

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2139

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 23, 2010

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2139, with committee amendments.

The bill, as amended, expands the availability of family planning services in State fiscal year 2010-2011. The legislation accomplishes that objective by making a supplemental appropriation of \$7,453,000 for Women's Health and Family Planning Services for fiscal year 2011 and by requiring the State to seek permission from the federal government to expand coverage for family planning services under the Medicaid program. But the bill strictly prohibits the use of the \$7,453,000 for abortion procedures. To make the supplemental appropriation cost-neutral from a budgeting perspective, the bill also deappropriates \$7,453,000 from the FY 2011 allocation for the State Employees' Prescription Drug Program. The money is available in that account, as the projected FY 2011 cost for State employee prescription drug benefits assumes an overly high growth rate.

Supplemental Appropriation for Women's Health and Family Planning Services: In fiscal year 2010, the State appropriated \$7,590,000 for grants to organizations providing family planning services. The appropriations act for State fiscal year 2011 irresponsibly eliminates that funding, thereby severely impairing New Jerseyans' access to vital health care services. The supplemental appropriation now ensures that the State makes adequate resources available to individuals looking for services related to family planning, such as information and counseling on reproductive choices and birth control methods; comprehensive physicals and health screenings; pelvic and breast exams; pregnancy testing; the diagnosis and treatment of sexually transmitted diseases; AIDS testing and counseling; prenatal substance abuse programs; colposcopy, cryotherapy, and loop electrosurgical excision procedures; and adolescent risk reduction counseling. But the bill strictly prohibits the use of the \$7,453,000 for abortion procedures.

Medicaid Coverage Expansion for Family Planning Services: In New Jersey, Medicaid currently provides family planning services to individuals whose income is no more than 133 percent of the federal poverty level. This bill requires the State to submit the necessary

application to the federal government so that individuals with incomes of up to 200 percent of the federal poverty level can receive family planning services under the Medicaid program. If successful, New Jersey would make cost-effective family planning services available to more low-income individuals.

The recently enacted federal health care reform law created a state option to provide Medicaid coverage for family planning services to individuals with income up to 200 percent of the federal poverty level. By adopting this Medicaid state option, New Jersey would receive \$9 in federal reimbursement for every additional \$1 the State spends for family planning services provided through the Medicaid program.

Previously, states that sought to expand family planning services to these low-income individuals were required to apply for and obtain a Medicaid waiver. The waiver, however, was difficult to obtain, was only valid for a limited number of years, and had to be renewed periodically. New Jersey sought such a waiver but the federal government has never approved the State's request.

COMMITTEE AMENDMENTS:

The amendments make two changes. The first amendment adds the prohibition that the \$7,453,000 appropriated for Women's Health and Family Planning Services for fiscal year 2011 shall not be used to pay for abortion procedures. The second amendment makes the supplemental appropriation cost-neutral from a budgeting perspective, as it deappropriates \$7,453,000 from the FY 2011 allocation for the State Employees' Prescription Drug Program to offset the cost of the \$7,453,000 supplemental appropriation for Women's Health and Family Planning Services.

FISCAL IMPACT:

The bill has no net impact on the FY 2011 budget. It makes a FY 2011 supplemental appropriation of \$7,453,000 for Women's Health and Family Planning Services, which is completely offset by a \$7,453,000 reduction in the FY 2011 appropriation for the State Employees' Prescription Drug Program.