.

According to a representative of the State's pediatric medical day care service providers, only 33 percent of the licensed programs have resumed on-site services subsequent to Department of Health Executive Directive No. 22-001, which authorized pediatric medical day care centers to reopen for on-site services as of April 6, 2022. This fiscal estimate assumes that pediatric medical day care centers will remain at 33 percent operating capacity in the initial months of FY 2024, the first year in which the new Medicaid per diem rate will be in effect; however, in subsequent

months, the OLS assumes that some of the currently-closed centers will resume on-site service delivery in response to higher reimbursement rates, but that service capacity will not return to 100 percent of pre-pandemic levels within the budget window.

Providers of pediatric medical day care services deliver complex medical, developmental, educational, and other socialization services to medically fragile children, thereby supporting a more typical developmental process for these children. These providers also allow parents of medically fragile children to participate in the workforce and to avoid the expense of a private duty nurse.

Section: Human Services

*Analyst: Anne Cappabianca
Senior 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.).

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 5082

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 6, 2023

SUMMARY

- Synopsis:** Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS.
- Type of Impact:** Annual State cost and revenue increases.
- Agencies Affected:** Department of Human Services, Department of Health.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	\$2.8 million to \$6.5 million
State Revenue Increase	\$1.8 million to \$4.2 million

- The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, beginning in FY 2024. In FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for inpatient pediatric skilled care nursing facilities is \$390.50.
- To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.
- The bill also provides that the FY 2024 Medicaid per diem reimbursement rate for pediatric medical day care service providers will be annually adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely increase above the OLS estimate.

- The bill appropriates \$3.6 million from the General Fund to the Department of Human Services for the purposes of the bill in FY 2024.

BILL DESCRIPTION

This bill establishes a Medicaid per diem reimbursement rate for pediatric medical day care services, when provided on-site, that is equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, beginning in FY 2024. In subsequent fiscal years, the bill provides that the FY 2024 Medicaid reimbursement rate for pediatric medical day care services will be adjusted annually. This revised per diem rate would apply to pediatric medical day care services provided through the Medicaid fee-for-service and managed care delivery systems.

The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to effectuate the purposes of the bill in FY 2024.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that annual State costs will increase between \$2.8 million and \$6.5 million in order to increase the FY 2024 per diem Medicaid reimbursement rate for pediatric medical day care service providers, when provided on-site, to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. During FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is \$390.50. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.

The current Medicaid fee-for-service per diem rate for pediatric medical day care services, which is established in regulation, is \$330.81; the proprietary per diem reimbursement rates provided under Medicaid managed care are typically lower than the Medicaid fee-for-service rate for identical services. As such, the bill will increase Medicaid per diem rates for pediatric medical day care services, when provided on-site, by at least \$59.69, or 18 percent.

The bill also provides that the increased FY 2024 Medicaid per diem reimbursement rate for pediatric medical day care service providers will be annually adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely increase above this estimate.

According to a representative of the State's pediatric medical day care service providers, only 33 percent of the licensed programs have resumed on-site services subsequent to Department of Health Executive Directive No. 22-001, which authorized pediatric medical day care centers to reopen for on-site services as of April 6, 2022. This fiscal estimate assumes that pediatric medical day care centers will remain at 33 percent operating capacity in the initial months of FY 2024, the first year in which the new Medicaid per diem rate will be in effect; however, in subsequent

months, the OLS assumes that some of the currently-closed centers will resume on-site service delivery in response to higher reimbursement rates, but that service capacity will not return to 100 percent of pre-pandemic levels within the budget window.

Providers of pediatric medical day care services deliver complex medical, developmental, educational, and other socialization services to medically fragile children, thereby supporting a more typical developmental process for these children. These providers also allow parents of medically fragile children to participate in the workforce and to avoid the expense of a private duty nurse.

Section: Human Services

*Analyst: Anne Cappabianca
Senior 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.).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3587

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3587.

As amended by the committee, this bill sets a Medicaid fee-for-service (FFS) and managed care per diem rate for pediatric medical day care services, and provides a \$3.6 million appropriation to support the fiscal year (FY) 2024 rate increases.

Providers of pediatric medical day care services deliver complex medical, developmental, educational and other socialization services to medically fragile children, for the purpose of supporting a more normal developmental process for these children. Currently, the FFS per diem rate for pediatric medical day care services is \$330.81.

Under the bill, beginning in FY 2024, and annually adjusted in each subsequent fiscal year, the bill would establish a Medicaid per diem rate for pediatric medical day care services delivered by a pediatric medical day care provider offering on-site services equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities. Currently, in FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is equal to \$390.50.

COMMITTEE AMENDMENTS:

The committee amendments remove provisions from the bill regarding a retroactive payment amount issued to certain providers for services delivered in FY 2023.

The committee amendments remove provisions of the bill increasing the Medicaid per diem rate for pediatric medical day care services to \$390 in FY 2023.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities in FY 2024, and

adjust this rate in subsequent fiscal years. In FY 2023, 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities is \$390.50. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill. The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to support the FY 2024 per diem rate increases.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3587
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 29, 2023

SUMMARY

- Synopsis:** Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS.
- Type of Impact:** Annual State cost and revenue increases.
- Agencies Affected:** Department of Human Services, Department of Health.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	\$2.8 million to \$6.5 million
State Revenue Increase	\$1.8 million to \$4.2 million

- The Office of Legislative Services (OLS) estimates that annual State costs will rise by anywhere from \$2.8 million to \$6.5 million for the Department of Human Services to increase, beginning in FY 2024, the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, which is \$390.50 in FY 2023.
- To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.
- The bill also provides that the increased Medicaid per diem reimbursement rate for pediatric medical day care service providers will be adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely be higher than the OLS estimate.
- The bill appropriates \$3.6 million from the General Fund to the Department of Human Services for the purposes of the bill.

BILL DESCRIPTION

This bill directs that pediatric medical day care service providers which reopened for on-site services on or before September 30, 2022 will receive a retroactive Medicaid per diem reimbursement for services delivered from July 1, 2022 through June 30, 2023 that is equal to \$390.00, less the Medicaid per diem amount the provider has been reimbursed for those services rendered during this period of time.

Beginning in FY 2024, and annually adjusted in each subsequent fiscal year, the bill establishes a Medicaid per diem rate for pediatric medical day care services, delivered by a pediatric medical day care provider offering on-site services, which is equal to 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities.

The bill appropriates \$3.6 million from the General Fund to the Department of Human Services to effectuate the purposes of the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that annual State costs will increase between \$2.8 million and \$6.5 million in order to increase, beginning in FY 2024, the per diem Medicaid reimbursement rate for pediatric medical day care service providers to equal 45 percent of the average Medicaid fee-for-service per diem rate for in-patient pediatric skilled care nursing facilities, which is \$390.50 in FY 2023. To the extent that additional State Medicaid expenditures are eligible for federal Medicaid reimbursements, State revenues will increase anywhere from \$1.8 million to \$4.2 million subsequent to this provision in the bill.

The current Medicaid fee-for-service per diem rate for pediatric medical day care services, which is established in regulation, is \$330.81; the proprietary per diem reimbursement rates provided under Medicaid managed care are typically lower than the Medicaid fee-for-service rate for identical services. As such, the bill will increase Medicaid per diem rates for pediatric medical day care services, when provided on-site basis, by at least \$59.69, or 18 percent.

The bill also provides that the increased Medicaid per diem reimbursement rate for pediatric medical day care service providers will be annually adjusted in each subsequent fiscal year; therefore, in future fiscal years, State costs and revenues will likely increase above this estimate.

According to a representative of the State's pediatric medical day care service providers, only 33 percent of the licensed programs have resumed on-site services subsequent to Department of Health Executive Directive No. 22-001, which authorized pediatric medical day care centers to re-open for on-site services as of April 6, 2022. This fiscal estimate assumes that pediatric medical day care centers will remain at 33 percent operating capacity in the initial months of FY 2024, the first year in which the new Medicaid per diem rate will be in effect; however, in subsequent months, the OLS assumes that some of the currently-closed centers will resume on-site service delivery in response to higher reimbursement rates, but that service capacity will not return to 100 percent of pre-pandemic levels within the budget window.

The bill additionally provides a retroactive Medicaid per diem reimbursement, available to providers that resumed on-site services following Department of Health Executive Directive No. 22-001, for services delivered from July 1, 2022 through June 30, 2023. The OLS, however, is unable to determine the fiscal impact of this provision due to a lack of information regarding: the number of providers which delivered on-site services during this 12 month period, the date on which each provider reopened for on-site services, and the number of children receiving on-site services at each center during this time period.

Providers of pediatric medical day care services deliver complex medical, developmental, educational, and other socialization services to medically fragile children, thereby supporting a more typical developmental process for these children. These providers also allow parents of medically fragile children to participate in the workforce and to avoid the expense of a private duty nurse.

Section: Human Services

*Analyst: Anne Cappabianca
Senior 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.).

Governor Murphy Signs Fiscal Year 2024 Budget into Law

06/30/2023

*Budget Provides Historic Levels of Property Tax Relief, Another Record Investment in School Funding
Increases Investments in Affordable Housing, Higher Education, and Economic Growth
Continues Path of Fiscal Responsibility with Another Full Pension Payment of \$7.1 Billion and Surplus of over \$8 Billion*

TRENTON – Governor Phil Murphy signed the Fiscal Year 2024 Appropriations Act into Law on Friday, building on the historic progress made over the last five years with new investments centered around increasing affordability, promoting fiscal responsibility, and creating world-class opportunities for everyone to succeed.

The budget approved by the Legislature earlier in the day provides record levels of direct property tax relief with additional aid for seniors and renters while once again providing the highest level of school funding in history; making a third consecutive full pension payment; and supporting significant investments in the economy, workforce development, and affordable housing.

The Governor signed the budget in the rotunda of the newly renovated New Jersey State House where he was joined by Senate President Nicholas Scutari, Assembly Speaker Craig Coughlin, Senate Majority Leader M. Teresa Ruiz, Assembly Majority Leader Louis D. Greenwald, Senate Budget Chair Paul Sarlo, Assembly Budget Chair Eliana Pintor Marin, and State Treasurer Elizabeth Maher Muoio.

“When I first proposed this budget, I said it was a budget designed with a singular purpose – to continue building an economy where every family can afford to make their America Dream come true. Today we are delivering on that promise,” said **Governor Murphy**. “Over the last two years we have committed over \$6 billion in direct property tax relief, tackling of the single greatest and longest standing affordability challenges our state faces. This budget will also lower prescription-drug costs for seniors, help hardworking families by expanding free pre-K for kids, create good-paying jobs and fight climate change by building a green economy, expand mental health services for our kids, build and preserve affordable housing so everyone has a place they can call home, help first-generation homebuyers achieve the safety and security of owning a home, and so much more. We are accomplishing all of this in a fiscally responsible way. This budget continues to fully deliver on our commitments to our pension payments and school funding, while also maintaining a healthy surplus.”

“The budget signed into law today will help make New Jersey more affordable for hardworking residents and families by boosting tax relief and investing in affordable housing, social services, and education,” said **Lt. Governor Sheila Y. Oliver, who serves as Commissioner of the Department of Community Affairs**. “This budget demonstrates that we remain steadfast in our commitment to providing New Jerseyans of all walks of life the opportunity and resources to thrive.”

“This is a great budget for the people of New Jersey. It will help make their lives more affordable with an historic amount of property tax relief, including increased rebates, an expansion of Senior Freeze and a down payment on StayNJ, which will provide additional tax relief for senior citizens,” said **Senate President Nicholas Scutari**. “We are also distributing \$150 million in energy tax receipts to municipalities to further hold down property taxes. This is a fiscally-responsible spending plan that includes a record level of school funding, a full pension payment and a surplus of more than \$10 billion. This budget will help improve the lives and livelihoods of New Jersey’s residents in meaningful ways.”

“This budget ensures our state will be more affordable for everyone,” said **Assembly Speaker Craig Coughlin**. “It also meets our obligations with yet another full pension payment, increases in school aid, support for our most vulnerable neighbors, and a healthy surplus for any future economic uncertainty. I am especially proud of what we’ve done for New Jersey seniors, with the StayNJ program set to deliver historic property tax relief. I proposed StayNJ because seniors deserve the dignity of remaining in their homes, enjoying their later years near their families. Thanks to Governor Murphy, Senate President Scutari, and all our partners in the legislature for their work on this. We have demonstrated that we can do big, bold things for New Jersey while being fiscally responsible.”

“The budget signed today represents the culmination of months of long meetings and thoughtful deliberations and includes significant investments in our communities, our families and our future,” said **Senate Majority Leader M. Teresa Ruiz**. “We are doubling the child tax credit, continuing on the pathway towards universal Pre-K and once again increasing social funding. We are continuing to fund the postpartum home visitation program and lifesaving mental health initiatives. This budget represents our continued effort to make New Jersey more affordable for all of our residents while making lasting investments in our children and the institutions and programs which will nourish their growth and success.”

“The FY24 State Budget reflects our shared priorities, spending on programs that will make a difference in the lives of New Jersey residents while maintaining a healthy surplus,” said **Assembly Majority Leader Louis D. Greenwald**. “New Jersey residents will benefit from new and expanded property tax relief programs and an expanded child tax credit. We are funding programs to support education, affordable housing and healthcare, which will have a meaningful impact.”

“This is a responsive and responsible budget that meets the economic challenges of our time,” said **Senate Budget Committee Chairman Paul Sarlo**. “It will provide significant tax relief, install economic safeguards and help fuel economic growth. It addresses our top priority of making the lives of New Jersey’s residents more affordable. It includes a full pension payment, a record amount of school aid, a robust surplus to protect against economic uncertainty and a debt defeasance fund to drive down debt. We need to continue to be fiscally responsible with the use of our resources at the same time we expand economic opportunities that build a better future for New Jersey and our residents.”

“This budget highlights the priorities of a New Jersey that values its residents, promotes inclusivity, and invests in our future,” said **Assembly Budget Committee Chairwoman Eliana Pintor Marin**. “Together, we are ensuring that hardworking families receive the retirement security they deserve, access to safe and affordable homes, relief from property taxes, and quality education that empowers our children to thrive.”

“I would like to thank my staff at the Department of the Treasury, particularly the hardworking folks at the Office of Management and Budget and the Office of Revenue and Economic Analysis for their tireless dedication and professionalism. The budget signed by the governor today continues our commitment to making the state a more affordable place to live, raise a family, and retire,” said **State Treasurer Elizabeth Maher Muoio**. “With unprecedented tax relief for our seniors and middle-class families, a third full pension payment in as many years, record funding of our best-in-the-nation schools and a budget surplus of approximately 15 percent, this budget maintains sound fiscal management that helps prepare for the Next New Jersey.”

The \$54.5 billion budget for Fiscal Year (FY2024) includes a historic surplus of \$8.3 billion, which is more than 15 percent of budgeted appropriations, dwarfing the surplus inherited from previous years ago.

Increasing Affordability

With the FY2024 budget, a total of 20 tax cuts for working and middle-class families and seniors have been enacted under the Murphy Administration, including more than \$2 billion in direct property tax relief for the second year of the ANCHOR property tax relief program. As the State begins to phase-in the newly enacted StayNJ property tax relief program championed by Assembly Speaker Coughlin, ANCHOR will provide a \$250 boost in relief for senior homeowners and renters this year. Eligible senior tenants will now see their relief boosted by more than 55 percent to \$700 in the coming year and homeowners will receive \$1,250 or \$1,750, depending on their income.

The StayNJ senior property tax credit affordability program expands income limits and modifies ownership requirements with the aim of cutting property taxes in half for many eligible New Jersey seniors by providing a direct credit of up to \$6,500 on property tax bills when fully implemented.

Additional relief for seniors was also enacted alongside the budget, which will expand eligibility for the Senior Freeze property tax relief program next year for those with incomes up to \$150,000, up from roughly \$100,000. To further help boost affordability for seniors, the budget and legislation signed alongside it (S3/A3), sponsored by Senator Joseph Vitale and Assemblyman Chris Tully, also increases eligibility for the State’s senior prescription drug and hearing aid programs to help make New Jersey more affordable for individuals of all ages.

In addition to raising the income eligibility limits for the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD) to benefit more seniors, the new law includes a number of directives to encourage enrollment in both PAAD and the Senior Gold Prescription Program, including establishing a grant program in the Department of Human Services to support

hiring and training of Senior Save Navigators to assist residents in applying for programs such as PAAD and Senior Gold.

For working- and middle-class families, the budget delivers significant relief by including the Governor's proposal to double the Child Tax Credit that was enacted last year. The program will now provide up to \$1,000 per child under age six for families earning under \$30,000.

For the second year in a row, the budget includes a back-to-school sales tax holiday and waives the fee for entrance into all State parks for another year, including Island Beach State Park. To help boost the ranks of teachers in New Jersey the budget also waives the fee for teacher certification, as proposed by the Governor this year.

For the sixth straight year, the Governor has also promised no fare increases for NJ TRANSIT commuters.

Additionally, the budget continues to increase indirect property tax relief by providing \$150 million in Energy Tax Receipts-related payments to extend the Municipal Relief Fund for an additional year, doubling last year's funding, which is designed to offset the burden on local property taxpayers by providing additional aid to municipalities.

Expanding Educational Opportunity

The budget also supports the Governor's commitment to supporting New Jersey's best-in-the-nation public education system by providing another record total of \$11 billion in direct aid for public schools, including an increase of \$832 million, as well as \$103 million in supplemental stabilization aid enacted in April for school districts adjusting to changes in enrollment. With this latest budget, the State has now increased overall K-12 support to New Jersey's public schools by more than \$2.6 billion over six years, a more than 50 percent increase, all of which helps offset local property taxes.

Advancing the Governor's goal of universal pre-K, the budget includes an additional \$116 million for pre-school education aid, \$40 million of which will go towards expanding programs in new districts as well as other critical needs for further expansion.

Additionally, the Governor is working to shore up the ranks of teachers, budgeting over \$20 million in new investments and other supports to help ensure New Jersey has the trained and dedicated workforce to provide a top-quality education for public school students years into the future. This includes \$10 million for student teacher stipends to help future educators meet the costs of living while working and studying for their credentials, \$5 million to waive teacher certification fees, \$2 million for Culture and Climate Innovation Grants to help improve educator quality of life, \$1 million for the Teachers Loan Redemption Program, \$1 million to develop local partnerships for para-professional training, \$800,000 for a teaching apprenticeship program, and \$500,000 to expand the Teacher Leader Network. The proposed budget also maintains funding for Men of Color Hope Achievers (MOCHA) and the Mid-Career Teacher Development Programs to support a diverse educator workforce.

To accelerate learning outcomes, the State will also dedicate nearly \$55 million this year in federal funds for learning acceleration and other recovery programs, as proposed by the Governor.

The budget also strengthens the Governor's "College Promise" programs by increasing the eligibility threshold for both the Community College Opportunity Grant and the Garden State Guarantee so that students with family incomes up to \$100,000 can benefit. Additionally, the budget increases the value of Tuition Aid Grants for over 20,000 students and expands the Some College, No Degree program, so that former students with some credit receive the support they need to complete school.

The budget also provides over \$150 million in the Outcomes-Based Allocation this year for State colleges and universities, compared to \$55 million in FY2023, to help keep tuition affordable and support the next generation of New Jersey's educated workforce. Additionally, it includes \$70 million to help cover fringe benefit costs at public research universities, \$20 million for community colleges, and an additional \$5 million for independent colleges and universities.

Promoting Fiscal Responsibility

In addition to a record projected ending surplus of \$8.3 billion – 20 times larger than the surplus the Murphy Administration inherited – the FY2024 budget also makes good on the Administration's commitment to public sector employees by including the third consecutive full pension payment. The \$7.1 billion payment, which includes contributions from the State Lottery, brings the total contribution to the pension fund under the Murphy Administration to \$32.6 billion, nearly triple the \$12.2 billion paid under the previous six administrations combined. The FY2024 payment will mark the first time in a quarter of a century that the State has contributed 100 percent of the Actuarially Determined Contribution three years in a row.

The budget also puts additional money in the Debt Defeasance and Prevention Fund, bringing the current available balance to \$2 billion to support important State infrastructure projects and avoid incurring new debt in the future. The FY2024 deposit brings the total allocation to the fund to \$9.25 billion over the last two years, which has been used to retire existing debt while setting aside money to pay for upcoming projects that might otherwise be bonded. Over a two-year period, \$3.5 billion from the fund has already been used to defease \$4.7 billion in State debt service through FY2042, saving the State's taxpayers \$1.2 billion.

The continued commitment by the Governor and the Legislature to bolster the pension system, reduce debt, and build up the State's surplus has saved taxpayers money and garnered a total of seven credit rating upgrades from the four major rating agencies over the last 16 months.

The budget also includes substantial funding to continue upgrading the State's service-based infrastructure to ensure a more efficient delivery of essential services to taxpayers, including more than \$40 million to continue improving the unemployment insurance system, digitizing more services at the Motor Vehicle Commission, and expanding the Division of Taxation's property tax relief call center.

Expanding Opportunity and Promoting Economic Growth

The budget also places a concerted focus on expanding opportunities for every New Jerseyan in tandem with supporting economic growth, a hallmark of Governor Murphy's time in office.

An \$80 million allocation of federal American Rescue Plan (ARP) funds will be used to create an Urban Investment Fund and Atlantic City Economic Foundations Fund to work alongside current and proposed business incentive programs. The funds will aid in the revitalization of urban areas and catalyze new economic and community activity where shifting patterns of work and commuting since the pandemic have reduced foot traffic and created ongoing challenges to community vitality.

Grants from the fund would be flexible and responsive to the needs of cities and could include funding to reimagine the use of now-underutilized office space, support capital construction projects that renovate or restore vacant buildings, or build new destinations and spaces for urban communities. As proposed by the Governor in February, the budget includes a specific set-aside for Atlantic City to improve public safety, rebuild distressed housing, and diversify economic development in the city.

The FY2024 budget also allocates \$50 million in continued support for the Main Street Recovery Program, which funds multiple financial assistance products aimed at supporting the growth and success of small businesses in New Jersey.

The budget continues to expand job opportunities for New Jerseyans, increasing the allocation for the Workforce Development Partnership Fund (WDPF) by \$5 million, to \$27.5 million to invest in apprenticeships, pre-apprenticeships, on-the-job training, and other programs that develop skills while bringing more women and minorities into job training opportunities. The State has invested a total of \$50 million through grant programs since the Governor took office to create and develop work-based learning, pre-apprenticeship and apprenticeship programs across the state.

The budget also includes significant investments to grow New Jersey's green economy and combat climate change, including \$12 million more for the Clean Energy Program, which previously went to NJ TRANSIT, a \$40 million Green Fund to leverage both private capital and federal funds, \$20 million for the Resilience and Stormwater Planning and Infrastructure program, and an additional \$10 million to support the continued installation of EV charging infrastructure throughout the State.

Additionally, the budget agreement includes \$20 million to support the creation of a Social Impact Investment Fund, an innovative new financing tool to provide below-market loans

socially conscious projects in distressed municipalities.

The budget agreement also includes the \$100 million Boardwalk Fund Governor Murphy initially proposed in February, which will support repairs and renovations to boardwalks up down the Jersey shore that support the State's tourism industry and provide a crucial economic engine.

The budget also includes an additional \$20 million for continued development of the ambitious, new, nine-mile Greenway that will convert a former rail line into a new State park connecting eight Essex and Hudson County communities.

The budget agreement not only reduces NJ TRANSIT's capital-to-operating transfer to its lowest level in 21 years, it also includes \$137 million in new funding from the Debt Defeasance and Prevention Fund to match federal funding earmarked for transportation-related capital investments. Additionally, the budget will expand the Department of Transportation's innovative Simple Fix Safety program.

The FY2024 budget also funds substantial investments to improve public health and social outcomes and reduce long-standing disparities.

To that end, the budget includes nearly \$300 million for a host of housing affordability initiatives, including over \$100 million in federal ARP funds to build upon last year's \$300 million landmark creation of the Affordable Housing Production Fund. A new Urban Preservation Fund will provide \$80 million to maintain affordability of existing units in New Jersey cities and additional funds will be used to develop new workforce housing units to improve affordability in transit-served areas, enhance urban vitality, and launch a Resilient Homes Construction Pilot program to expand building stock and affordable homeownership across the state. All told, the Murphy Administration will have committed over \$1.3 billion in federal ARP funds to housing programs over the last three fiscal years.

Drawing on the work of the Wealth Disparity Task Force, the budget also includes an additional \$15 million to enhance the existing [Down Payment Assistance Program](#) to provide changing assistance for first-generation homebuyers and help families who have been excluded from homeownership for generations.

The budget also includes over \$300 million more than last year in ARP and State funding to support hospital capital investments to bolster New Jersey's public health infrastructure. This includes \$30 million to create the City of Newark Access to Health Care Partnership, and \$60 million in additional funding for University Hospital to expand and improve its emergency and maternity departments.

Additionally, the budget includes \$86 million that was initially proposed by the Governor in February to support a one-time program through the Department of Human Services to subsidize training and recruitment for mental health, substance use, and developmental disabilities service providers to help address what has become a national crisis.

As part of Governor Murphy's national leadership on youth mental health, the budget also includes \$43 million to launch the New Jersey Statewide Student Support Services (NJ4S) network, which will deliver wellness and prevention supports from regional hubs. An additional \$40 million will support providers across multiple divisions in the Department of Children and Families, including the Children's System of Care.

The budget also continues to invest in improving maternal and infant health and mortality rates throughout New Jersey. As part of First Lady Tammy Murphy's Nurture NJ initiative proposed budget includes new funds for a maternal health data center and to train community health workers and doulas. Additionally, \$15.6 million in State funding will support the continued expansion of the landmark, statewide Universal Newborn Home Nurse Visitation Program, putting New Jersey further along the path to being one of the first states in the nation to provide this critical care for all mothers and newborns within the first two weeks of birth.

The budget also continues to provide crucial investments to make health care more affordable and accessible for every New Jerseyan, leveraging State and federal funding through Get Covered New Jersey exchange, while also supporting [Cover All Kids](#) and funding a \$10 million pilot program to eliminate personal medical debt.

To address the disparate, long-term impact that many justice system fees and fines can have on people of limited means, the budget includes Governor Murphy's proposal to eliminate public defender fees, which are currently assessed on indigent clients regardless of whether they are ultimately found guilty. Additionally, the budget provides funding for the Parole Revocation Defense Unit and to increase the rates paid to attorneys assisting the Office of the Public Defender to help ensure that residents of limited means have access to an effective legal defense.

The budget also includes the Governor's proposal to provide over \$8 million in increased State funds to support the first-in-the-nation statewide expansion of the ARRIVE Together program, which stands for Alternative Responses to Reduce Instances of Violence and Escalation and pairs police officers and State Troopers with mental health professionals when responding to a person who is experiencing a mental health crisis.

To ensure that the State's first responders and law enforcement professionals receive the training and equipment necessary to protect and serve New Jersey's nine million residents, the budget funds the Governor's proposed doubling of the successful Firefighters Grant Program, bringing the total to \$20 million. The budget also makes significant investments to strengthen the ranks of the New Jersey State Police, allocating \$120 million to begin building a new training center for the next generation of New Jersey State Police and including an additional \$5 million for the 166th State Trooper recruit class.

An additional one-page policy summary on the central commitments of the FY2024 budget can be found online [here](#).

In addition to the Appropriations Act, Governor Murphy also signed the following bills into law today:

A-1/S-1 (Coughlin, Greenwald, Freiman, Swain, Moriarty, Wimberly, Lopez, Tully/Scutari, Gopal, Lagana) - Establishes Stay NJ senior property tax credit affordability program; expands income limit and modifies ownership requirement for eligibility to receive homestead property tax reimbursement; appropriates not more than \$300 million

S-3980/A-5673 (Sarfo/Freiman) - Credits \$400 million to "New Jersey Debt Defeasance and Prevention Fund"; appropriates \$371 million to DOC, DLPS, South Jersey Port Corporation and DOT; establishes process for authorizing future appropriations for debt defeasance and capital projects

A-5668/S-3978 (Pintor Marin/Sarfo) - Makes FY 2023 supplemental appropriations of \$158,525,000 and modifies certain language provisions

A-5590/S-3941 (Lampitt, Carter, Jasey/Gopal) - Waives certain certification and credentialing fees for teachers for one year

S-3940/A-5672 (Ruiz, Singleton/Reynolds-Jackson, Speight, Spearman) - Increases child tax credit under gross income tax

A-3/S-3 (Tully, Moriarty, McKnight, Freiman, Quijano, Mukherji, Swain, Carter/Vitale, Lagana, Zwicker) - Revises income eligibility criteria for, and provides for promotion of, PAAD Senior Gold Prescription Discount Program; establishes "Senior Save Navigator Grant Program" to assist applicants with NJ Save applications.

A-590/S-405 (Spearman, McKnight, Haider/Johnson, Singer) - Codifies, and increases under certain circumstances, current minimum Medicaid per diem reimbursement rates for assisted living residences, comprehensive personal care homes, and assisted living programs; makes appropriation

A-5082/S-3587 (Greenwald, Mukherji, McKnight/Lagana, Gopal) - Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS

A-5173/S-2362 (McKnight, Speight, Tully/Beach, Madden) - Requires hourly reimbursement rate for home health aide services provided through Statewide Respite Care Program Jersey Assistance for Community Caregiving Program to be no less than Medicaid fee-for-service rate for personal care services; makes appropriation

A-4674/S-3278 (Moriarty, Danielsen, McKnight/Stanfield, Bucco) - Concerns eligibility for senior freeze reimbursement if eligible claimant exceeds income limit

S-2857/A-4167 (Gopal, Ruiz/Benson, Sumter, Verrelli) - Establishes "Sustainable New Jersey Fund" in DEP to support certain sustainability initiatives; appropriates \$1 million

A-5209/S-3615 (Freiman/Sarlo, Zwicker) - Establishes Agritourism Fund; requires annual appropriation of \$2.5 million from General Fund; appropriates \$2.5 million

S-4052/A-5654 (Smith/Freiman, Reynolds-Jackson, Quijano) - Appropriates \$9,184,427 to DEP from constitutionally dedicated CBT revenues for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes, and for certain administrative expenses.

S-4018/A-5584 (Johnson, Turner/Jimenez, Freiman, Moriarty) - Revises New Jersey False Claims Act to comply with federal law for purposes of entitling State to enhanced recovery of Medicaid fraud cases

A-2190/S-3075 (Caputo, Chaparro, Greenwald/Beach, Polistina) - Extends authorization for Internet gaming law to 2028

A-5606/S-3953 (Haider, Moen/Sarlo) - Appropriates unexpended funds from "1999 Statewide Transportation and Local Bridge Fund"
[Revenue Certification](#)

S-2024/A-5669 (Sarlo/Pintor Marin) - LINE ITEM VETO - Appropriates \$54,357,547,000 in State funds and \$26,144,171,463 in federal funds for the State budget for fiscal year 2024.

[Line Item Veto Statement](#)

[Line Item Veto Message](#)

The Governor also conditionally vetoed the following bills earlier today and signed them later in the day upon concurrence by the Legislature:

A-4701/S-3144 (Pintor Marin, Speight, Schaer/Gopal, Ruiz, Singer) - Supplemental appropriation of \$3.6 million to DHS to increase adult medical day care Medicaid per diem rate \$86.10 to \$89.54

[Conditional Veto Message](#)

S-4053/A-5655 (Greenstein, Turner/Sumter, Tully) - Appropriates \$87,783,515 from constitutionally dedicated CBT revenues and various Green Acres funds to DEP for local government open space acquisition and park development projects, and for certain administrative expenses.

[Conditional Veto Message](#)