

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2269

STATE OF NEW JERSEY

DATED: DECEMBER 15, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2269.

Senate Bill No. 2269 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 Subtitle J of Title IV of 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 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% of the official poverty level, which will be based upon a sliding income scale. The 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 6 through 18 to 133% of the federal poverty level (i.e., up to \$17,729 for a family of three and \$21,347 for a family of four).

In New Jersey, under current law, children up to age 1 and those aged 1 through 5 are eligible for Medicaid if their family incomes do not exceed 185% and 133% of the federal poverty level, respectively; however, the Medicaid income eligibility limit for older children up to age 14 (as of October 1, 1997) is only 100% of the federal poverty level, and for children aged 15 to 18 is the regular Medicaid income eligibility standard.

The implementation of the Children's Health Care Coverage Program and the expansion of Medicaid eligibility are expected to provide health insurance coverage for approximately 102,000 children and in the immediate future reduce the number of children without health care coverage in New Jersey by approximately 40%.

Beginning January 1, 1998, New Jersey will invest \$136 million (\$88 million in federal funds and \$48 million in State funds) to implement the Children's Health Care Coverage Program. It is anticipated that New Jersey will expand this effort to cover the

remaining uninsured children in the State as public or private resources become available for this purpose, and utilizing federal government waivers as appropriate.

As reported, this bill is identical to Assembly Bill No. 3257 (Zecker/Grecco).

FISCAL IMPACT

Senate Bill No. 2358 provides funding for this program in the amount of \$23.8 million for the balance of FY1998 and \$47.6 million in FY1999. These funds will be matched by \$44 million in federal funds in FY1998 and \$88 million in federal funds in FY1999.