

LEGISLATIVE FISCAL ESTIMATE TO

**SENATE, No. 2269**

**STATE OF NEW JERSEY**

DATED: JANUARY 2, 1998

Senate Bill No. 2269 of 1997 establishes the Children's Health Care Coverage Program in the Department of Human Services pursuant to Title XXI of the federal Social Security Act, which was created by the federal "Balanced Budget Act of 1997," Pub.L.105-33. The program will provide subsidized private health insurance coverage, and other health care benefits as determined by the Commissioner of Human Services, for children from birth through 18 years of age whose family income is between 133 percent and 200 percent of the federal poverty level, and within the limits of funds appropriated or otherwise made available for the program.

The Children's Health Care Coverage Program will require copayments and a premium contribution from families with incomes that exceed 150 percent of the federal poverty level, which will be based upon a sliding income scale. Under federal law, however, total premiums and cost sharing cannot exceed 5 percent of the family's income. The State program will provide 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.

The bill also increases the Medicaid income eligibility limit for children ages six through 18 to 133 percent of the federal poverty level (i.e., up to \$17,729 for a family of three and \$21,347 for a family of four), thus providing the same income eligibility level for all children in the State ages one through 18. Under current State law, children aged one through five are eligible for Medicaid if their family income does not exceed 133 percent of the federal poverty level; however, the Medicaid income eligibility limit for older children up to age 14 (as of October 1, 1997) is only 100 percent of the federal poverty level, and for children aged 15 to 18 the eligibility limit is the regular Medicaid income eligibility standard. The Medicaid income eligibility limit for children under one year of age remains at 185 percent of the poverty level.

**Agency Comments:**

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

**Office of Legislative Services Comments:**

The Office of Legislative Services notes that although the expanded eligibility for Medicaid is an entitlement for which funding cannot be capped, this legislation specifically provides that the Children's Health Care Coverage Program shall provide subsidized insurance coverage and other benefits within the limits of appropriated funds. In 1998, the State is eligible for \$88.4 million in federal matching funds if it provides approximately \$47.6 million in State funds to implement the program. This \$136 million is expected to provide health insurance coverage for approximately 102,000 children.

The Office of Legislative Services further notes that the federal "Balanced Budget Act of 1997" authorized federal funding for the State Children's Health Insurance Program for a five-year period. During this period, New Jersey has a matching rate of 65 percent; however, the federal allotment formula is scheduled to change over time.

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.