

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3438

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: MARCH 12, 2025

SUMMARY

- Synopsis:** Requires Medicaid coverage for motorized wheelchairs for nursing facility residents under certain circumstances.
- Type of Impact:** Annual State expenditure and revenue increases.
- Agencies Affected:** Department of Human Services.

Office of Legislative Services Estimate

| Fiscal Impact | <u>Annual</u> |
|----------------------------|---------------|
| State Expenditure Increase | Indeterminate |
| State Revenue Increase | Indeterminate |

- The Office of Legislative Services (OLS) concludes that this bill will result in an indeterminate annual expenditure increase under the NJ FamilyCare Program due to the provision of motorized wheelchairs for nursing facility residents. Any increased costs concomitantly will grow annual State revenue from federal reimbursements for eligible NJ FamilyCare expenditures.
- According to the NJ FamilyCare fee schedule, the current fee-for-service reimbursement rate for a motorized wheelchair provided to an eligible enrollee who is residing in the community ranges from \$2,913.94 to \$3,646.69, depending on the features of the wheelchair.

BILL DESCRIPTION

The bill requires the NJ FamilyCare program to provide coverage for a motorized wheelchair for an enrollee residing in a nursing facility if the enrollee is prescribed the motorized wheelchair by the enrollee’s licensed physician or primary healthcare provider. When the enrollee no longer needs this equipment, possession and control will revert to the Department of Human Services.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill will result in an annual indeterminate expenditure increase under the NJ FamilyCare Program, the State's Medicaid program, due a change in policy regarding how nursing homes are reimbursed for the costs associated with the provision of motorized wheelchairs to eligible nursing home residents. Under current regulation, any expenses a nursing facility incurs from the provision of a motorized wheelchair to an NJ FamilyCare enrollee is considered reimbursed under the per diem reimbursement for that enrollee. This reimbursement is static, regardless of the services or equipment provided to the enrollee by the nursing home. Under this bill, a nursing facility would continue to receive the resident's per diem reimbursement rate and also be allowed to submit a separate claim for the provision of a motorized wheelchair, when applicable. Any increased costs concomitantly will grow annual State revenue in the form of federal reimbursements for eligible NJ FamilyCare expenditures.

The number of NJ FamilyCare enrollees who would be eligible for coverage of a motorized wheelchair under this bill is unknown. For reference, as of December 2024, there are 24,417 residents of nursing homes enrolled in NJ FamilyCare. According to the NJ FamilyCare fee schedule, the current fee-for-service reimbursement rate for a motorized wheelchair provided to an eligible enrollee residing in the community ranges from \$2,914 to \$3,647, depending on the features of the wheelchair.

According to research by KFF, a non-profit organization, approximately 65 percent of residents at nursing facilities depend on a wheelchair for mobility or are unable to walk without extensive or constant support from others. Under the bill, it is assumed that motorized wheelchairs would be reserved for those residents with limited strength to maneuver a standard wheelchair. Based upon information shared by providers, it is further assumed that motorized wheelchairs would be more likely to be prescribed to residents who intend to return to the community. For illustrative purposes only, assuming that 10 percent to 20 percent of the State's current census of NJ FamilyCare nursing home residents are eligible for a motorized wheelchair and that the existing fee-for-service reimbursement rate is applied under the bill, the total State cost would range from \$7.1 million to \$17.8 million. Of these amounts, the State would be responsible for \$3.6 million to \$8.9 million of these costs and the federal government responsible for the remaining portion.

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 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.).