

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5805

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 2021

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 5805.

As amended by this committee, this bill revises certain requirements concerning enrollment in the NJ FamilyCare program, including expanding eligibility and establishing additional outreach requirements.

The bill generally prohibits requiring enrollees in NJ FamilyCare to pay premiums as a condition of participation in the program. Premiums may still be required for enrollees who exceed income limits but elect to buy into NJ FamilyCare.

The bill eliminates a provision of current law that requires certain children who were voluntarily disenrolled from employer-sponsored group insurance coverage to be deemed ineligible for enrollment in NJ FamilyCare for a certain period, and provides that no waiting periods may be imposed against any applicant for the program who is otherwise eligible for enrollment.

Under the bill, the Commissioner of Human Services is directed to provide information regarding other health care programs for which an enrollee may be eligible to any enrollee terminated from the program.

Pursuant to existing law, and unchanged by the bill, the Commissioner of Human Services is directed to establish an enhanced NJ FamilyCare outreach and enrollment initiative to increase public awareness about the availability of, and benefits to enrolling in, Medicaid, NJ FamilyCare, and the NJ FamilyCare Advantage buy-in program, including culturally sensitive, Statewide and local media public awareness campaigns and the provision of training and support services to enable certain entities to assist in enrollment activities.

Under the bill as amended, the initiative is also to be coordinated with any outreach efforts related to: 1) the ongoing enrollment initiative coordinated in consultation with the Commissioner of Education established under current law; or 2) enrollment in the State's health insurance Exchange established pursuant to the federal "Patient Protection and Affordable Care Act," Pub.L.111-148, as amended by the "Health Care and Education Reconciliation Act of 2010," Pub.L.111-152. The initiative is to additionally provide the Commissioner of Banking and Insurance with input for the provision

of training to Exchange enrollment assistors, and as determined by the commissioner, local officials and any other pertinent staff on the eligibility requirements of NJ FamilyCare and how to enroll children in the program.

In addition to the enhanced NJ FamilyCare outreach and enrollment initiative, existing law requires the commissioner to establish an Outreach, Enrollment, and Retention Working Group. In addition to the seven ex-officio members and six public members of the working group currently required under statute, the bill adds the Commissioner of Children and Families as an ex-officio member and the following four public members: one person who represents the New Jersey Health Care Quality Institute; one person who represents county navigators; and two people who represent the New Jersey for Health Care coalition. The bill directs the working group to organize and hold a meeting no later than 60 days following the date of enactment of the bill.

As amended, the bill directs the Legislature to annually appropriate \$20 million from the General Fund to implement its provisions.

COMMITTEE AMENDMENTS:

The committee amendments remove an amendatory section of the bill, which would have amended section 11 of P.L.2005, c.156 (C.30:4J-14) and established additional reporting requirements concerning the NJ FamilyCare program.

The committee amendments revise the bill to only allow the NJ FamilyCare outreach and enrollment initiative to provide input to the Commissioner of Banking and Insurance for the provision of training to Exchange enrollment assistors, and, as determined by the commissioner, local officials and any other pertinent staff, rather than directly providing the training.

The committee amendments remove language from the bill that would require the Department of Banking and Insurance to ensure the full incorporation of the Medicaid, NJ FamilyCare, and NJ FamilyCare Advantage Programs on the State's health insurance Exchange and the individual health coverage marketplace.

The committee amendments revise the bill to change a direct supplemental appropriation of \$20 million to direct that an annual appropriation of \$20 million be made to implement the provisions of the bill.

The committee amendments revise the synopsis and title of the bill to reflect these changes.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that this bill implements the Cover All Kids Initiative that is proposed in the Governor's FY 2022 Budget. The Department of Human Services estimates that the initiative would cost the State \$68.5 million to

implement in FY 2022, with the federal government anticipated to reimburse the State for \$38.5 million of the total. Of note, these amounts include an estimate of \$30.0 million in State costs, of which the federal government would reimburse the State an estimated \$20.0 million, for the elimination of Children's Health Insurance Program (CHIP) premiums. Because these premiums are suspended during the current federal public health emergency, however, the department does not attribute any costs to this provision in FY 2022. As a result, the Governor's FY 2022 Budget only includes \$38.5 million as the cost of the Cover All Kids initiative in FY 2022 with the federal government estimated to reimburse the State \$18.5 million of the total, thereby yielding a net State cost of \$20.0 million.

The OLS determines that the Executive estimate of the FY 2022 impacts falls within the range of plausible outcomes. For subsequent fiscal years, the OLS estimates that this bill would cost between \$58.3 million and \$114.9 million per year, with an increase in federal cost reimbursements under the Medicaid program and the Children's Health Insurance Program of \$33.6 million to \$60.8 million. These amounts exceed the FY 2022 estimates because the fiscal impacts of eliminating Children's Health Insurance Program premiums would become attributable to the bill upon the expiration of the temporary suspension of the premiums under federal law during the current federal public health emergency.