SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2285

STATE OF NEW JERSEY

DATED: NOVEMBER 8, 2021

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2285 (1R).

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, the 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, provided that the division determines, based on the results of a required cost-benefit analysis, that implementing the deduction will have no significant negative impact to other SNAP households.

The bill provides that "elderly or disabled person" means the same as is provided under the federal law establishing the SNAP program.

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 not less 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 for a month, exclusive of special diets, is greater than the established standard medical deduction, then the medical expense deduction would equal the amount of those actual costs.

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 the United States Department of Agriculture for any necessary waivers or approvals to implement a standard medical expense deduction under NJ SNAP.

The bill 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 provisions of the bill.

As reported, this bill is identical to Senate Bill No. 1049 (1R), as also reported by the committee on this date.

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 under the Supplemental Nutrition Assistance Program (SNAP). As the federal government shares all administrative expenses of the program with the State, the bill may also result in an increase in federal 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.