

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 105
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: FEBRUARY 8, 2018

SUMMARY

- Synopsis:** Provides Medicaid coverage for family planning services to individuals with incomes up to 200 percent of the federal poverty level.
- Type of Impact:** Annual expenditure increase to the State General Fund; partially offset by enhanced federal Medicaid funds.
- Agencies Affected:** Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Annual State Expenditure Increase	Indeterminate – See comments below
Annual State Revenue Increase	Indeterminate – See comments below

- The Office of Legislative Services (OLS) estimates that the State may incur annual net costs to provide family planning services to individuals who enroll in the Medicaid family planning expansion established by the bill. However, due to the fairly narrow target population and the 90 percent federal matching rate, total annual net State costs are likely to be insignificant.

BILL DESCRIPTION

This 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 would expand 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 State option provided under the federal Affordable Care Act, 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. The federal government would pay 90 percent of the costs for these services.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the State may incur annual net costs to provide family planning services to individuals who enroll in the Medicaid family planning expansion established by the bill. It is not possible to quantify the total annual net State costs for this expansion, but they are likely to be insignificant because the federal Affordable Care Act provides that 90 percent of the total costs would be covered by the federal government and because it is likely that only a fairly small number of individuals would be eligible and apply for the program.

Due to the Affordable Care Act, individuals who earn less than 138 percent of the federal poverty level are eligible for Medicaid, which covers family planning services. Therefore, the bill's program would be targeted to people who earn between 138 percent and 200 percent of the federal poverty level. Many of the individuals who have this earnings level may also qualify for heavily subsidized health insurance through the Affordable Care Act and thus may also already have access to family planning services. It is not possible for the OLS to determine the number of individuals who meet the financial eligibility criteria but do not purchase insurance and need access to family planning services, but it is likely to be marginal. Without information on the number of likely recipients, the OLS cannot quantify the cost of this legislation, but it is likely to be insignificant.

Section: Human Services

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).