

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2804

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: SEPTEMBER 26, 2024

SUMMARY

- Synopsis:** Requires DHS and State Board of Medical Examiners to develop and implement process to improve efficiency of reviewing NJ FamilyCare provider applications.
- Type of Impact:** Potential State cost and revenue impacts.
- Agencies Affected:** Department of Human Services; Department of Law and Public Safety, Division of Consumer Affairs.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Potential State Cost Impact	Indeterminate
Potential State Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) concludes that any additional State costs under the bill could likely be absorbed by resources currently available to the Board of Medical Examiners in the Division of Consumer Affairs. This is because, in recent years, revenues collected by the Board of Medical Examiners have routinely surpassed the Board's annual expenditures.
- The OLS assumes that to the extent that State costs increase in order to develop and implement a process to improve the efficiency of reviewing NJ FamilyCare provider applications, the Division of Consumer Affairs would increase the licensure fee charged to individuals seeking licensure to practice medicine in the State.
- Any additional costs borne by the Department of Human Services would be in the form of increased contract payments to Gainwell Technologies, the NJ FamilyCare contracted systems administrator, which is also responsible for NJ FamilyCare provider enrollment. Because State Medicaid administrative costs are eligible for federal Medicaid reimbursements, the State would be responsible for 50 percent of any increased NJ FamilyCare administrative costs, pursuant to the bill.

BILL DESCRIPTION

Within 365 days of the bill's effective date, the Division of Medical Assistance and Health Services in the Department of Human Services and the State Board of Medical Examiners are required to develop and implement a process to improve the efficiency of the process by which NJ FamilyCare provider applications are reviewed.

Under the bill, the State Board of Medical Examiners will make an applicant's medical license number available to the division within five days of issuing the license to the applicant. If the applicant is denied licensure, the State Board of Medical Examiners will notify the division within five days of its final determination.

The bill directs the division, to the extent possible, to immediately begin to process the portion of the application regarding NJ FamilyCare provider enrollment. Within 15 days of receiving an applicant's license number from the State Board of Medical Examiners, the division will notify the applicant, in writing, of any additional information or documentation required by the division to enroll the applicant as an approved NJ FamilyCare physician.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that any additional State costs under the bill could likely be absorbed by resources currently available to the Board of Medical Examiners in the Division of Consumer Affairs. This is because, in recent years, revenues collected by the Board of Medical Examiners have routinely surpassed the Board's annual expenditures.

In response to an FY 2024 OLS Discussion Point, the Department of Law and Public Safety provided information illustrating that the Board of Medical Examiners has transferred funds to the Division of Consumer Affairs to offset costs associated with the division's activities in support of the board; since FY 2015, the board has transferred annual amounts ranging between \$0.5 million and \$18.5 million to the department for this purpose. According to the department, the Division of Consumer Affairs utilizes funds transferred from various professional boards, including the Board of Medical Examiners, to fill staff vacancies within the professional boards, maintain information technology infrastructure, develop new electronic applications, and meet the continuous query requirements under the National Practitioner Data Bank.

The OLS assumes that to the extent that State costs increase in order to develop and implement a process to improve the efficiency of reviewing NJ FamilyCare provider applications, the Division of Consumer Affairs would increase the licensure fee charged to individuals seeking licensure to practice medicine in the State. In CY 2024, individuals applying for a medical license pay a \$325 nonrefundable application fee to the board; at the time of licensure, applicants also pay a one-time endorsement fee of \$225, plus an annual registration fee of \$290.

The OLS assumes, further, that the Department of Human Services will realize additional, indeterminate costs to review provider applications upon receipt, and, within 15 days of receipt of an applicant's license number, notify the applicant of any additional information or documentation required to enroll as an approved NJ FamilyCare physician. Any additional costs borne by the

Department of Human Services would be in the form of increased contract payments to Gainwell Technologies, the NJ FamilyCare Contracted Systems Administrator, which is also responsible for NJ FamilyCare provider enrollment. Because State Medicaid administrative costs are eligible for federal Medicaid reimbursements, the State would be responsible for 50 percent of any increased NJ FamilyCare administrative costs, pursuant to the bill.

Section: Human Services

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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