

**26:2H-91.1 & 26:2H-91.2**  
**LEGISLATIVE HISTORY CHECKLIST**

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**LAWS OF:** 2015                  **CHAPTER:** 151

**NJSA:** 26:2H-91.1 & 26:2H-91.2 (Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility.)

**BILL NO:** A4167              (Substituted for S2751 (1R))

**SPONSOR(S)** Lagana, Joseph A., and others

**DATE INTRODUCED:** February 5, 2015

**COMMITTEE:**                  **ASSEMBLY:** Human Services  
   **SENATE:** Health, Human Services and Senior Citizens

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**              **ASSEMBLY:** 6/25/2015  
   **SENATE:** 6/25/2015

**DATE OF APPROVAL:** November 9, 2015

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (Second Reprint enacted)                  Yes

**A4167**

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

**COMMITTEE STATEMENT:**                                  **ASSEMBLY:** Yes

**SENATE:** Yes

(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](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:**                  No

**LEGISLATIVE FISCAL ESTIMATE:**                  Yes          4/9/2015  
   6/26/2015

**S2751 (1R)**

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

**COMMITTEE STATEMENT:**                                  **ASSEMBLY:** Yes

**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](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:**                  No

**LEGISLATIVE FISCAL ESTIMATE:**                  Yes

**VETO MESSAGE:** No  
**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

end

P.L 2015, CHAPTER 151, *approved November 9, 2015*  
Assembly, No. 4167 (*Second Reprint*)

1 AN ACT concerning certain programs for the elderly and disabled  
2 and supplementing Title 26 of the Revised Statutes.

3

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

6

7 1. a. A person who applies to participate in the PACE <sup>1</sup>[or  
8 Pre-PACE]<sup>1</sup> program shall notify and provide to the <sup>2</sup>[Department  
9 of Human Services] PACE program provider<sup>2</sup> valid proof of  
10 <sup>1</sup>[their] the person's<sup>1</sup> date of birth upon enrollment in the PACE  
11 <sup>1</sup>[or Pre-PACE]<sup>1</sup> program.

12 b. The <sup>2</sup>[department] PACE program provider<sup>2</sup> shall notify  
13 and provide to each enrollee in the PACE <sup>1</sup>[or Pre-PACE]<sup>1</sup>  
14 program, three months prior to the date on which the enrollee will  
15 be 65 years of age, contact and eligibility information for the  
16 Medicare program and any other information the <sup>2</sup>[commissioner]  
17 PACE program provider<sup>2</sup> shall deem necessary to ensure that  
18 enrollees in the PACE <sup>1</sup>[and Pre-PACE]<sup>1</sup> program have sufficient  
19 information to allow them to apply for Medicare coverage.

20 c. As used in this section, the definitions of section 1 of  
21 P.L.1997, c.296 (C.26:2H-88) shall apply.

22

23 2. The Commissioner of Human Services shall adopt rules and  
24 regulations pursuant to the “Administrative Procedure Act,” P.L.  
25 1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this  
26 act.

27

28 3. This act shall take effect immediately.

29

30

31

32

33 Requires DHS to notify enrollees in Programs of All-Inclusive  
34 Care for the Elderly of Medicare eligibility.

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:

<sup>1</sup>Assembly AHU committee amendments adopted March 19, 2015.

<sup>2</sup>Senate SHH committee amendments adopted June 15, 2015.

# ASSEMBLY, No. 4167

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED FEBRUARY 5, 2015

**Sponsored by:**

**Assemblyman JOSEPH A. LAGANA**

**District 38 (Bergen and Passaic)**

**Assemblyman VINCENT MAZZEO**

**District 2 (Atlantic)**

**Assemblyman TIMOTHY J. EUSTACE**

**District 38 (Bergen and Passaic)**

**Assemblyman BOB ANDRZEJCZAK**

**District 1 (Atlantic, Cape May and Cumberland)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Co-Sponsored by:**

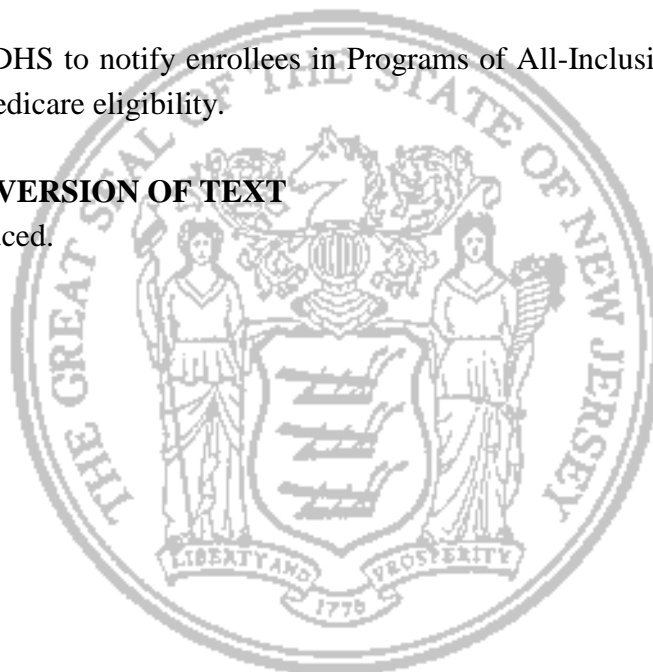
**Assemblyman Singleton, Assemblywoman Mosquera and Assemblyman Garcia**

**SYNOPSIS**

Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/20/2015)**

1 AN ACT concerning certain programs for the elderly and disabled  
2 and supplementing Title 26 of the Revised Statutes.

3

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

6

7 1. a. A person who applies to participate in the PACE or Pre-  
8 PACE program shall notify and provide to the Department of  
9 Human Services valid proof of their date of birth upon enrollment  
10 in the PACE or Pre-PACE program.

11 b. The department shall notify and provide to each enrollee in  
12 the PACE or Pre-PACE program, three months prior to the date on  
13 which the enrollee will be 65 years of age, contact and eligibility  
14 information for the Medicare program and any other information  
15 the commissioner shall deem necessary to ensure that enrollees in  
16 the PACE and Pre-PACE program have sufficient information to  
17 allow them to apply for Medicare coverage.

18 c. As used in this section, the definitions of section 1 of  
19 P.L.1997, c.296 (C.26:2H-88) shall apply.

20

21 2. The Commissioner of Human Services shall adopt rules and  
22 regulations pursuant to the "Administrative Procedure Act," P.L.  
23 1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this  
24 act.

25

26 3. This act shall take effect immediately.

27

28

29

STATEMENT

30

31 This bill will require the Department of Human Services to  
32 contact each person enrolled in a PACE or Pre-PACE program,  
33 prior to their 65th birthday, to notify them of their eligibility for the  
34 Medicare Program.

35 "PACE" means the "Program of All-Inclusive Care for the  
36 Elderly" operated by a public, private, nonprofit or proprietary  
37 entity, as permitted by federal law. The program is a comprehensive  
38 health and social services delivery system that integrates acute and  
39 long-term care services to disabled and frail elderly persons, over  
40 the age of 55, who are certified by the State as nursing home  
41 eligible to maximize their autonomy and continued independence.

42 "Pre-PACE" means a PACE program in its initial start-up phase  
43 and includes the same comprehensive scope of services as a PACE  
44 program. A Pre-PACE program may contract with the State to  
45 provide services to Medicaid-eligible persons for a limited scope of  
46 the PACE service package, with the remaining services reimbursed  
47 directly to the service providers by the Medicaid and Medicare  
48 programs.

1       The Department of Human Services is billed monthly by the  
2 facilities for each of the enrollees. The amount billed is a set  
3 amount and differs for those individuals who are dually eligible for  
4 Medicare and Medicaid and those who are solely eligible for  
5 Medicaid. According to information gathered for an audit of the  
6 program conducted by the State Auditor, the monthly rates for fiscal  
7 years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid  
8 recipients and \$6,097.57 for Medicaid only recipients. The State  
9 pays for these charges and is reimbursed for 50 percent of the cost  
10 by the federal government.

11       The State Auditor identified 336 claims in which the recipient  
12 was over the age of 65 and therefore eligible for Medicare, as well  
13 as Medicaid; but, the recipient was not enrolled in Medicare. In  
14 these cases, the State was billed the higher Medicaid only rate and  
15 the State Auditor estimated that costs savings of over \$432,000 may  
16 have been obtained if these individuals had been dual enrolled in  
17 Medicaid and Medicare.

18       This bill will require the department to notify the enrollees prior  
19 to their 65th birthday that they will be eligible for Medicare at the  
20 age of 65. This reminder is intended to increase the number of  
21 enrollees billed at the lower rate for dual eligible participants and  
22 reduce costs to the State.

# ASSEMBLY HUMAN SERVICES COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 4167**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 19, 2015

The Assembly Human Services Committee reports favorably and with committee amendments Assembly Bill No. 4167.

As amended by the committee, this bill will require the Department of Human Services (DHS) to contact each person enrolled in a PACE program, prior to their 65th birthday, to notify them of their eligibility for the Medicare Program.

“PACE” means the “Program of All-Inclusive Care for the Elderly” operated by a public, private, nonprofit or proprietary entity, as permitted by federal law. The program is a comprehensive health and social services delivery system that integrates acute and long-term care services to disabled and frail elderly persons, over the age of 55, who are certified by the State as nursing home eligible to maximize their autonomy and continued independence.

DHS is billed monthly by the facilities for each of the enrollees. The amount billed is a set amount and differs for those individuals who are dually eligible for Medicare and Medicaid and those who are solely eligible for Medicaid. According to information gathered for an audit of the program conducted by the State Auditor, the monthly rates for fiscal years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid recipients and \$6,097.57 for Medicaid only recipients. The State pays for these charges and is reimbursed for 50 percent of the cost by the federal government.

The State Auditor identified 336 claims in which the recipient was over the age of 65 and therefore eligible for Medicare, as well as Medicaid; but, the recipient was not enrolled in Medicare. In these cases, the State was billed the higher Medicaid only rate and the State Auditor estimated that costs savings of over \$432,000 may have been obtained if these individuals had been dual enrolled in Medicaid and Medicare.

This bill will require DHS to notify enrollees prior to their 65th birthday that they will be eligible for Medicare at the age of 65. This reminder is intended to increase the number of enrollees billed at the lower rate for dual eligible participants and reduce costs to the State.

#### COMMITTEE AMENDMENTS

The committee amendments delete the Pre-Pace program from the bill since New Jersey does not have those initial, start-up programs.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

**ASSEMBLY, No. 4167**

## **STATE OF NEW JERSEY 216th LEGISLATURE**

DATED: APRIL 9, 2015

### **SUMMARY**

- Synopsis:** Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility.
- Type of Impact:** Indeterminate, minimal expenditure increase, General Fund. Expenditure decrease, General Fund.
- Agencies Affected:** Department of Human Services, Division of Aging Services.

| <b>Fiscal Impact</b> | <b><u>Years 1 to 3</u></b>                        |
|----------------------|---|
| <b>State Cost</b>    | Indeterminate, minimal, expenditure increase      |
| <b>State Revenue</b> | Approximate \$432,000 annual expenditure decrease |

- The Office of Legislative Services (OLS) estimates that this bill may result in minimal, indeterminate expenditures by the department to ensure that each participant in the Program of All-Inclusive Care for the Elderly (PACE) is contacted prior to each individual's 65th birthday to notify that individual of Medicare eligibility. This cost cannot be determined, but it will most likely be dependent upon the contact method used by the department, or its contractor.
- The OLS further estimates that this bill will most likely result in decreased expenditures by the State approximating \$432,000 annually due to an increase in the number of PACE recipients who would be dually enrolled in Medicare and Medicaid.

### **BILL DESCRIPTION**

Assembly Bill No. 4167 (1R) of 2014 requires the Department of Human Services (DHS) to contact each person enrolled in a PACE program, prior to their 65th birthday, to notify that individual of their eligibility for the Medicare program. This reminder is intended to increase the number of enrollees billed at the lower rate for dual eligible participants and reduce costs to the State.



PACE programs are operated by a public, private, nonprofit or proprietary entity, as permitted by federal law. The program is a comprehensive health and social services delivery system that integrates acute and long-term care services to disabled and frail elderly persons, over the age of 55, who are certified by the State as nursing home eligible to maximize their autonomy and continued independence.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that this bill may result in minimal, indeterminate expenditures by the department to ensure that each participant in the PACE program is contacted prior to each individual's 65th birthday to notify that individual of Medicare eligibility. This cost cannot be determined, but it will most likely be dependent upon the contact method used by the department, or its contractor.

The costs will include the administrative time to develop an alert system which will notify the department of an individual's impending birthday. Staff time will also be used to notify each person. The OLS does not have information to determine how the department or its contractor will create such a system, but notes that a system could be developed to electronically alert and notify individuals at a reduced cost. If the only method of contact is traditional mail, then the costs will include more staff time, materials, and postage.

Additionally, the OLS estimates that the State may reduce expenditures by approximately \$432,000 if the department can ensure that all individuals who are qualified to be enrolled in both Medicare and Medicaid enroll in both programs.

According to information gathered for an audit of the program conducted by the State Auditor, DHS is billed monthly by the facilities for each of the enrollees. The amount billed is a set amount and differs for those individuals who are dually eligible for Medicare and Medicaid and those who are solely eligible for Medicaid. The monthly rates for fiscal years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid recipients, and \$6,097.57 for Medicaid only recipients. The State pays for these charges and is reimbursed for 50 percent of the cost by the federal government.

The State Auditor identified 336 claims in which the recipient was over the age of 65 and therefore eligible for Medicare, as well as Medicaid; but, the recipient was not enrolled in Medicare. In these cases, the State was billed the higher Medicaid only rate and the State Auditor estimated that costs savings of over \$432,000 may have been obtained if these recipients had been dual enrolled in Medicaid and Medicare.

*Section:* Human Services

*Analyst:* Robin Ford  
Senior Fiscal Analyst

*Approved:* David J. Rosen  
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE HEALTH, HUMAN SERVICES AND SENIOR  
CITIZENS COMMITTEE

STATEMENT TO

[First Reprint]  
**ASSEMBLY, No. 4167**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 15, 2015

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Assembly Bill No. 4167 (1R).

As amended by the committee, this bill would require a PACE program provider to contact each person enrolled in the PACE program, prior to their 65th birthday, to notify them of their eligibility for the Medicare program.

“PACE” means the “Program of All-Inclusive Care for the Elderly,” which is operated by a public, private, nonprofit, or proprietary entity, as permitted by federal law. The program is a comprehensive health and social services delivery system that integrates acute and long-term care services to disabled and frail elderly persons, over the age of 55, who are certified by the State as nursing home eligible to maximize their autonomy and continued independence.

DHS is billed monthly by the facilities for each of the enrollees. The amount billed is a set amount and differs for those individuals who are dually eligible for Medicare and Medicaid and those who are solely eligible for Medicaid. According to information gathered by the State Auditor for an audit of the program, the monthly rates for fiscal years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid recipients and \$6,097.57 for Medicaid only recipients. The State pays for these charges and is reimbursed by the federal government for 50 percent of the cost.

The State Auditor identified 336 claims in which the recipient was over the age of 65 and therefore eligible for Medicare, as well as Medicaid; but, the recipient was not enrolled in Medicare. In these cases, the State was billed the higher Medicaid only rate and the State Auditor estimated that cost savings of over \$432,000 may have been obtained if these individuals had been enrolled in both Medicaid and Medicare.

This bill would require a PACE program provider to notify enrollees prior to their 65th birthday that they will be eligible for Medicare at the age of 65. This reminder is designed to increase the number of enrollees billed at the lower rate for dual eligible participants and reduce costs to the State.

The committee amended the bill to:

- require an applicant for PACE program participation to notify and provide proof of the person’s date of birth to the PACE program provider, instead of to the Department of Human Services;
- require the PACE program provider, instead of the Department of Human Services, to notify each PACE program enrollee of the enrollee’s eligibility for Medicare; and
- specify that other information related to Medicare eligibility may be provided to a PACE program enrollee if such information is deemed by the PACE program provider, instead of by the Commissioner of Human Services, to be necessary.

As amended by the committee, this bill is identical to S-2751 (SCA) (Barnes), which the committee also reported favorably on this date.

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

**ASSEMBLY, No. 4167**

## **STATE OF NEW JERSEY 216th LEGISLATURE**

DATED: JUNE 26, 2015

### SUMMARY

- Synopsis:** Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility.
- Type of Impact:** An expenditure decrease.
- Agencies Affected:** Department of Human Services.

#### Office of Legislative Services Estimate

| <b>Fiscal Impact</b> | <b><u>Years 1 to 3</u></b>                        |
|----------------------|---|
| <b>State Revenue</b> | Approximate \$432,000 annual expenditure decrease |

- The Office of Legislative Services (OLS) estimates that this bill will most likely result in decreased expenditures by the State approximating \$432,000 annually due to an increase in the number of PACE recipients who would be dually enrolled in Medicare and Medicaid.

### BILL DESCRIPTION

Assembly Bill No.4167 (2R) of 2014 requires PACE program providers contact each person enrolled in a PACE program, prior to their 65th birthday, to notify that individual of their eligibility for the Medicare program. This reminder is intended to increase the number of enrollees billed at the lower rate for dual eligible participants and reduce costs to the State.

PACE programs are operated by a public, private, nonprofit or proprietary entity, as permitted by federal law. The program is a comprehensive health and social services delivery system that integrates acute and long-term care services to disabled and frail elderly persons, over the age of 55, who are certified by the State as nursing home eligible to maximize their autonomy and continued independence.

### FISCAL ANALYSIS

#### ***EXECUTIVE BRANCH***

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The OLS estimates that this bill may result in reduced State expenditures of approximately \$432,000 if all of the qualified individuals who participate in a PACE program enroll in both Medicare and Medicaid.

According to information gathered for an audit of the PACE program conducted by the State Auditor, DHS is billed monthly by the PACE programs for each of the enrollees. The amount billed is a set amount and differs for those individuals who are dually eligible for Medicare and Medicaid and those who are solely eligible for Medicaid. The monthly rates for fiscal years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid recipients, and \$6,097.57 for Medicaid only recipients. The State pays for these charges and is reimbursed for 50 percent of the cost by the federal government.

The State Auditor identified 336 claims in which the recipient was over the age of 65 and therefore eligible for Medicare, as well as Medicaid; but, the recipient was not enrolled in Medicare. In these cases, the State was billed the higher Medicaid only rate and the State Auditor estimated that costs savings of over \$432,000 may have been obtained if these recipients had been dual enrolled in Medicaid and Medicare.

*Section: Human Services*

*Analyst: Robin Ford  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**SENATE, No. 2751**

**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

INTRODUCED FEBRUARY 9, 2015

**Sponsored by:**

**Senator PETER J. BARNES, III**

**District 18 (Middlesex)**

**SYNOPSIS**

Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning certain programs for the elderly and disabled  
2 and supplementing Title 26 of the Revised Statutes.

3

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

6

7 1. a. A person who applies to participate in the PACE or Pre-  
8 PACE program shall notify and provide to the Department of  
9 Human Services valid proof of their date of birth upon enrollment  
10 in the PACE or Pre-PACE program.

11 b. The department shall notify and provide to each enrollee in  
12 the PACE or Pre-PACE program, three months prior to the date on  
13 which the enrollee will be 65 years of age, contact and eligibility  
14 information for the Medicare program and any other information  
15 the commissioner shall deem necessary to ensure that enrollees in  
16 the PACE and Pre-PACE program have sufficient information to  
17 allow them to apply for Medicare coverage.

18 c. As used in this section, the definitions of section 1 of  
19 P.L.1997, c.296 (C.26:2H-88) shall apply.

20

21 2. The Commissioner of Human Services shall adopt rules and  
22 regulations pursuant to the "Administrative Procedure Act," P.L.  
23 1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this  
24 act.

25

26 3. This act shall take effect immediately.

27

28

29

STATEMENT

30

31 This bill will require the Department of Human Services to  
32 contact each person enrolled in a PACE or Pre-PACE program,  
33 prior to their 65th birthday, to notify them of their eligibility for the  
34 Medicare Program.

35 "PACE" means the "Program of All-Inclusive Care for the  
36 Elderly" operated by a public, private, nonprofit or proprietary  
37 entity, as permitted by federal law. The program is a comprehensive  
38 health and social services delivery system that integrates acute and  
39 long-term care services to disabled and frail elderly persons, over  
40 the age of 55, who are certified by the State as nursing home  
41 eligible to maximize their autonomy and continued independence.

42 "Pre-PACE" means a PACE program in its initial start-up phase  
43 and includes the same comprehensive scope of services as a PACE  
44 program. A Pre-PACE program may contract with the State to  
45 provide services to Medicaid-eligible persons for a limited scope of  
46 the PACE service package, with the remaining services reimbursed  
47 directly to the service providers by the Medicaid and Medicare  
48 programs.

1       The Department of Human Services is billed monthly by the  
2 facilities for each of the enrollees. The amount billed is a set  
3 amount and differs for those individuals who are dually eligible for  
4 Medicare and Medicaid and those who are solely eligible for  
5 Medicaid. According to information gathered for an audit of the  
6 program conducted by the State Auditor, the monthly rates for fiscal  
7 years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid  
8 recipients and \$6,097.57 for Medicaid only recipients. The State  
9 pays for these charges and is reimbursed for 50 percent of the cost  
10 by the federal government.

11       The State Auditor identified 336 claims in which the recipient  
12 was over the age of 65 and therefore eligible for Medicare, as well  
13 as Medicaid; but, the recipient was not enrolled in Medicare. In  
14 these cases, the State was billed the higher Medicaid only rate and  
15 the State Auditor estimated that costs savings of over \$432,000 may  
16 have been obtained if these individuals had been dual enrolled in  
17 Medicaid and Medicare.

18       This bill will require the department to notify the enrollees prior  
19 to their 65th birthday that they will be eligible for Medicare at the  
20 age of 65. This reminder is intended to increase the number of  
21 enrollees billed at the lower rate for dual eligible participants and  
22 reduce costs to the State.



SENATE HEALTH, HUMAN SERVICES AND SENIOR  
CITIZENS COMMITTEE

STATEMENT TO

**SENATE, No. 2751**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 15, 2015

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 2751.

As amended by the committee, this bill would require a PACE program provider to contact each person enrolled in the PACE program, prior to their 65th birthday, to notify them of their eligibility for the Medicare program.

“PACE” means the “Program of All-Inclusive Care for the Elderly,” which is operated by a public, private, nonprofit or proprietary entity, as permitted by federal law. The program is a comprehensive health and social services delivery system that integrates acute and long-term care services to disabled and frail elderly persons, over the age of 55, who are certified by the State as nursing home eligible to maximize their autonomy and continued independence.

DHS is billed monthly by the facilities for each of the enrollees. The amount billed is a set amount and differs for those individuals who are dually eligible for Medicare and Medicaid and those who are solely eligible for Medicaid. According to information gathered by the State Auditor for an audit of the program, the monthly rates for fiscal years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid recipients and \$6,097.57 for Medicaid only recipients. The State pays for these charges and is reimbursed by the federal government for 50 percent of the cost.

The State Auditor identified 336 claims in which the recipient was over the age of 65 and therefore eligible for Medicare, as well as Medicaid; but, the recipient was not enrolled in Medicare. In these cases, the State was billed the higher Medicaid only rate and the State Auditor estimated that cost savings of over \$432,000 may have been obtained if these individuals had been enrolled in both Medicaid and Medicare.

This bill would require a PACE program provider to notify enrollees prior to their 65th birthday that they will be eligible for

Medicare at the age of 65. This reminder is designed to increase the number of enrollees billed at the lower rate for dual eligible participants and reduce costs to the State.

The committee amended the bill to:

- delete references to the Pre-PACE program, which New Jersey does not have;
- require an applicant for PACE program participation to notify and provide proof of the person’s date of birth to the PACE program provider, instead of to the Department of Human Services;
- require the PACE program provider, instead of the Department of Human Services, to notify each PACE program enrollee of the enrollee’s eligibility for Medicare; and
- specify that other information related to Medicare eligibility may be provided to a PACE program enrollee if such information is deemed by the PACE program provider, instead of by the Commissioner of Human Services, to be necessary.

As amended by the committee, this bill is identical to A-4167 (1R) (SCA) (Lagana/Mazzeo/Eustace/Andrzejczak/Vainieri Huttle), which the committee also reported favorably on this date.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 2751 STATE OF NEW JERSEY 216th LEGISLATURE

DATED: JUNE 26, 2015

### SUMMARY

**Synopsis:** Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility.

**Type of Impact:** An expenditure decrease.

**Agencies Affected:** Department of Human Services.

| <b>Fiscal Impact</b> | <b><u>Years 1 to 3</u></b>                        |
|----------------------|---|
| <b>State Revenue</b> | Approximate \$432,000 annual expenditure decrease |

- The Office of Legislative Services (OLS) estimates that this bill will most likely result in decreased expenditures by the State approximating \$432,000 annually due to an increase in the number of PACE recipients who would be dually enrolled in Medicare and Medicaid.

### BILL DESCRIPTION

Senate Bill No. 2751 (1R) of 2014 requires PACE program providers contact each person enrolled in a PACE program, prior to their 65th birthday, to notify that individual of their eligibility for the Medicare program. This reminder is intended to increase the number of enrollees billed at the lower rate for dual eligible participants and reduce costs to the State.

The PACE programs are operated by a public, private, nonprofit or proprietary entity, as permitted by federal law. The program is a comprehensive health and social services delivery system that integrates acute and long-term care services to disabled and frail elderly persons, over the age of 55, who are certified by the State as nursing home eligible to maximize their autonomy and continued independence.

### FISCAL ANALYSIS

#### **EXECUTIVE BRANCH**

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The OLS estimates that this bill may result in reduced State expenditures of approximately \$432,000 if all of the qualified individuals who participate in a PACE program enroll in both Medicare and Medicaid.

According to information gathered for an audit of the PACE program conducted by the State Auditor, DHS is billed monthly by the PACE programs for each of the enrollees. The amount billed is a set amount and differs for those individuals who are dually eligible for Medicare and Medicaid and those who are solely eligible for Medicaid. The monthly rates for fiscal years 2012 and 2013 were \$4,809.95 for Medicare and Medicaid recipients, and \$6,097.57 for Medicaid only recipients. The State pays for these charges and is reimbursed for 50 percent of the cost by the federal government.

The State Auditor identified 336 claims in which the recipient was over the age of 65 and therefore eligible for Medicare, as well as Medicaid; but, the recipient was not enrolled in Medicare. In these cases, the State was billed the higher Medicaid only rate and the State Auditor estimated that costs savings of over \$432,000 may have been obtained if these recipients had been dual enrolled in Medicaid and Medicare.

*Section: Human Services*

*Analyst: Robin Ford  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
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 Christie Takes Action On Pending Legislation

Monday, November 9, 2015 Tags: [Bill Action](#)



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Trenton, NJ – Governor Chris Christie today took action on legislation, including a package of five bills intended to address the fiscal stability of Atlantic City.

Understanding both the immediate and long-term obstacles facing Atlantic City and its stabilization, the Governor has consistently highlighted the need for comprehensive reform efforts to confront the city's challenges – both from State and local leaders. The Governor remains committed to bringing about the necessary reforms to stabilize Atlantic City and continue an effective long-term transition to an economy that is diversified beyond its traditional gaming industry.

Continuing in that effort, Governor Christie conditionally vetoed A-3981, establishing a payment-in-lieu-of-taxes (PILOT) program for casinos operating in the City, A-3984, reallocating revenue derived from the casino investment alternative tax from the Casino Reinvestment Development Authority to the City to pay debt service on municipal bonds, and A-3985, repealing the Atlantic City Alliance.

"While I commend the Legislature for attempting to devise measures to stabilize the City's budget and finances, I am concerned that the bills, in their present form, fail to recognize the true path to economic revitalization and fiscal stability in the City," Governor Christie said. "While these bills represent the bipartisan efforts of many to provide important, near-term support to the City's immediate challenges, I do not believe they meet the goal of setting a course toward renewed, long-term prosperity and economic growth. To achieve these goals, we must continue our work and go further to ensure that the next step leads to that economically vibrant future for Atlantic City."

In addition, the Governor signed A- 3983, authorizing supplemental school aid to the Atlantic City school district, and vetoed the fifth bill, A-3982, which would add a costly and unjustified new mandate for casino business operation in the City by requiring each casino, as a condition of licensure, to provide to its full time employees "suitable" health care benefits and "suitable" retirement benefits.

"A-3982 would do nothing to enhance the financial condition of Atlantic City," Governor Christie wrote. "To be sure, this bill would make it more costly for casinos to operate in Atlantic City, thereby impeding the industry's ability to grow and expand."

Governor Christie also vetoed legislation designed to revise certain laws concerning domestic violence and firearms. The Christie Administration has made protecting our most vulnerable residents one of its main priorities and has enacted some of the toughest measures to combat domestic violence. Governor Christie has supported a comprehensive approach to addressing the level of violence within our society and recently signed legislation to further penalize aggravated assault perpetuated against domestic violence victims. This legislation, A-4218 (Mosquera, Greenwald, Lagana, Benson, Lampitt, Vainieri Huttie, Danielsen/Weinberg, Gill, Cruz-Perez), substantially restates New Jersey's existing laws that govern firearms and domestic violence and does not offer new and sensible improvements to those current laws. For that reason, rather than restate existing laws, the Governor is proposing significant amendments that will meaningfully deter future acts of violence.

• **Enhanced Penalties For Domestic Violence.** Governor Christie is proposing enhanced criminal penalties imposed against those who are convicted of domestic violence. To demonstrate society's unconditional condemnation of this conduct, perpetrators would receive the maximum available prison sentence under New Jersey law.

• **Tighter Restrictions On Parole Eligibility For Perpetrators Of Domestic Violence.** The Governor's recommended changes will strengthen penalties for perpetrators of domestic abuse by lengthening periods of parole

ineligibility.

- **Prioritizing Victims Who Seek Firearms For Protection.** The Governor is also recommending an immediate codification in statute of new rules currently being processed, giving expedited processing of firearm license applications for victims of domestic violence so that the victims may better defend themselves against future instances of abuse.

"I urge the Legislature to join with me in a bipartisan manner to broaden this bill's approach to reducing domestic violence while simultaneously empowering victims to protect themselves through lawful means," Governor Christie said. "Together, we can enact a more comprehensive approach and reduce the harm that domestic violence inflicts on victims, families, and our society."

The Governor also took the following action on other pending legislation:

#### BILL SIGNINGS:

**S-2174/A-3364 (Barnes, Holzapfel/Quijano, Mainor, Pinkin)** - Prohibits manufacture, sale, or installation of counterfeit or nonfunctional air bags in motor vehicles

**A-815/S-852 (Coughlin, Ciattarelli, Diegnan, Pinkin, Giblin/Vitale)** - Requires municipalities which license peddlers and solicitors to accept certain background check results from other municipalities

**A-1029/S-274 (Benson, Vainieri Huttie, Jasey, Tucker, Wimberly/Greenstein, Ruiz)** - Requires training program for school bus drivers and school bus aides on interacting with students with special needs, and requires development and use of student information cards

**A-1041/S-2676 (Schaer, Johnson, Vainieri Huttie, Eustace, Mazzeo/Rumana, Gordon, Weinberg)** - Exempts Holocaust reparations payments from legal process, and from estate recovery under Medicaid program

**A-1102/S-1145 (Vainieri Huttie, Sumter, Spencer, Schaer, Wimberly/Weinberg, Cruz-Perez)** - Provides for licensure of dementia care homes by DOH

**ACS for A-1662/S-2856 (Johnson, Lagana, Wimberly/Weinberg)** - Authorizes the court to order the deletion, sealing, labeling, or correction of certain personal information in government records involving certain victims of identity theft

**AS for A-1678/SS for S-1365 (Johnson, Mainor, O'Scanlon, Wilson, Wimberly/Weinberg)** - Authorizes court to order submission of DNA evidence to national database to determine whether evidence matches known individual or DNA profile from an unsolved crime

**AS for ACS for A-2073/SCS for S-712 (Handlin, Space, Garcia, Pintor Marin/Cruz-Perez, Kyrillos, Lesniak)** - Exempts certain offers and sales of securities from registration

**A-2385/S-944 (McKeon, Diegnan, Jasey, Andrzejczak/Smith, Codey)** - Authorizes rural electric cooperative and certain municipalities to establish municipal shared services authority

**ACS for A-2477/SCS for S-1705 (Lampitt, Conaway, Benson, Sumter, Munoz, Pinkin/Vitale, Singer)** - Establishes requirements for pharmacists to dispense biological products

**A-2714/S-1993 (Giblin, Sumter/Barnes)** - Requires continuing education for licensed practicing psychologists

**A-2936/S-1957 (Mosquera, Lampitt, Singleton, Wimberly/Singer, Connors)** - Requires complaint for guardianship of person receiving services from Division of Developmental Disabilities to include one of documents identified in bill

**A-3012/S-2296 (Ciattarelli, Dancer/Bateman)** - Criminalizes bestiality

**A-3079/S-2766 (Jasey, Diegnan, Mainor, Wimberly, Oliver, DeCroce/Turner, Ruiz)** - Prohibits administration of standardized assessments in kindergarten through second grade

**A-3153/S-2415 (DeAngelo, Mosquera/Madden, Beach)** - Requires UI employer contribution reports and remittances be submitted to the Division of Revenue

**A-3248/S-2459 (Conaway, Sumter, Pintor Marin/Singer)** - Establishes the Task Force on Chronic Obstructive Pulmonary Disease in DOH

**A-3580/S-2846 (Moriarty, Dancer, Coughlin, Mainor, Pinkin, Munoz, Daniels, Wimberly/Madden, Turner)** - Prohibits sale of powdered alcohol

**A-3636/SCS for S-2393, 2408, 2411 (McKeon, Lagana, Spencer/Scutari, O'Toole, Holzapfel)** - Establishes crime-fraud exception to marital and civil union partnership privilege

**A-3669/S-2655 (Mazzeo, Burzichelli/Whelan)** - Prohibits eligibility for certain sign programs from being conditioned on availability of free drinking water or public telephone

**A-3807/S-2619 (Eustace, Greenwald/Whelan)** - Permits educational research and services corporations to act as lead procurement agencies for local units and publically supported educational institutions; permits Council of County Colleges to act as lead procurement agency for county colleges

**A-3841/S-2540 (Munoz, Gusciora, Angelini, DeCroce/O'Toole, Weinberg)** – Upgrades violation of a stalking restraining order to a crime of the third degree

**A-3843/S-2735 (Caputo, Giblin, Tucker, Johnson, Mainor, Sumter/Rice)** - Permits municipality to enact ordinance allowing voluntary registration of private outdoor video surveillance cameras

**A-3983/S-2574 (Mazzeo, Burzichelli, Giblin/Sweeney, Whelan)** - Authorizes supplemental State aid to school districts in municipality with significant decrease in commercial property valuation; makes appropriation

**A-4008/SCS for S-2334 (Singleton, Mukherji, Pintor Marin, Wimberly, Sumter/Cunningham, Ruiz)** - Requires DOC to make reports containing information concerning treatment and reentry initiative participation; requires AOC to establish program that collects recidivism data and make reports concerning adults sentenced to period of probation

**A-4013/S-2497 (Greenwald, Lagana, Coughlin/Oroho)** - Eliminates mortgage guaranty insurance coverage cap of 25% of outstanding balance of insured loan

**A-4073/S-2687 (Schaer, Prieto, Caride, Lagana, Giblin, Wimberly, Rumana/Sarlo, Gill)** - Requires installation of carbon monoxide detectors in certain structures; designated as "Korman and Park's Law"

**A-4078/S-2686 (Vainieri Huttie, Mosquera, McKeon, Munoz, Benson, Sumter/Pou, Beck)** - "Sexual Assault Survivor Protection Act of 2015"; authorizes the court to issue protective orders for victims of certain nonconsensual sexual conduct

**A-4089/S-2693 (Coughlin, Ciattarelli/Beach, Singer)** - Revises certain provisions of dental service corporation law

**A-4143/S-2514 (Lagana, Spencer, Mukherji, Johnson, Rumana, Rodriguez-Gregg, Gusciora, Mazzeo/Barnes, Addiego)** - Permits holders of certain alcoholic beverage licenses to be issued amusement game license and updates definition of recognized amusement park

**A-4144/S-2755 (Pintor Marin, Spencer, Caride, Quijano, Mukherji/Ruiz, Stack)** – Requires insurance producer licensing examination and registration materials to be offered in English and Spanish, and examination instructional materials to be available in Spanish

**A-4167/S-2751 (Lagana, Mazzeo, Eustace, Andrzejczak, Vainieri Huttie/Barnes)** - Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility

**A-4168/S-2750 (Lagana, Mazzeo, Eustace, Andrzejczak, Vainieri Huttie/Barnes)** - Requires providers to submit to DHS expenditure details of enrollees in Program of All-Inclusive Care for the Elderly

**A-4169/S-2752 (Lagana, Mazzeo, Eustace, Andrzejczak, Vainieri Huttie/Barnes)** - Requires DHS to monitor utilization and billing of services for Medicaid home and community-based long-term care

**A-4333/S-3020 (Singleton, Gill)** - Exempts certain activities of alarm businesses from statutes governing practice of locksmithing

**A-4361/S-2891 (Johnson, A.M. Bucco, Garcia, S. Kean/Barnes, A.R. Bucco)** - Revises definition of all-terrain vehicles

**A-4375/S-3011 (Moriarty, Andrzejczak, Mazzeo, Mosquera, Quijano, Ciattarelli, Wimberly/Van Drew, Bateman)** - Upgrades crimes of false public alarm under certain circumstances and establishes reporting requirements concerning crime

**A-4485/S-2881 (Diegnan, Jasey, Wimberly, McKeon, Lagana/Gill, Turner)** - Prohibits withholding of State school aid based on student participation rate on State assessments

**A-4587/S-3049 (Greenwald, Lampitt, McKeon, Holley/Scutari, Cruz-Perez)** – Requires facilities providing services to persons with developmental disabilities and schools to adopt policies permitting administration of medical marijuana to qualifying patients

**AJR-64/SJR-82 (Schaer, Eustace, Lagana, Spencer, Caride, Mukherji/Pou, Ruiz)** - Declares August 16 of each year as "Dominican Restoration Day" in New Jersey

#### **BILLS VETOED:**

**S-929/A-1908 (Sweeney, Madden/Burzichelli, Riley, Moriarty)** – **ABSOLUTE** -Concerns certain workers' compensation supplemental benefits

**A-801/S-861 (Coughlin, Wisniewski, Mazzeo/Vitale, Sacco)** - **CONDITIONAL** - Directs New Jersey Turnpike Authority and South Jersey Transportation Authority to study and report on potential revenue generating services of rest areas and service plazas

**A-947/S-2216 (Singleton, Lagana, Diegnan/Pennacchio, Rice)** – **CONDITIONAL** - Requires release of bid list prior to bid date under "Local Public Contracts Law"

**A-1468/S-2513 (Diegnan, Lampitt, Caride/Barnes, Ruiz)** – **CONDITIONAL** -Establishes Task Force on Engineering Curriculum and Instruction

**A-1726/S-308 (Eustace, Lagana, Mosquera, Vainieri Huttie, Wimberly/Gordon)** – **CONDITIONAL** - Amends "Flood Hazard Area Control Act" to require DEP to take certain actions concerning delineations of flood hazard areas and

floodplains

**A-2579/S-1510 (Mukherji, Pintor Marin, Eustace/Smith, Bateman) – CONDITIONAL** - Authorizes municipalities to facilitate private financing of water conservation, storm shelter construction, and flood and hurricane resistance projects through use of voluntary special assessments

**A-2771/S-452 (Johnson, Burzichelli, Pintor Marin, Mosquera/Ruiz, Cruz-Perez) – CONDITIONAL** - "The New Jersey Social Innovation Act"; establishes social innovation loan pilot program and study commission within EDA

**A-2906/S-2926 (Stender, Pinkin, Mazzeo/Whelan, Scutari) – ABSOLUTE** - Excludes from gross income compensation paid to members of district boards of election for services rendered in elections

**A-3223/S-2056 (Singleton, Lampitt, Quijano, Pintor Marin, Wimberly/Sarlo, Ruiz) – CONDITIONAL** - Requires Division of Local Government Services to include certain property tax information on division's web page

**A-3393/S-2167 (Spencer, Pintor Marin, Caputo, Tucker/Rice, Ruiz) – CONDITIONAL** - Permits Newark to use rental car tax proceeds over three-year period to help reduce its "cash deficit for preceding year" appropriation and operational deficit

**A-3421/S-2220 (Dancer, Mukherji/Singer) – CONDITIONAL** - Revises the "Self-Funded Multiple Employer Welfare Arrangement Regulation Act"

**A-3435/S-2503 (Garcia, Mukherji, Vainieri Huttie, Mainor, Eustace, Mosquera/Stack, Gordon) - CONDITIONAL** - "Boys & Girls Clubs Keystone Law"; permits minors to give consent for behavioral health care

**A-3500/S-1973 (Andrzejczak, Pinkin, Quijano/Van Drew, Beach) – ABSOLUTE** - Requires local recreation departments and youth serving organizations to have defibrillators for youth athletic events

**A-3954/S-2981 (Conaway, Singleton, Spencer, McKeon/Greenstein) – CONDITIONAL** - Requires maximum contaminant level to be established for 1,2,3-trichloropropane in drinking water

**A-3981/S-2572 (Mazzeo, Burzichelli, Andrzejczak/Sweeney, Whelan) - CONDITIONAL** - "Casino Property Taxation Stabilization Act"

**A-3982/S-2573 (Mazzeo, Burzichelli, Andrzejczak/Sweeney, Whelan) – ABSOLUTE** - Requires holder of casino license to provide certain employees with certain health care and retirement benefits

**A-3984/S-2575 (Mazzeo, Burzichelli, Giblin/Sweeney, Whelan) – CONDITIONAL** - Reallocates casino investment alternative tax to Atlantic City to pay debt service on municipal bonds issued

**A-3985/S-2576 (Mazzeo, Burzichelli, Andrzejczak, Giblin/Sweeney, Whelan) – CONDITIONAL** - Removes provisions of law relating to Atlantic City Alliance

**A-4018/S-2843 (Burzichelli, Caputo, Mazzeo/Sarlo, Whelan) – ABSOLUTE** - Authorizes operation of lottery courier services

**A-4218/S-2786 (Mosquera, Greenwald, Lagana, Benson, Lampitt, Vainieri Huttie, Danielsen/Weinberg, Gill, Cruz-Perez) - CONDITIONAL** - Revises certain laws concerning domestic violence and firearms

**A-4265/S-2783 (McKeon, Pintor Marin, Jasey, Caputo, Giblin, Tucker, Spencer, Oliver, Gusciora, Danielson/Codey, Ruiz, Rice) – ABSOLUTE** - Permits municipal, county, and regional police and fire forces to establish five-year residency requirement for police officers and firefighters; allows exceptions to requirement under certain circumstances

**A-4337/S-3008 (Schaer, Danielsen, Dancer, Sumter/Barnes) – ABSOLUTE** - Expands eligibility of inmates for medical parole and requires inmate's enrollment in Medicaid under certain circumstances

**A-4476/S-2876 (Conaway/Codey) - CONDITIONAL** - Requires certain surgical practices and ambulatory care facilities licensed in this State to be owned by hospital or medical school located in the State

**A-4607/S-3106 (Pintor Marin, Schaer, Oliver, Lagana, Johnson, Singleton/Ruiz, Cunningham) – ABSOLUTE** - Makes FY 2016 supplemental appropriations of \$6,500,000 and adds language provision

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