

ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4230

STATE OF NEW JERSEY

DATED: NOVEMBER 23, 2009

The Assembly Health and Senior Services Committee reports favorably Assembly Bill No. 4230.

This bill increases reimbursement for family planning services under the State Medicaid program, by providing that the reimbursement rate for an office visit for family planning services, which are billed by a licensed health care facility that receives funding under Title X of the federal Public Health Service Act, (42 U.S.C. s.300 et seq.) is to be an amount that equals at least 90% of the amount of the actual cost of services provided during an office visit, as such rate is in effect on the date of enactment of the bill.

The bill requires the Department of Health and Senior Services to adjust the Family Planning Services Grant-in-Aid appropriation and transfer the appropriate amount of State funds to the Division of Medical Assistance and Health Services in the Department of Human Services to facilitate the implementation of the reimbursement increase. Additionally, the Department of Health and Senior Services must notify the Legislative Budget and Finance Officer as to the amount that is transferred.

A recent comparison of the Medicaid reimbursement rates for family planning services and the actual cost for these services in New Jersey indicates that current reimbursement rates are significantly less than the cost of providing these services. For example, in the case of initial and annual office visits for family planning services, the reimbursement rates in New Jersey are less than one-half the cost of these visits. In the case of prolonged routine follow-up visits, also known as "problem visits," New Jersey's Medicaid reimbursement rate currently is about one-third of the cost.

Since New Jersey's Medicaid expenditures for Title X family planning services are matched by the federal government at a 90% rate, any increase in the Medicaid amounts paid by New Jersey under this bill will only cost New Jersey 10% of the increased expenditure.

For many women for whom private health care has been unavailable, family planning services are their first, and perhaps the least expensive, entry point into comprehensive health care.

"Family planning services" are defined in the bill as comprehensive reproductive health care services, including: contraception; pregnancy detection; options counseling; diagnosis or

treatment, or both, of sexually transmitted diseases; routine gynecological and cancer screening services; health promotion activities; and Level I infertility services such as an interview, education, physical examination, laboratory testing, counseling, and appropriate referral. The term does not include termination of pregnancy.

Family planning services may also include: prenatal and postpartum care; other gynecological services, including colposcopy and cryotherapy; menopausal services; Level II infertility services, which include semen analysis, assessment of ovulatory function, and post coital testing; and Level III infertility services, which include more sophisticated and complex infertility testing and procedures than Levels I and II.

The bill takes effect immediately and applies to office visits that are made on or after the effective date.

MINORITY STATEMENT

Submitted by Assemblywomen Munoz and Angelini and
Assemblyman Polistina

This bill provides for the transfer of funds from the Department of Health and Senior Services to the Department of Human Services to increase Medicaid reimbursement for family planning services. However, at this time, the amount of money to be transferred as well as the overall fiscal impact of the bill is unclear.

The State is facing very serious financial difficulties. Revenues are falling substantially below budgeted projections, meaning that the State will not even have sufficient funds to cover amounts appropriated in the FY 2010 budget. The Governor has ordered his cabinet officers to recommend reductions in spending, and both he and the Governor-elect have announced means of addressing the dire fiscal circumstances that include moratoria on incurring any additional spending obligations. It would be irresponsible for the Legislature to disregard both the incumbent Governor and the incoming Governor on the most pressing issue facing the State and its taxpayers.

For this reason, at this time we cannot support the advancement of this legislation due to its budgetary impact.