

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4934
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 22, 2019

SUMMARY

Synopsis: Provides Medicaid coverage to eligible pregnant women for 365-day period beginning on last day of pregnancy.

Type of Impact: Indeterminate impact on State costs and revenue.

Agencies Affected: Department of Human Services, Division of Medical Assistance and Health Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost	Indeterminate significant impact
State Revenue	Indeterminate significant impact

- The Office of Legislative Services (OLS) estimates that this bill may cause the State to incur significant annual costs to extend the coverage of Medicaid services to certain pregnant individuals from a 60-day period to 365-day period beginning on the last day of a woman’s pregnancy. Such cost will be offset by an identical increase in federal Medicaid matching funds.

BILL DESCRIPTION

This bill provides Medicaid coverage to eligible pregnant women for a 365-day period beginning on the last day of a pregnant woman’s pregnancy. Under current State law, Medicaid coverage for this population is extended for a 60-day period beginning on the last day of the pregnancy.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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Under federal law, all states must provide Medicaid coverage for pregnancy-related services to pregnant women with incomes up to 138 percent of the federal poverty level (FPL) through the end of the month in which a 60-day period ends following the termination of the pregnancy. New Jersey has expanded this provision to include full Medicaid coverage for pregnant women with incomes at or below 200 percent of the FPL – the maximum income eligibility limit for pregnant women under the State Medicaid Plan – during the 60-day period. Under the bill, these existing State provisions would extend to a 365-day period.

Due to the Affordable Care Act (ACA), pregnant woman who earn less than 138 percent of the FPL are eligible for continuous Medicaid. Therefore, the bill's provisions would only target those pregnant women who earn between 138 percent and 200 percent of the FPL. According to the Department of Human Services' NJ FamilyCare Data Dashboards (<http://www.njfamilycare.org/analytics/home.html>), as of February 2019, 296,264 adult women in New Jersey are eligible for Medicaid through the ACA expansion, while 84,803 adult women (other than those who qualify in the Aged, Blind, and Disabled category) – or approximately 30 percent of the ACA expansion group – qualify for Medicaid through other pathways.

According to evaluation data in the Fiscal Year (FY) 2019 Budget, the average anticipated annual cost for Medicaid (non-ACA expansion) parents in FY 2019 is \$8,036.90, which suggests that extending postpartum coverage by 305 days will cost the Medicaid program an additional \$6,715 per eligible beneficiary. In Calendar Year 2017, 31,151 of the births in the State were covered by Medicaid. Assuming 30 percent of Medicaid births are for beneficiaries covered under the provisions of this bill, and all births are for single gestation pregnancies, the Medicaid program would incur the above per beneficiary cost for 9,345 beneficiaries annually, resulting in \$62.8 million in additional expenses for the program. Of these expenses, the State would be responsible for \$31.4 million, with federal matching funds providing the remaining \$31.4 million. The OLS notes that this extrapolation of available data does not reflect the actual cost of the bill, and that the fiscal impact on the State may shift depending on the actual number of applicable beneficiaries and the cost for such beneficiaries' benefits over the extended postpartum period provided in the bill.

Section: Human Services

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).