

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 3495**

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. 3495.

As amended by the committee, this bill requires the Department of Human Services (department) to provide for the presumptive eligibility for home and community-based services, nursing home services, and the program of all-inclusive care for the elderly (PACE) under Medicaid for an individual who is: seeking home and community-based services, nursing home care or PACE enrollment; awaiting an eligibility determination for Medicaid and any applicable Medicaid waiver program offering home and community-based services, nursing home services, or services provided through PACE; and likely to be financially and clinically eligible for Medicaid and any applicable Medicaid waiver program offering home and community-based services, nursing home services, or services provided through PACE as determined by the department.

As amended, the department will provide Medicaid coverage for eligible home and community-based services, nursing home services, services provided through PACE to an individual who is granted presumptive eligibility. Coverage will begin upon the receipt of an individual's request for services and will end if the individual is determined clinically or financially ineligible for home and community-based services, nursing home services, or services provided through PACE under Medicaid during the eligibility determination process.

As amended, an individual seeking presumptive eligibility for home and community-based services, nursing home services, or services provided through PACE under Medicaid will be required to submit a request to the department in a manner and form as determined by the Commissioner of Human Services (commissioner). An individual granted presumptive eligibility will be required to submit a completed application for Medicaid and any applicable Medicaid waiver program offering home and community-based services, nursing home services, or services provided through PACE no later than the end of the month following the month in which presumptive eligibility is granted. The department will provide each individual granted presumptive eligibility pursuant to this bill a written notice explaining

the terms and conditions of presumptive eligibility and the home and community-based services, nursing home services, or services provided through PACE that the individual will be eligible to receive.

As amended, a home and community-based services provider, nursing home facility, or PACE center is to be reimbursed for all Medicaid-eligible services rendered to an individual who has been granted presumptive eligibility, regardless of whether the individual granted presumptive eligibility is determined clinically or financially ineligible for home and community-based services, nursing home services, or services provided through PACE under Medicaid during the eligibility determination process.

The commissioner will apply for such State plan amendments or waivers as may be necessary to implement the provisions of this bill and to secure federal financial participation for State Medicaid expenditures under the federal Medicaid program.

#### COMMITTEE AMENDMENTS:

The committee amendments require the department to provide presumptive eligibility for nursing home services and services provided through programs of all-inclusive care for the elderly (PACE) to eligible individuals under Medicaid. As introduced, the bill only provided presumptive eligibility for home and community-based services.

The committee amendments stipulate that a home and community-based services provider, nursing home facility, or PACE center is to be reimbursed for all Medicaid-eligible services rendered to an individual who has been granted presumptive eligibility, regardless of whether the individual granted presumptive eligibility is determined clinically or financially ineligible for home and community-based services, nursing home services, or services provided through PACE under Medicaid during the eligibility determination process.

The committee amendments revise the title and synopsis of the bill to reflect these changes.

The committee amendments make certain technical changes concerning cross-citations, punctuation, and grammar.

#### FISCAL IMPACT:

The Office of Legislative Services determines that requiring presumptive eligibility under Medicaid for home and community-based services, nursing home services, and programs of all-inclusive care for the elderly will reduce annual State Medicaid expenditures and result in annual net State cost savings of \$24 million to \$99.5 million. Providing for presumptive eligibility under Medicaid for these services would result in State cost savings by allowing for an applicant's care needs to be met outside of a nursing home setting and, instead, via less expensive community-based care. The magnitude of cost savings, however, will be reduced somewhat due to increased costs for services provided to applicants during the presumptive

eligibility period. Because State Medicaid expenditures are expected to be lower under the bill, State revenues are also expected to be lower from reduced federal reimbursements. The net State revenue loss is estimated at \$12 million to \$49.8 million annually.