SENATE, No. 395

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Senator LORETTA WEINBERG
District 37 (Bergen)

SYNOPSIS

Expands Medicare health care coverage to all New Jersey residents.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning health care coverage and supplementing Title 26 of the Revised Statutes.

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

1. a. All residents of New Jersey shall be provided with Medicare health care coverage under Title XVIII of the federal Social Security Act (42 U.S.C. s.1395), regardless of the person's age, health, or disability status.

b. The State shall apply to the federal Centers for Medicare & Medicaid Services (CMS) for any waiver of federal statute or regulation necessary to effectuate subsection a. of this section. The application shall include provisions to cover current recipients of health care benefits from federal programs, including but not limited to Medicaid and veterans' benefits, through the New Jersey Medicare program. The State shall review all State and local programs that provide health benefits to ensure that those receiving such benefits are covered by the New Jersey Medicare program.

c. CMS will estimate the cost of providing Medicare for all New Jersey residents, and will deduct the estimated revenue from Medicare and Medicaid payments that New Jersey residents, the State of New Jersey, and the federal government pay to offset those costs. CMS will establish Medicare premiums for New Jersey residents accordingly.

d. As used in this section, "resident" means a person domiciled in the State for a period of 30 days immediately preceding the date of application for inclusion in the Medicare program.

2. No carrier, as that term is defined in section 2 of P.L.1997, c.192 (C.26:2S-2), shall offer a health benefits plan in this State that includes coverage for health care services which are identical to or in any way duplicative of services which are provided through any part of the Medicare program.

3. Section 1 of this act shall take effect immediately. Section 2 shall take effect upon the effective date of federal action to comply with section 1 of this act, and shall apply to policies or contracts issued or renewed on or after that date.

STATEMENT

This bill would expand the federal Medicare health care coverage program to every New Jersey resident, regardless of age, health, or disability status. Currently, Medicare is generally available only to people who are age 65 years or older, who have a disability, or who have certain specified health conditions. The bill

defines a resident as a person domiciled in the State for a period of 30 days immediately preceding the date of application for inclusion in the Medicare program.

The bill requires the State to apply to the federal Centers for Medicare & Medicaid Services (CMS) for any waiver of federal statute or regulation necessary to effectuate this expansion of Medicare. The application would allow New Jersey to replace federal, State, and local health care programs with universal coverage through New Jersey Medicare. CMS would estimate the cost of providing Medicare for all New Jersey residents, and will deduct the estimated revenue from Medicare and Medicaid payments that New Jersey residents, the State of New Jersey, and the federal government pay to offset those costs. CMS will establish Medicare premiums for New Jersey residents accordingly.

Upon the enactment of universal Medicare coverage in New Jersey, the bill would prohibit any health insurance carrier from offering a health benefits plan that includes coverage for health care services covered by Medicare. This provision would ensure full participation in the Medicare program, which would increase enrollment and thus spread the risk of insurance over a larger population to achieve greater cost efficiency in the health care sector.

The purpose of this bill is to establish a universal health care coverage program in New Jersey that builds upon the long, successful history of the federal Medicare program. In contrast with most common private insurance plans, Medicare is affordable for nearly everyone, offers greater patient choice in their health care providers, and has much lower out-of-pocket costs. Medicare is more efficient than private insurance, having much lower administrative costs. As an established federal program, expanding Medicare would require no new State bureaucracy and no difficult adjustment for health care providers to a new system. Medicare could provide low-cost health care coverage with to hundreds of thousands of New Jersey residents who currently lack health coverage or who may lose coverage as a result of increasingly complex, costly, and restrictive private health insurance.