

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2285

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 18, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2285, with committee amendments.

As amended by the committee, this bill establishes a standard medical expense deduction for elderly or disabled persons under the New Jersey Supplemental Nutrition Assistance Program (NJ SNAP), formerly known as the Food Stamp Program.

Specifically, this bill requires the Division of Family Development in the Department of Human Services to implement a standard medical expense deduction for the purposes of determining income eligibility under NJ SNAP for any household that includes an elderly or disabled person, based on the results of a required cost-benefit analysis in a manner that has no significant negative impact to other SNAP households.

As defined in the bill, “elderly or disabled person” means a member of a household as defined in 7 U.S. Code s.2012.

Under the bill, a household that includes an elderly or disabled person is entitled to a standard medical expense deduction in an amount agreed upon by the Department of Human Services and the United States Department of Agriculture, provided that the actual costs of allowable medical expenses incurred by the elderly or disabled person per month, exclusive of special diets, is equal to or greater than \$35 and does not include any expenses paid on behalf of the household by a third party. If the actual costs of allowable medical expenses incurred by the elderly or disabled person per month, exclusive of special diets, is greater than the established standard medical deduction, then the medical expense deduction is to be equal to the amount of those actual costs.

As amended, the bill stipulates that implementation of the standard medical expense deduction is not to proceed if the required cost-benefit analysis pursuant to the bill demonstrates that benefits to other SNAP enrollees would need to be decreased in order to implement the deduction.

Under the bill, allowable medical expenses means an allowable medical expense as defined in 7 U.S.C. s.2012(c), which includes expenditures for: (1) medical and dental care; (2) hospitalization or nursing care; (3) prescription drugs, when prescribed by a licensed

practitioner authorized under State law, and over-the-counter medication (including insulin), when approved by a licensed practitioner or other qualified health professional; (4) health and hospitalization insurance policies; (5) Medicare premiums; (6) dentures, hearing aids, and prosthetics; (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist; (8) reasonable costs of transportation necessary to secure medical treatment or services; and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.

The bill requires the Commissioner of Human Services to apply to the Food and Nutrition Service within in the United States Department of Agriculture for any necessary waivers or approvals to implement a standard medical expense deduction under NJ SNAP.

The bill, as amended by the committee, will take effect no later than the beginning of federal fiscal year 2022, pending approval from the United States Department of Agriculture, but the Commissioner of Human Services may take anticipatory administrative action in advance of the effective date as necessary to implement the bill's provisions.

COMMITTEE AMENDMENTS

The committee amended the bill to replace the term with “senior citizen” with the term “elderly or disabled person” throughout the bill.

The committee amendments removes the definition of “senior citizen” and replaces it with a definition of “elderly or disabled person” which means a member of a household as defined in 7 U.S. Code s.2012.

The committee amended the bill to require the Division of Family Development to implement the standard medical expense deduction based on the results of a required cost-benefit analysis in a manner that has no significant negative impact to other SNAP households. The amendments further require that implementation of the standard medical expense deduction is not to proceed if the required cost-benefit analysis demonstrates that benefits to other SNAP enrollees would need to be decreased in order to implement the deduction.

The committee amendments change the effective date of the bill from the beginning of the federal fiscal year 2021, as originally provided by the bill, to the beginning of the federal fiscal year 2022.

The committee amended the bill to make technical corrections that improve the clarity of the bill's provisions and correct minor syntax and grammatical errors.

FISCAL IMPACT:

The Office of Legislative Services assumes the State and county governments may experience a one-time increase in expenditures under the bill, to the extent that the Division of Family Development

in the Department of Human Services and county welfare agencies incur administrative costs to implement a standard medical expense deduction for the elderly and disabled. As the federal government shares all administrative expenses of the program with the State, the bill may also result in an increase in federal Supplemental Nutrition Assistance Program (SNAP) revenue. Any increase in SNAP benefits under the bill would not have any fiscal impact on the State, as SNAP benefits are paid directly from federal funds.