LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3978
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 27, 2026

SUMMARY

Synopsis: Establishes minimum Medicaid and NJ FamilyCare pediatric special care nursing facility reimbursement rates.

Type of Impact: Annual increase in State costs and revenue; General Fund.

Agencies Affected: Department of Human Services.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Cost Increase	Approximately $4.4 million
State Revenue Increase	Approximately $2.3 million

- The Office of Legislative Services (OLS) estimates that this bill will increase annual NJ FamilyCare expenditures by approximately $4.4 million.

- These increased costs concomitantly will grow annual State revenue in the form of federal Medicaid and Children's Health Insurance Program cost reimbursements by approximately $2.3 million, for a net annual State cost increase to the Department of Human Services of about $2.1 million.

BILL DESCRIPTION

This bill requires the Division of Medical Assistance and Health Services in the Department of Human Services to establish a minimum NJ FamilyCare reimbursement rate of $950 per day for pediatric special care nursing facilities. The bill conditions the provision of this minimum reimbursement rate upon a facility's compliance with applicable State and federal laws and regulations concerning licensure, patient safety, and quality of care. The department is to apply for any State plan amendments or waivers necessary to ensure federal financial participation for State expenditures under the federal Medicaid program and the Children's Health Insurance Program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will increase annual NJ FamilyCare expenditures by approximately $4.4 million. NJ FamilyCare provides health care coverage for individuals who qualify for the Children's Health Insurance Program or Medicaid. These increased costs concomitantly will grow annual State revenue in the form of federal Medicaid and Children's Health Insurance Program cost reimbursements by approximately $2.3 million, for a net annual State cost increase to the Department of Human Services of about $2.1 million. This estimate assumes an aggregate federal matching rate for eligible State expenditures of 53 percent, which takes into account the proportion of children with NJ FamilyCare coverage who are eligible under Medicaid (79 percent) and the proportion eligible under the Children's Health Insurance Program (21 percent).

New Jersey currently has four pediatric special care nursing facilities that participate in the NJ FamilyCare program. As shown below, of the four facilities' per diem rates, rates at two facilities currently would require an increase to meet the minimum $950 per diem rate established under the bill.

Facility Name	Number of Pediatric Beds	FY 2026 Per Diem Base Rate	Amount of Per Diem Rate Increase Under Bill
Children's Specialized Hospital - Mountainside	50	$1,026.08	N/A
Voorhees Pediatric Facility - Voorhees	119	$967.24	N/A
Children's Specialized Hospital - Toms River	26	$948.54	$1.46
The Phoenix Center for Rehabilitation and Pediatrics - Haskell	92	$625.18	$324.82

The estimate assumes that the two affected facilities comply with applicable State and federal laws and regulations concerning licensure, patient safety, and quality of care, and would be eligible to receive the $950 minimum per diem rate. Moreover, since approximately 40 percent of all New Jersey children are covered under NJ FamilyCare, the estimate further assumes that 40 percent of each affected facilities' beds are occupied by NJ FamilyCare beneficiaries. If the number of beds occupied by NJ FamilyCare beneficiaries deviates from this assumption in a given year, the estimates presented herein would need to be adjusted accordingly.

Section:	*Human Services*
Analyst:	*Sarah Schmidt* *Principal Research Analyst*
Approved:	*Thomas Koenig* *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.).