SENATE, No. 3380

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED JANUARY 24, 2019

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)
Senator JOSEPH P. CRYAN
District 20 (Union)

SYNOPSIS
Expands availability of NJ FamilyCare Advantage program.

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 2/1/2019)
AN ACT expanding the NJ FamilyCare Advantage program, and
amending and supplementing P.L.2005, c.156.

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

1. Section 5 of P.L.2005, c.156 (C.30:4J-12) is amended to
read as follows:

5. a. The purpose of the program shall be to provide subsidized
health insurance coverage, and other health care benefits as
determined by the commissioner, to children under 19 years of age
and their parents or caretakers and to adults without dependent
children, within the limits of funds appropriated or otherwise made
available for the program.

   The program shall require families to pay copayments and make
premium contributions, based upon a sliding income scale. The
program shall include the provision of well-child and other
preventive services, hospitalization, physician care, laboratory and
x-ray services, prescription drugs, mental health services, and other
services as determined by the commissioner.

   b. The commissioner shall take such actions as are necessary to
implement and operate the program in accordance with the State
Children's Health Insurance Program established pursuant to 42
U.S.C.s.1397aa et seq.

   c. The commissioner:

      (1) shall, by regulation, establish standards for determining
eligibility and other program requirements, including, but not
limited to, restrictions on voluntary disenrollments from existing
health insurance coverage;

      (2) shall require that a parent or caretaker who is a qualified
applicant purchase coverage, if available, through an employer-
sponsored health insurance plan which is determined to be cost-
effective and is approved by the commissioner, and shall provide
assistance to the qualified applicant to purchase that coverage,
except that the provisions of this paragraph shall not be construed to
require an employer to provide health insurance coverage for any
employee or employee's spouse or dependent child;

      (3) may, by regulation, establish plans of coverage and benefits
to be covered under the program, except that the provisions of this
section shall not apply to coverage for medications used exclusively
to treat AIDS or HIV infection; and

      (4) shall establish, by regulation, other requirements for the
program, including, but not limited to, premium payments and
copayments, and may contract with one or more appropriate
entities, including managed care organizations, to assist in

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
administering the program. The period for which eligibility for the
program is determined shall be the maximum period permitted
under federal law.

d. The commissioner shall establish procedures for determining
eligibility, which shall include, at a minimum, the following
enrollment simplification practices:
   (1) A streamlined application form as established pursuant to
subsection k. of this section;
   (2) Require new applicants to submit one recent pay stub from
the applicant's employer, or, if the applicant has more than one
employer, one from each of the applicant's employers, to verify
income. In the event the applicant cannot provide a recent pay stub,
the applicant may submit another form of income verification as
deemed appropriate by the commissioner. If an applicant does not
submit income verification in a timely manner, before determining
the applicant ineligible for the program, the commissioner shall
seek to verify the applicant's income by reviewing available
Department of the Treasury and Department of Labor and
Workforce Development records concerning the applicant, and such
other records as the commissioner determines appropriate.

The commissioner shall establish retrospective auditing or
income verification procedures, such as sample auditing and
matching reported income with records of the Department of the
Treasury and the Department of Labor and Workforce Development
and such other records as the commissioner determines appropriate.

In matching reported income with confidential records of the
Department of the Treasury, the commissioner shall require an
applicant to provide written authorization for the Division of
Taxation in the Department of the Treasury to release applicable tax
information to the commissioner for the purposes of establishing
income eligibility for the program. The authorization, which shall
be included on the program application form, shall be developed by
the commissioner, in consultation with the State Treasurer;

   (3) Online enrollment and renewal, in addition to enrollment
and renewal by mail. The online enrollment and renewal forms
shall include electronic links to other State and federal health and
social services programs;

   (4) Continuous enrollment;

   (5) Simplified renewal by sending an enrollee a preprinted
renewal form and requiring the enrollee to sign and return the form,
with any applicable changes in the information provided in the
form, prior to the date the enrollee's annual eligibility expires. The
commissioner shall establish such auditing or income verification
procedures, as provided in paragraph (2) of this subsection; and

   (6) Provision of program eligibility-identification cards that are
issued no more frequently than once a year.

e. The commissioner shall take, or cause to be taken, any
action necessary to secure for the State the maximum amount of
federal financial participation available with respect to the program, subject to the constraints of fiscal responsibility and within the limits of available funding in any fiscal year. In this regard, notwithstanding the definition of "qualified applicant," the commissioner may enroll in the program such children or their parents or caretakers who may otherwise be eligible for the Medicaid program in order to maximize use of federal funds that may be available pursuant to 42 U.S.C. s.1397aa et seq.

f. Subject to federal approval, a child shall be determined ineligible for the program if the child was voluntarily disenrolled from employer-sponsored group insurance coverage within six months prior to application to the program.

g. The commissioner shall provide, by regulation, for presumptive eligibility for the program in accordance with the following provisions:

(1) A child who presents himself for treatment at a general hospital, federally qualified or community health center, local health department that provides primary care, or other State licensed community-based primary care provider shall be deemed presumptively eligible for the program if a preliminary determination by hospital, health center, local health department or licensed health care provider staff indicates that the child meets program eligibility standards and is a member of a household with an income that does not exceed 350% of the poverty level;

(2) The provisions of paragraph (1) of this subsection shall also apply to a child who is deemed presumptively eligible for Medicaid coverage pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.);

(3) The parent or caretaker of a child deemed presumptively eligible pursuant to this subsection shall be required to submit a completed application for the program no later than the end of the month following the month in which presumptive eligibility is determined;

(4) A child shall be eligible to receive all services covered by the program during the period in which the child is presumptively eligible; and

(5) The commissioner may, by regulation, establish a limit on the number of times a child may be deemed presumptively eligible for NJ FamilyCare.

h. The commissioner, in consultation with the Commissioner of Education, shall administer an ongoing enrollment initiative to provide outreach to children throughout the State who may be eligible for the program.

(1) With respect to school-age children, the commissioner, in consultation with the Commissioner of Education and the Secretary of Agriculture, shall develop a form that provides information about the NJ FamilyCare and Medicaid programs and provides an opportunity for the parent or guardian who signs the school lunch application form to give consent for information to be shared with
the Department of Human Services for the purpose of determining eligibility for the programs. The form shall be attached to, included with, or incorporated into, the school lunch application form. The commissioner, in consultation with the Commissioner of Education, shall establish procedures for schools to transmit information attached to, included with, or provided on the school lunch application form regarding the NJ FamilyCare and Medicaid programs to the Department of Human Services, in order to enable the department to determine eligibility for the programs.

(2) The commissioner or the Commissioner of Education, as applicable, shall:

(a) make available to each elementary and secondary school, licensed child care center, registered family day care home, unified child care agency, local health department that provides primary care, and community-based primary care provider, informational materials about the program, including instructions for applying online or by mail, as well as copies of the program application form. The entity shall make the informational and application materials available, upon request, to persons interested in the program; and

(b) request each entity to distribute a notice at least annually, as developed by the commissioner, to households of children attending or receiving its services or care, informing them about the program and the availability of informational and application materials. In the case of elementary and secondary schools, the information attached to, included with, or incorporated into, the school lunch application form for school-age children pursuant to this subparagraph shall be deemed to meet the requirements of this paragraph.

i. Subject to federal approval, the commissioner shall, by regulation, establish that in determining income eligibility for a child, any gross family income above 200% of the poverty level, up to a maximum of 350% of the poverty level, shall be disregarded.

j. The commissioner shall establish a NJ FamilyCare coverage buy-in program through which a parent, caretaker, or individual whose individual or family income exceeds 350% of the poverty level may purchase coverage under NJ FamilyCare (or) Medicaid may purchase coverage under NJ FamilyCare (for a child under the age of 19, who is uninsured and was not voluntarily disenrolled from employer-sponsored group insurance coverage within six months prior to application to the program) as provided pursuant to section 2 of P.L. , c. (pending before the Legislature as this bill). The program shall be known as NJ FamilyCare Advantage.

The commissioner shall establish the premium and cost sharing amounts required to purchase coverage, except that the premium shall not exceed the amount the program pays per month to a
managed care organization under NJ FamilyCare for [a child of ]
an individual of comparable age whose individual or family income
is between 200% and 350% of the poverty level, plus a reasonable
processing fee.

k. The commissioner, in consultation with the Rutgers Center
for State Health Policy, shall develop a streamlined application
form for the NJ FamilyCare, NJ FamilyCare Advantage, and
Medicaid programs.

1. Subject to federal approval, the Commissioner of Human
Services shall establish a hardship waiver for part or all of the
premium for an eligible child under the NJ FamilyCare program. A
parent or caretaker may apply to the commissioner for a hardship
waiver in a manner and form established by the commissioner. If
the parent or caretaker can demonstrate to the satisfaction of the
commissioner, pursuant to regulations adopted by the
commissioner, that payment of all or part of the premium for the
parent or caretaker's child presents a hardship, the commissioner
shall grant the waiver for a prescribed period of time.
(cf: P.L.2008, c.53, s.2)

2. (New section) a. The Department of Human Services shall
establish the NJ FamilyCare Advantage program as follows. The NJ
FamilyCare Advantage program shall make available for purchase
the NJ FamilyCare Advantage health care plan for all qualified
residents of New Jersey.

b. The Commissioner of Human Services shall integrate
eligibility screening for NJ FamilyCare and the Medicaid program
into the application process for the NJ FamilyCare Advantage
health care plan, and establish a system that allows for transition of
enrollment between the Medicaid or the NJ FamilyCare program
and the NJ FamilyCare Advantage health care plan for individuals
whose eligibility has been affected by a change in income.

c. The NJ FamilyCare Advantage health care plan shall provide
coverage that is at least as comprehensive as the coverage defined
in 42 U.S.C. 18022(b) and that offers benefits that equal or exceed
those that are available by the plan approved by the Centers for
Medicare and Medicaid Services as the State qualified essential
health benefits plan.

d. Enrollees in the NJ FamilyCare Advantage health care plan
who are applicable taxpayers may receive a refundable credit for
such coverage pursuant to provisions of the federal Internal
Revenue Code, 26 U.S.C. 36B.

e. The Commissioner of Human Services shall coordinate with
the Department of the Treasury and the federal Department of
Health and Human Services to the extent necessary to incorporate
eligibility for a refundable credit pursuant to subsection. of this
section for the NJ FamilyCare Advantage health care plan into the
NJ FamilyCare Advantage health care plan application and plan enrollment.

f. The Commissioner of Human Services shall apply for such State plan amendments or waivers as may be necessary to implement the provisions of this act.

g. The Commissioner of Human Services shall apply for any federal waivers or other federal approval required to implement this section. The commissioner shall also apply for any applicable grant or demonstration project under the Patient Protection and Affordable Care Act, Pub. L. 111-148, or the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152, that would further the purposes of or assist in the establishment of the NJ FamilyCare Advantage health care plan.

h. Pursuant to this section, “qualified resident” means an individual who resides in the geographic boundaries of the State of New Jersey who is not financially or medically eligible for the State Medicaid program or the NJ FamilyCare program.

3. The Commissioner of Human Services, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations as the commissioner determines necessary to effectuate the purposes of this act.

4. This act shall take effect on the first day of the 12th month next following the date of the enactment, except the Commissioner of Human Services may take any anticipatory action in advance as shall be necessary for the implementation of this act.

STATEMENT

This bill would expand the availability of the NJ FamilyCare Advantage program. The program provides an opportunity for individuals to purchase health care coverage through the Medicaid program. This coverage would be known as the NJ FamilyCare Advantage health care plan and would be available for purchase to all individuals in the State, who are not eligible for Medicaid or NJ FamilyCare.

The bill requires that the NJ FamilyCare Advantage health care plan would need to meet the specifications of a plan which provides the essential health benefits as defined in the Affordable Care Act. The health care plan could then be purchased through the Federal Health Care Exchange. This would allow qualified individuals to access tax credits available when purchasing the NJ FamilyCare Advantage health care plan through the Exchange.