

SENATE HEALTH COMMITTEE

STATEMENT TO

SENATE, No. 2269

STATE OF NEW JERSEY

DATED: DECEMBER 11, 1997

The Senate Health Committee reports favorably Senate Bill No. 2269.

This bill 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 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. Under federal law, however, total premiums and cost sharing cannot exceed 5% 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% 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% 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% 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% of the poverty level.

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%.

In 1998, the State is eligible for \$88 million in federal matching

funds if it provides approximately \$48 million in State funds to implement the Children's Health Care Coverage Program.