

ASSEMBLY, No. 197

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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SYNOPSIS

Expands availability of NJ FamilyCare Advantage program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** expanding the NJ FamilyCare Advantage program, and
2 amending and supplementing P.L.2005, c. 156.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 5 of P.L.2005, c.156 (C.30:4J-12) is amended to
8 read as follows:

9 5. a. The purpose of the program shall be to provide
10 subsidized health insurance coverage, and other health care benefits
11 as determined by the commissioner, to children under 19 years of
12 age and their parents or caretakers and to adults without dependent
13 children, within the limits of funds appropriated or otherwise made
14 available for the program.

15 The program shall require families to pay copayments and make
16 premium contributions, based upon a sliding income scale. The
17 program shall include the provision of well-child and other
18 preventive services, hospitalization, physician care, laboratory and
19 x-ray services, prescription drugs, mental health services, and other
20 services as determined by the commissioner.

21 b. The commissioner shall take such actions as are necessary to
22 implement and operate the program in accordance with the State
23 Children's Health Insurance Program established pursuant to 42
24 U.S.C.s.1397aa et seq.

25 c. The commissioner:

26 (1) shall, by regulation, establish standards for determining
27 eligibility and other program requirements, including, but not
28 limited to, restrictions on voluntary disenrollments from existing
29 health insurance coverage;

30 (2) shall require that a parent or caretaker who is a qualified
31 applicant purchase coverage, if available, through an employer-
32 sponsored health insurance plan which is determined to be cost-
33 effective and is approved by the commissioner, and shall provide
34 assistance to the qualified applicant to purchase that coverage,
35 except that the provisions of this paragraph shall not be construed to
36 require an employer to provide health insurance coverage for any
37 employee or employee's spouse or dependent child;

38 (3) may, by regulation, establish plans of coverage and benefits
39 to be covered under the program, except that the provisions of this
40 section shall not apply to coverage for medications used exclusively
41 to treat AIDS or HIV infection; and

42 (4) shall establish, by regulation, other requirements for the
43 program, including, but not limited to, premium payments and
44 copayments, and may contract with one or more appropriate
45 entities, including managed care organizations, to assist in

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 administering the program. The period for which eligibility for the
2 program is determined shall be the maximum period permitted
3 under federal law.

4 d. The commissioner shall establish procedures for determining
5 eligibility, which shall include, at a minimum, the following
6 enrollment simplification practices:

7 (1) A streamlined application form as established pursuant to
8 subsection k. of this section;

9 (2) Require new applicants to submit one recent pay stub from
10 the applicant's employer, or, if the applicant has more than one
11 employer, one from each of the applicant's employers, to verify
12 income. In the event the applicant cannot provide a recent pay stub,
13 the applicant may submit another form of income verification as
14 deemed appropriate by the commissioner. If an applicant does not
15 submit income verification in a timely manner, before determining
16 the applicant ineligible for the program, the commissioner shall
17 seek to verify the applicant's income by reviewing available
18 Department of the Treasury and Department of Labor and
19 Workforce Development records concerning the applicant, and such
20 other records as the commissioner determines appropriate.

21 The commissioner shall establish retrospective auditing or
22 income verification procedures, such as sample auditing and
23 matching reported income with records of the Department of the
24 Treasury and the Department of Labor and Workforce Development
25 and such other records as the commissioner determines appropriate.

26 In matching reported income with confidential records of the
27 Department of the Treasury, the commissioner shall require an
28 applicant to provide written authorization for the Division of
29 Taxation in the Department of the Treasury to release applicable tax
30 information to the commissioner for the purposes of establishing
31 income eligibility for the program. The authorization, which shall
32 be included on the program application form, shall be developed by
33 the commissioner, in consultation with the State Treasurer;

34 (3) Online enrollment and renewal, in addition to enrollment
35 and renewal by mail. The online enrollment and renewal forms
36 shall include electronic links to other State and federal health and
37 social services programs;

38 (4) Continuous enrollment;

39 (5) Simplified renewal by sending an enrollee a preprinted
40 renewal form and requiring the enrollee to sign and return the form,
41 with any applicable changes in the information provided in the
42 form, prior to the date the enrollee's annual eligibility expires. The
43 commissioner shall establish such auditing or income verification
44 procedures, as provided in paragraph (2) of this subsection; and

45 (6) Provision of program eligibility-identification cards that are
46 issued no more frequently than once a year.

47 e. The commissioner shall take, or cause to be taken, any
48 action necessary to secure for the State the maximum amount of

1 federal financial participation available with respect to the program,
2 subject to the constraints of fiscal responsibility and within the
3 limits of available funding in any fiscal year. In this regard,
4 notwithstanding the definition of "qualified applicant," the
5 commissioner may enroll in the program such children or their
6 parents or caretakers who may otherwise be eligible for the
7 Medicaid program in order to maximize use of federal funds that
8 may be available pursuant to 42 U.S.C. s.1397aa et seq.

9 f. Subject to federal approval, a child shall be determined
10 ineligible for the program if the child was voluntarily disenrolled
11 from employer-sponsored group insurance coverage within six
12 months prior to application to the program.

13 g. The commissioner shall provide, by regulation, for
14 presumptive eligibility for the program in accordance with the
15 following provisions:

16 (1) A child who presents himself for treatment at a general
17 hospital, federally qualified or community health center, local
18 health department that provides primary care, or other State
19 licensed community-based primary care provider shall be deemed
20 presumptively eligible for the program if a preliminary
21 determination by hospital, health center, local health department or
22 licensed health care provider staff indicates that the child meets
23 program eligibility standards and is a member of a household with
24 an income that does not exceed 350% of the poverty level;

25 (2) The provisions of paragraph (1) of this subsection shall also
26 apply to a child who is deemed presumptively eligible for Medicaid
27 coverage pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.);

28 (3) The parent or caretaker of a child deemed presumptively
29 eligible pursuant to this subsection shall be required to submit a
30 completed application for the program no later than the end of the
31 month following the month in which presumptive eligibility is
32 determined;

33 (4) A child shall be eligible to receive all services covered by
34 the program during the period in which the child is presumptively
35 eligible; and

36 (5) The commissioner may, by regulation, establish a limit on
37 the number of times a child may be deemed presumptively eligible
38 for NJ FamilyCare.

39 h. The commissioner, in consultation with the Commissioner of
40 Education, shall administer an ongoing enrollment initiative to
41 provide outreach to children throughout the State who may be
42 eligible for the program.

43 (1) With respect to school-age children, the commissioner, in
44 consultation with the Commissioner of Education and the Secretary
45 of Agriculture, shall develop a form that provides information about
46 the NJ FamilyCare and Medicaid programs and provides an
47 opportunity for the parent or guardian who signs the school lunch
48 application form to give consent for information to be shared with

1 the Department of Human Services for the purpose of determining
2 eligibility for the programs. The form shall be attached to, included
3 with, or incorporated into, the school lunch application form.

4 The commissioner, in consultation with the Commissioner of
5 Education, shall establish procedures for schools to transmit
6 information attached to, included with, or provided on the school
7 lunch application form regarding the NJ FamilyCare and Medicaid
8 programs to the Department of Human Services, in order to enable
9 the department to determine eligibility for the programs.

10 (2) The commissioner or the Commissioner of Education, as
11 applicable, shall:

12 (a) make available to each elementary and secondary school,
13 licensed child care center, registered family day care home, unified
14 child care agency, local health department that provides primary
15 care, and community-based primary care provider, informational
16 materials about the program, including instructions for applying
17 online or by mail, as well as copies of the program application
18 form.

19 The entity shall make the informational and application materials
20 available, upon request, to persons interested in the program; and

21 (b) request each entity to distribute a notice at least annually, as
22 developed by the commissioner, to households of children attending
23 or receiving its services or care, informing them about the program
24 and the availability of informational and application materials. In
25 the case of elementary and secondary schools, the information
26 attached to, included with, or incorporated into, the school lunch
27 application form for school-age children pursuant to this
28 subparagraph shall be deemed to meet the requirements of this
29 paragraph.

30 i. Subject to federal approval, the commissioner shall, by
31 regulation, establish that in determining income eligibility for a
32 child, any gross family income above 200% of the poverty level, up
33 to a maximum of 350% of the poverty level, shall be disregarded.

34 j. The commissioner shall establish a NJ FamilyCare coverage
35 buy-in program through which a parent, **【or】** caretaker, or
36 individual whose individual or family income exceeds **【350% of the**
37 **poverty level】** the income level for eligibility for the NJ
38 FamilyCare program or for Medicaid may purchase coverage under
39 NJ FamilyCare **【for a child under the age of 19, who is uninsured**
40 **and was not voluntarily disenrolled from employer-sponsored group**
41 **insurance coverage within six months prior to application to the**
42 **program】** as provided pursuant to section 2 of P.L. , c. (C.)
43 (pending before the Legislature as this bill). The program shall be
44 known as NJ FamilyCare Advantage.

45 The commissioner shall establish the premium and cost sharing
46 amounts required to purchase coverage, except that the premium
47 shall not exceed the amount the program pays per month to a

1 managed care organization under NJ FamilyCare for **【a child of 】**
2 an individual of comparable age whose individual or family income
3 is between 200% and 350% of the poverty level, plus a reasonable
4 processing fee.

5 k. The commissioner, in consultation with the Rutgers Center
6 for State Health Policy, shall develop a streamlined application
7 form for the NJ FamilyCare, NJ FamilyCare Advantage, and
8 Medicaid programs.

9 l. Subject to federal approval, the Commissioner of Human
10 Services shall establish a hardship waiver for part or all of the
11 premium for an eligible child under the NJ FamilyCare program. A
12 parent or caretaker may apply to the commissioner for a hardship
13 waiver in a manner and form established by the commissioner. If
14 the parent or caretaker can demonstrate to the satisfaction of the
15 commissioner, pursuant to regulations adopted by the
16 commissioner, that payment of all or part of the premium for the
17 parent or caretaker's child presents a hardship, the commissioner
18 shall grant the waiver for a prescribed period of time.
19 (cf: P.L.2008, c.53, s.2)
20

21 2. (New section) a. The Department of Human Services shall
22 establish the NJ FamilyCare Advantage program as follows. The NJ
23 FamilyCare Advantage program shall make available for purchase
24 the NJ FamilyCare Advantage health care plan for all qualified
25 residents of New Jersey.

26 b. The Commissioner of Human Services shall integrate
27 eligibility screening for NJ FamilyCare and the Medicaid program
28 into the application process for the NJ FamilyCare Advantage
29 health care plan, and establish a system that allows for transition of
30 enrollment between the Medicaid or the NJ FamilyCare program
31 and the NJ FamilyCare Advantage health care plan for individuals
32 whose eligibility has been affected by a change in income.

33 c. The NJ FamilyCare Advantage health care plan shall provide
34 coverage that is at least as comprehensive as the coverage defined
35 in 42 U.S.C. 18022(b) and that offers benefits that equal or exceed
36 those that are available by the plan approved by the Centers for
37 Medicare and Medicaid Services as the State qualified essential
38 health benefits plan.

39 d. Enrollees in the NJ FamilyCare Advantage health care plan
40 who are applicable taxpayers may receive a refundable credit for
41 such coverage pursuant to provisions of the federal Internal
42 Revenue Code, 26 U.S.C. 36B.

43 e. The Commissioner of Human Services shall coordinate with
44 the Department of the Treasury and the federal Department of
45 Health and Human Services to the extent necessary to incorporate
46 eligibility for a refundable credit pursuant to subsection. of this
47 section for the NJ FamilyCare Advantage health care plan into the

1 NJ FamilyCare Advantage health care plan application and plan
2 enrollment.

3 f. The Commissioner of Human Services shall apply for such
4 State plan amendments or waivers as may be necessary to
5 implement the provisions of this act.

6 g. The Commissioner of Human Services shall apply for any
7 federal waivers or other federal approval required to implement this
8 section. The commissioner shall also apply for any applicable grant
9 or demonstration project under the Patient Protection and
10 Affordable Care Act, Pub. L. 111-148, or the Health Care and
11 Education Reconciliation Act of 2010, Pub. L. 111-152, that would
12 further the purposes of or assist in the establishment of the NJ
13 FamilyCare Advantage health care plan.

14 h. Pursuant to this section, “qualified resident” means an
15 individual who resides in the geographic boundaries of the State of
16 New Jersey who is not financially or medically eligible for the State
17 Medicaid program or the NJ FamilyCare program.

18
19 3. The Commissioner of Human Services, pursuant to the
20 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
21 1 et seq.), shall adopt rules and regulations as the commissioner
22 determines necessary to effectuate the purposes of this act.

23
24 4. This act shall take effect on the first day of the 12th month
25 next following the date of the enactment, except the Commissioner
26 of Human Services may take any anticipatory action in advance as
27 shall be necessary for the implementation of this act.

28
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30 STATEMENT

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32 This bill would expand the availability of the NJ FamilyCare
33 Advantage program. The program provides an opportunity for
34 individuals to purchase health care coverage through the Medicaid
35 program. This coverage would be known as the NJ FamilyCare
36 Advantage health care plan and would be available for purchase to
37 all individuals in the State, who are not eligible for Medicaid or NJ
38 FamilyCare.

39 The bill requires that the NJ FamilyCare Advantage health care
40 plan would need to meet the specifications of a plan which provides
41 the essential health benefits as defined in the Affordable Care Act.
42 The health care plan could then be purchased through the Federal
43 Health Care Exchange. This would allow qualified individuals to
44 access tax credits available when purchasing the NJ FamilyCare
45 Advantage health care plan through the Exchange.