

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 2795

# STATE OF NEW JERSEY

DATED: JUNE 23, 2014

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2795.

The bill would provide Medicaid coverage for family planning services to individuals whose income does not exceed 200 percent of the federal poverty level.

Specifically, the bill expands coverage of family planning services to non-pregnant individuals whose income does not exceed the highest income eligibility level established for pregnant women under the State plan under Title XIX or Title XXI of the federal Social Security Act (Medicaid and the Children's Health Insurance Program, respectively), which is currently 200 percent of the federal poverty level in New Jersey.

This bill would exercise a new State option provided under 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, which permits states to expand family planning services through a State plan amendment, rather than through a demonstration waiver under section 1115 of the Social Security Act. Under federal law, the federal government would pay 90 percent of the costs for these services.

The bill takes effect on the first day of the fourth month following its enactment, but authorizes the Commissioner of Human Services to take such prior administrative action as may be necessary for implementation.

As reported, this bill is identical to Senate Bill No. 1203, as also reported by the committee.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the State would incur costs to provide family planning services to individuals who enroll in the Medicaid family planning expansion established by the bill. Due to the fairly narrow target population, the relatively low cost of these services, and the 90% federal matching rate, total State costs are likely to less than \$1 million.

Costs may be offset by reducing unintended pregnancies that would ultimately result in more costly Medicaid services related to pregnancy and birth. Studies of Medicaid family planning expansions

in other states have generally shown that expansions have been budget neutral or have yielded a net cost savings to states.