

LEGISLATIVE FISCAL ESTIMATE TO

SENATE, No. 2170

STATE OF NEW JERSEY

DATED: DECEMBER 29, 1997

Bill Summary:

Senate Bill No. 2170 of 1997 amends N.J.S.A. 30:4D-1 et seq. to conform Medicaid eligibility requirements for alien residents of the State to provisions of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L.104-193. Specifically, the bill:

- C Limits the criteria by which legal aliens can qualify for Medicaid to those entering the United States before August 22, 1996, lawful permanent residents with 40 quarters of work history, and those honorably discharged from or actively serving in the United States armed forces, if they meet other eligibility criteria. In addition, refugees, asylees and persons whose deportation has been withheld are also eligible, but only for a period of five years after entry into the United States;
- C Provides Medicaid assistance to lawful permanent residents without regard to quarters of work history and to other categories of legal aliens if they were in the United States prior to August 22, 1996;
- C Prohibits Medicaid eligibility for legal aliens entering the United States on or after August 22, 1996 for the first five years after entry, but requires Medicaid coverage after the five-year period elapses for those otherwise eligible legal aliens who have compiled 40 quarters of work history. In addition, federal law requires Medicaid coverage of otherwise eligible refugees, asylees, aliens who were veterans, and aliens whose deportation was withheld for a period of five years beginning with their date of entry into the United States; and
- C Provides Medicaid assistance to lawful legal aliens entering the United States on or after August 22, 1996 after the five-year ban on eligibility expires without regard to quarters of work history and to other categories of legal aliens beyond the five-year period of required Medicaid coverage.

Finally, the bill revises Medicaid's resource eligibility provisions to conform with the higher resource allowances permitted in the "Work First New Jersey" program, N.J.S.A. 44:10-34 et seq.

Agency Comments:

The Department of Human Services (DHS) and the Office of Management and Budget have not provided any fiscal information on the legislation.

Office of Legislative Services Comments:

Additional savings and costs associated with Assembly Bill No. 3081 were anticipated when the State's FY 1998 Medicaid budget was being prepared and adopted; therefore, the legislation would have no significant fiscal impact in FY 1998.

The lack of data on the number of legal aliens who would not qualify for Medicaid makes it difficult to estimate any savings or costs the State may realize in FY 1998 and subsequent fiscal years. However, savings can be estimated based on a hypothetical 1,000 legal aliens who would not be eligible for Medicaid services because of the five year prohibition.

At present, the Medicaid program annually spends from \$168 per person in households with dependent children, to over \$1,000 per person for the aged, blind and disabled. Thus, for every 1,000 legal aliens who no longer qualify for Medicaid because of the five year time restriction, annual savings would range from \$1.0 million (State share) to \$6.0 million (State share), depending on the demographic mix of the legal aliens.

Also, the greater resource allowance Work First New Jersey participants are allowed to retain in comparison to the former Aid to Families to Dependent Children program may allow more households to qualify for Medicaid benefits, but the number of additional households/persons who qualify for Medicaid due to the higher resource allowance cannot be determined. However, additional costs can be estimated based on a hypothetical 1,000 persons who qualify for Medicaid due to the higher resource allowance.

The Medicaid program spends \$168 per person in households with dependent children. Thus, for every 1,000 additional persons who qualify for Medicaid due to the higher resource allowance, the additional Medicaid cost is about \$1.0 million (State share).

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.