LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 5034
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JANUARY 15, 2026

SUMMARY

Synopsis: Establishes pilot program to support hospitals that maintain certain services when relocating; appropriates $3 million.

Type of Impact: Ten-year State expenditure increase.

Agencies Affected: Department of Health; Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Years 2 through 10
State Expenditure Increase	$3.0 million	Indeterminate
State Revenue Increase	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) determines that State costs will increase over approximately ten years to provide financial assistance to hospitals that meet the requirements for participation in the pilot program.

- The bill appropriates $3.0 million to the Department of Health for the provisions of the bill.

- Monmouth Medical Center in Long Branch, which received State Health Planning Board approval in December 2025 to relocate to a new campus in Tinton Falls, appears to be the only hospital that currently qualifies for the pilot program. The OLS, however, cannot anticipate the extent to which the $3.0 million appropriation will cover anticipated annual costs for the hospital to maintain a community access location in Long Branch or implement community health programs to support continued access to care for Long Branch residents, as required under the bill.

- Given that the bill authorizes the Department of Health to waive the bill's requirements and any State regulatory requirements governing hospital licensure, as necessary to maintain a community access location in an underserved community, the OLS concludes that additional hospitals may seek to participate in the pilot program, thereby potentially increasing State costs for financial assistance to participating hospitals.

- To the extent that the bill's requirements to ensure continued access to health care in underserved communities results in the provision of additional health care services for NJ FamilyCare enrollees in these communities, NJ FamilyCare program expenditures will increase by an indeterminate amount. Any increase in State expenditures for the NJ FamilyCare program will result in an indeterminate increase in State revenues, in the form of federal reimbursements for State expenditures under the federal Medicaid program.

BILL DESCRIPTION

The bill establishes the Continued Access in Underserved Communities Pilot Program, a ten-year pilot program to support hospitals that maintain certain services when relocating from an underserved community. To ensure continued access to care for patients residing in underserved communities, the Department of Health will establish a pilot program under which a hospital, for which the department has approved a certificate of need application to relocate from the hospital's original location in an underserved community to a property owned by the federal government on or before December 31, 2005, may maintain a community access location at the hospital's original location for the duration of the pilot program.

The community access location must operate at the relocated hospital's original location in an underserved community, under the same license as the relocated hospital, and may be: (1) operated as a remote location of the relocated hospital; and (2) overseen by the same administration, support departments, and clinical departments as the relocated hospital. The Department of Health is authorized to waive the bill's requirements or any other requirements under State regulations governing hospital licensure as necessary for the hospital to maintain a community access location at its original location in an underserved community, in a manner that facilitates integration with the relocated hospital.

Any hospital that participates in the pilot program will apply for and receive financial assistance to cover anticipated costs to develop and maintain the services and infrastructure of a community access location or to develop and implement community health programs to ensure continued access to care in the underserved community, subject to State appropriations and provided the participating hospital submits an application that satisfies the bill's requirements. The bill appropriates $3.0 million from the General Fund to the department for financial assistance to eligible hospitals in the first fiscal year following the bill's enactment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that State costs will increase over approximately ten years following the bill's enactment to provide financial assistance to hospitals that meet the requirements for participation in the pilot program. Based upon a review of documents submitted in support of State Health Planning Board meetings during calendar year 2025, Monmouth Medical Center in Long Branch, which received board approval in December 2025 to relocate to a new campus in

Tinton Falls, appears to be the only hospital that currently qualifies to participate in the pilot program. However, the OLS cannot anticipate the extent to which the $3.0 million appropriation will cover anticipated annual costs for Monmouth Medical Center to maintain a community access location in Long Branch, or implement community health programs to support continued access to care for Long Branch residents, as required under the bill.

Given that the bill authorizes the department to waive the bill's requirements and any State regulatory requirements governing hospital licensure, as necessary for a hospital to maintain a community access location in its original location in an underserved community, the OLS concludes that additional hospitals may seek to participate in the pilot program, thereby potentially increasing State costs for financial assistance to participating hospitals. Funding amounts for the pilot program in future fiscal years will be subject to the annual appropriations process.

To the extent that the bill's requirements to ensure continued access to health care in underserved communities results in the provision of additional health care services for NJ FamilyCare enrollees in these communities, NJ FamilyCare program expenditures will increase by an indeterminate amount. Any increase in NJ FamilyCare expenditures will result in an indeterminate increase in State revenues, in the form of federal reimbursements for State expenditures under the federal Medicaid program.

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.).