

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4963

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: MARCH 29, 2021

SUMMARY

- Synopsis:** Provides comprehensive Medicaid benefits to certain individuals formerly in foster care.
- Type of Impact:** Increase in State costs.
- Agencies Affected:** Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the Department of Human Services (DHS) will incur an annual increase in costs to extend New Jersey FamilyCare coverage to individuals up to age 26 who were in foster care under the responsibility of another state when the individual reached the age at which the other state has selected for termination of foster care assistance under Title IV-E of the Social Security Act.
- Since there are no publicly available data concerning the number of former foster youth who will become newly eligible for New Jersey FamilyCare benefits under the bill, the OLS cannot accurately estimate the annual cost of this benefit at this time. For context, the New Jersey Child Welfare Data Hub, jointly maintained by the Department of Children and Families and the Rutgers School of Social Work, shows that in December 2019, 185 New Jersey youth exited out-of-home foster placement because they “aged out” of the foster care system at age 21. Based on these data, the OLS concludes that only a small number of former foster youth will become newly eligible for New Jersey FamilyCare benefits each year under this bill.

BILL DESCRIPTION

This bill requires the DHS to apply to the federal Centers for Medicare and Medicaid Services (CMS) for Medicaid Section 1115 demonstration authority to extend New Jersey

FamilyCare coverage to individuals up to age 26 who were in foster care under the responsibility of another state when the individual attained the age at which said state has selected for termination of federal foster care assistance under Title IV-E of the federal Social Security Act. These former foster youth would be eligible for New Jersey FamilyCare coverage up to age 26, regardless of income or resources. The bill brings the State into compliance with federal law, pursuant to the SUPPORT for Patients and Communities Act, albeit in advance of the effective date of calendar year 2023.

The Affordable Care Act (ACA) allows young adults to maintain health insurance coverage under their parents' or guardians' health plan until age 26, provided the health plan extends coverage to dependents. In order to provide a parallel benefit to former foster youth who were enrolled in Medicaid at the time that they aged out of the foster care system, the ACA added these youth as a new, mandatory Medicaid eligibility group. However, the ACA did not require states to extend Medicaid benefits to those youth who had aged out of the foster care system in another state, but subsequently moved to a different state before their 26th birthday.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the DHS will incur an annual increase in costs to extend New Jersey FamilyCare coverage to individuals up to age 26 who were in foster care under the responsibility of another state when the individual reached the age at which the other state has selected for termination of foster care assistance under Title IV-E of the Social Security Act, and subsequently moved to New Jersey. Provided the CMS approves the State's Medicaid Section 1115 demonstration waiver for this new benefit, the State will receive federal matching funds for Medicaid expenditures incurred pursuant to this bill.

Currently, there are no publicly available data on the number of former foster youth who aged out of foster care in another state, subsequently moved to New Jersey prior to age 26, and will become newly eligible for New Jersey FamilyCare benefits under the bill. For context, the New Jersey Child Welfare Data Hub, jointly maintained by the Department of Children and Families and the Rutgers School of Social Work, shows that in December 2019, 185 New Jersey youth exited out-of-home foster placement because they "aged out" of the foster care system at age 21.

In the first year following the bill's enactment, State costs will be higher due to backlog of former foster youth who are under age 26, are not currently eligible for New Jersey FamilyCare, but will be newly eligible for the program under this bill. In subsequent years, however, annual costs will likely stabilize, reflecting the incremental cost of providing New Jersey FamilyCare benefits only to those former foster youth who moved to New Jersey over the previous 12 months and have enrolled in the program.

Currently, as required under the ACA, the State extends New Jersey FamilyCare coverage to those individuals, up to age 26, who were in foster care under the responsibility of the State until age 21. Pursuant to the federal SUPPORT Act, as of January 2023, states are permitted to apply for a Medicaid Section 1115 demonstration waiver to extend Medicaid coverage to former foster youth, up to age 26, who have relocated from another state. As of January 2019, according to a Kaiser Family Foundation Survey, eleven states have extended Medicaid coverage to former

foster youth from other states up to age 26 through Medicaid Section 1115 demonstration waivers.

Section: Human Services

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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 (C.52:13B-6 et seq.).