

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4963

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 17, 2021

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 4963.

As amended , this bill requires the Commissioner of Human Services to apply to the federal Centers for Medicare and Medicaid Services (CMS) for 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 (42 U.S.C. s.670 et seq.). 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, Pub.L.115-271 (42 U.S.C. s.1396a et seq.), albeit in advance of the federally mandated 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 at section 1902(a)(10)(A)(i)(IX) of the federal Security Act (42 U.S.C. s.1396 et seq.).

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.

COMMITTEE AMENDMENTS:

The committee amended the bill to add references to State Plan amendments that are approved for New Jersey and for other states.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the Department of Human Services 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.

Currently, there are no publicly available data on the number of former foster youth who 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, show that in December 2019, 185 New Jersey exited out-of-home foster care 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 the 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 youth who moved to New Jersey over the previous 12 months and have enrolled in the program.

Currently, are required under the Affordable Care Act (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 submit a Medicaid Section 1115 waiver to extend Medical coverage for former foster youth, up to age 26, who have relocated from another State.