

ASSEMBLY RESOLUTION No. 57

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1996

**By Assemblymen CHARLES, STEELE, Garcia, Gusciora,
Assemblywoman Turner, Assemblymen Greenwald, Dalton, Zisa,
Cohen, Stanley, Romano, Assemblywomen Quigley, Weinberg,
Assemblymen Jones and Caraballo**

1 **AN ASSEMBLY RESOLUTION** urging the Governor and the Commissioner of
2 Human Services to refrain from instituting random assignment of Medicaid
3 recipients to HMO's until after the enactment into law of federal Medicaid
4 program changes.

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6 **WHEREAS**, The Division of Medical Assistance and Health Services in the
7 Department of Human Services has received a waiver from the United
8 States Secretary of Health and Human Services pursuant to section
9 1915(b) of the federal Social Security Act to permit the State to institute
10 mandatory managed care for Medicaid recipients in Camden, Essex,
11 Gloucester and Hudson counties as a preliminary step in the adoption of a
12 mandatory managed care program for Medicaid recipients Statewide; and

13 **WHEREAS**, This mandatory program involves the assignment of Medicaid
14 recipients who are enrolled in the program of aid to families with dependent
15 children to HMO's on a random basis in the counties affected, if the
16 recipient does not choose a specific HMO; and

17 **WHEREAS**, The federal government is poised to enact, and the Governor and
18 the Commissioner of Human Services have publicly endorsed, legislation
19 now pending in the United States Congress to dramatically change the
20 Medicaid program by adopting the use of block grants to the states for
21 funding Medicaid services and significantly cutting projected federal
22 assistance to the states for these services; and

23 **WHEREAS**, This conjunction of State and federal Medicaid changes raises
24 disturbing questions about the prospect of achieving cost containment at the
25 expense of health care access and quality for Medicaid recipients, and
26 creating a two-tiered health care system in which the lower tier is denied
27 freedom of choice in the selection of health care providers, while posing the
28 specter of hospitals in this State being overburdened with Medicaid
29 managed care patients at the same time that their Medicaid reimbursement
30 is substantially reduced; and

31 **WHEREAS**, The State needs to evaluate whatever federal Medicaid changes
32 are actually enacted into law in a prudent and responsible manner, and to

1 assess the impact of comparable efforts at Medicaid mandatory HMO
2 assignment in other states before proceeding on its own in this direction;
3 now, therefore,

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5 **BE IT RESOLVED** *by the General Assembly of the State of New Jersey:*

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7 1. The Governor and the Commissioner of Human Services are
8 respectfully urged to refrain from instituting random assignment of Medicaid
9 recipients to HMO's until after the enactment into law of federal Medicaid
10 program changes, and until the Commissioner of Human Services has
11 completed a study of the effects of this kind of programmatic effort in other
12 states where it has been tried to date, with respect to access and quality of
13 care for Medicaid recipients, and has submitted the results of this study to the
14 Legislature for its consideration.

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16 2. The Commissioner of Human Services is further respectfully urged to
17 seek alternatives to the random assignment of Medicaid recipients to HMO's
18 which will ensure consumer choice in the selection of HMO's under the
19 Medicaid program.

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21 3. A duly authenticated copy of this resolution, signed by the Speaker of
22 the General Assembly and attested by the Clerk of the General Assembly,
23 shall be forwarded to the Governor and to the Commissioner of Human
24 Services.

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STATEMENT

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29 This resolution urges the Governor and the Commissioner of Human
30 Services to refrain from instituting random assignment of Medicaid recipients
31 to HMO's until after the enactment into law of federal Medicaid program
32 changes, and until after the Commissioner of Human Services has completed
33 a study of the effects of this kind of mandatory HMO assignment in other
34 states where it has been imposed, and has submitted the results of this study
35 to the Legislature. The resolution also urges the Commissioner of Human
36 Services to seek alternatives to the random assignment of Medicaid recipients
37 to HMO's which will allow for consumer choice in the selection of HMO's
38 under the Medicaid program.

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3 Urges Governor and Commissioner of Human Services to refrain from
4 randomly assigning Medicaid recipients to HMO's until after enactment of
5 federal Medicaid changes.