

SENATE SENIOR CITIZENS, VETERANS' AFFAIRS AND
HUMAN SERVICES COMMITTEE

STATEMENT TO

SENATE, No. 2170

STATE OF NEW JERSEY

DATED: NOVEMBER 17, 1997

The Senate Senior Citizens, Veterans' Affairs and Human Services Committee favorably reports Senate Bill No. 2170.

This bill amends the "New Jersey Medical Assistance and Health Services Act," P.L.1968, c.413 (C.30:4D-1 et seq.) to conform Medicaid eligibility requirements for alien residents of this State to the provisions of the recently enacted federal welfare reform law, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L.104-193. The bill also revises Medicaid resource eligibility provisions enacted by P.L.1997, c.13 (C.44:10-34 et seq.), which was part of the legislative package establishing the "Work First New Jersey" program, to apply the resource eligibility criteria of the Work First New Jersey program to Medicaid, as originally intended.

Pub.L.104-193 limited the criteria by which legal aliens can qualify for Medicaid, as follows: those entering the United States before August 22, 1996 (the date of enactment of the federal statute) who are lawful permanent residents with 40 quarters of work history, and those honorably discharged from or actively serving in the United States armed forces are eligible for Medicaid if they meet other eligibility criteria; and refugees, asylees and persons whose deportation has been withheld are also eligible, but only for a period of five years after entry into this country.

Pub.L.104-193 does, however, give the State the option to provide Medicaid assistance to lawful permanent residents without regard to quarters of work history and to other categories of legal aliens if they were present in the United States prior to August 22, 1996. This bill would implement this optional coverage in order to maximize federal financial participation for delivered health care services.

For legal aliens entering the United States on or after August 22, 1996, Pub.L.104-193 prohibits Medicaid eligibility for the first five years after entry into the country but requires Medicaid coverage after the five-year period elapses for those otherwise eligible legal aliens who have compiled 40 quarters of work history. The federal law also 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.

For legal aliens entering the United States on or after August 22, 1996, Pub.L.104-193 does, however, give the State the option to provide Medicaid assistance to lawful permanent residents after the five-year ban on eligibility without regard to quarters of work history, and also to other categories of legal aliens beyond the five-year period of required Medicaid coverage. This bill implements this optional coverage so as to maximize federal financial participation for delivered health care services.

Pub.L.104-193 eliminated the automatic eligibility for Medicaid of persons receiving aid to families with dependent children (AFDC) benefits. Medicaid eligibility is now tied to AFDC income and resource methodologies which were in effect on July 16, 1996; however, states may use more liberal methodologies than these. This bill clarifies that the more liberal resource methodologies used in determining eligibility for Work First New Jersey benefits will also be used in determining eligibility for Medicaid. By doing so, the bill will ensure consistency between the two programs with respect to resource eligibility policy and thereby simplify eligibility systems and avoid disruptions which could result from having two different eligibility policies.

This bill is identical to Assembly Bill No. 3081 (Vandervalk/Felice), which was reported favorably by the Assembly Health Committee on this date.