## ASSEMBLY, No. 5311

# STATE OF NEW JERSEY

### 218th LEGISLATURE

INTRODUCED MAY 13, 2019

Sponsored by:
Assemblyman JOHN ARMATO
District 2 (Atlantic)
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District 16 (Hunterdon, Mercer, Middlesex and Somerset)
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District 1 (Atlantic, Cape May and Cumberland)

#### **SYNOPSIS**

Establishes \$140 standard medical expense deduction under SNAP for certain senior citizens.

#### **CURRENT VERSION OF TEXT**

As introduced.



**AN ACT** concerning income eligibility under the New Jersey Supplemental Nutrition Assistance Program for certain senior citizens and supplementing Title 44 of the Revised Statutes.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

- 1. a. The Division of Family Development in the Department of Human Services shall implement a standard medical expense deduction for the purposes of determining income eligibility under the New Jersey Supplemental Nutrition Assistance Program for any household which includes a senior citizen, as follows:
- (1) For fiscal year 2020, a household which includes a senior citizen shall be entitled to the standard medical expense deduction of \$140 for each month, provided that the amount of actual costs of allowable medical expenses incurred by the senior citizen for a month, exclusive of special diets, is: equal to or greater than \$35; and does not include any expenses paid on behalf of the household by a third party. If the amount of actual costs of allowable medical expenses incurred by the senior citizen for a month, exclusive of special diets, is greater than the sum of the standard medical deduction and \$35, then the medical expense deduction shall equal the amount of those actual costs.
- (2) For fiscal year 2021 and each subsequent fiscal year, the provisions established in paragraph (1) of this subsection shall apply, except that the standard medical expense deduction shall equal the applicable amount during the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers: Medical Care published by the Bureau of Labor Statistics within the United States Department of Labor.
- b. The Commissioner of Human Services shall apply to the Food and Nutrition Service within the United States Department of Agriculture for any necessary waivers or approvals to implement a standard medical expense deduction, pursuant to subsection a. of this section 1, under the New Jersey Supplemental Nutrition Assistance Program.
  - c. As used in this act:
- "Allowable medical expenses" means an allowable medical expense as defined in 7 U.S.C.s.2012(c).
  - "Senior citizen" means an individual who is 60 years of age or older by the last day of the month in which the application for New Jersey Supplemental Nutrition Assistance Program benefits is submitted.
- "Supplemental Nutrition Assistance Program" means the supplemental nutrition assistance program, established pursuant to the federal "Food and Nutrition Act of 2008," Pub.L.88-525 (7 U.S.C.s.2011 et seq.).

2. The Commissioner of Human Services shall adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), as may be necessary to implement the provisions of this act.

3. This act shall take effect on July 1, 2019, but the Commissioner of Human Services may take such anticipatory administrative action in advance thereof as may be necessary for the implementation of this act.

#### **STATEMENT**

22.

This bill establishes a \$140 standard medical expense deduction under the New Jersey Supplemental Nutrition Assistance Program (NJ SNAP), formerly known as the Food Stamps Program, for certain senior citizens. Specifically, this bill requires the Division of Family Development in the Department of Human Services to implement a standard medical expense deduction for the purposes of determining income eligibility under the NJ SNAP for any household which includes a senior citizen.

Under the bill, for fiscal year 2020, a household including a senior citizen, defined as an individual who is 60 years of age or older by the last day of the month in which the application for NJ SNAP benefits is submitted, is to be entitled to a standard medical expense deduction of \$140 for each month, provided that the amount of actual costs of allowable medical expenses incurred by the senior citizen for a month, exclusive of special diets, is: equal to or greater than \$35; and does not include any expenses paid on behalf of the household by a third party. If the amount of actual costs of allowable medical expenses incurred by the senior citizen for a month, exclusive of special diets, is greater than the sum of the standard medical deduction and \$35, then the medical expense deduction shall equal the amount of those actual costs.

For fiscal year 2021 and each subsequent fiscal year, the standard medical expense deduction is required to follow the same provisions as in fiscal year 2020, except that the deduction is to equal the applicable amount during the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers: Medical Care published by the Bureau of Labor Statistics within the United States Department of Labor.

Under the bill, allowable medical expenses means an allowable medical expense as defined in 7 U.S.C.s.2012(c), which includes expenditures for (1) medical and dental care, (2) hospitalization or nursing care, (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed

#### A5311 ARMATO, ZWICKER

practitioner or other qualified health professional, (4) health and hospitalization insurance policies, (5) medicare premiums, (6) dentures, hearing aids, and prosthetics, (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.

The Commissioner of Human Services is required to apply to the Food and Nutrition Service within in the United States Department of Agriculture for any necessary waivers or approvals to implement a standard medical expense deduction under the NJ SNAP.

Currently, NJ SNAP households that include a senior citizen are permitted to deduct unreimbursed medical expenses over \$35 per month from their income in calculating their net income for NJ SNAP purposes to more realistically reflect the income they have available to purchase food. This, in turn, could potentially qualify the household for higher NJ SNAP benefits. While the medical expense deduction plays an important role in ensuring that households with high medical costs receive adequate benefits, it is underutilized. A standard medical deduction can benefit both participants and the division, as it simplifies the process for both parties, and may encourage participants to provide evidence of expenses.