

30:4D-3 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 30:4D-3 et al (Medicaid-- eligibility standards for aged and disabled-- increase income limit)

LAWS OF: 1987 **CHAPTER:** 349

Bill No: S2972

Sponsor(s): Pallone

Date Introduced: February 2, 1987

Committee: **Assembly:** Appropriations

Senate: Institutions, Health and Welfare; Revenue, Finance and Appropriations.

Amended during passage: Yes Amendments during passage denoted by asterisks.

Date of Passage: **Assembly:** December 10, 1987

Senate: June 18, 1987

Date of Approval: January 4, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate Yes 2-26-87 and 6-15-87

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: Yes

"Health Care Program" as mentioned in statements, enacted 5-4-87.

974.90 New Jersey. Legislature. Senate. Institutions, Health and Welfare Committee.
H434 Public hearing, held 2-11-87, Trenton,
1987b 1987.

1-4-88

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SENATE, No. 2972**STATE OF NEW JERSEY**

INTRODUCED FEBRUARY 2, 1987

By Senator PALLONE

Referred to Committee on Institutions, Health and Welfare

AN ACT concerning Medicaid eligibility for elderly and disabled
persons and amending P. L. 1968, c. 413.

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

1 1. Section 3 of P. L. 1968, c. 413 (C. 30:4D-3) is amended to read
2 as follows:

3 3. Definitions. As used in this act, and unless the context other-
4 wise requires:

5 a. "Applicant" means any person who has made application for
6 purposes of becoming a "qualified applicant."

7 b. "Commissioner" means the Commissioner of the Department
8 of Human Services.

9 c. "Department" means the Department of Human Services,
10 which is herein designated as the single State agency to administer
11 the provisions of this act.

12 d. "Director" means the Director of the Division of Medical
13 Assistance and Health Services.

14 e. "Division" means the Division of Medical Assistance and
15 Health Services.

16 f. "Medicaid" means the New Jersey Medical Assistance and
17 Health Services Program.

18 g. "Medical assistance" means payments on behalf of recipients
19 to providers for medical care and services authorized under this
20 act.

21 h. "Provider" means any person, public or private institution,
22 agency or business concern approved by the division lawfully pro-

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted February 26, 1987.

* *—Senate committee amendments adopted June 15, 1987.

23 viding medical care, services, goods and supplies authorized under
24 this act, holding, where applicable, a current valid license to pro-
25 vide such services or to dispense such goods or supplies.

26 i. "Qualified applicant" means a person who is a resident of this
27 State and is determined to need medical care and services as pro-
28 vided under this act, and who:

29 (1) Is a recipient of Aid to Families with Dependent Children;

30 (2) Is a recipient of Supplemental Security Income for the
31 Aged, Blind and Disabled under Title XVI of the Social Security
32 Act;

33 (3) Is an "ineligible spouse" of a recipient of Supplemental
34 Security Income for the Aged, Blind and Disabled under Title XVI
35 of the Social Security Act, as defined by the federal Social Security
36 Administration;

37 (4) Would be eligible to receive public assistance under a cate-
38 gorical assistance program except for failure to meet an eligibility
39 condition or requirement imposed under such State program which
40 is prohibited under Title XIX of the federal Social Security Act
41 such as a durational residency requirement, relative responsibility,
42 consent to imposition of a lien;

43 (5) Is a child between 18 and 21 years of age who would be
44 eligible for Aid to Families with Dependent Children, living in the
45 family group except for lack of school attendance or pursuit of
46 formalized vocational or technical training;

47 (6) Is an individual under 21 years of age who qualifies for
48 categorical assistance on the basis of financial eligibility, but does
49 not qualify as a dependent child under the State's program of Aid
50 to Families with Dependent Children (AFDC), or groups of such
51 individuals, including but not limited to, children in foster place-
52 ment under supervision of the Division of Youth and Family
53 Services whose maintenance is being paid in whole or in part from
54 public funds, children placed in a foster home or institution by a
55 private adoption agency in New Jersey or children in intermediate
56 care facilities, including institutions for the mentally retarded, or
57 in psychiatric hospitals;

58 (7) Meets the standard of need applicable to his circumstances
59 under a categorical assistance program or Supplemental Security
60 Income program, but is not receiving such assistance and applies
61 for medical assistance only.

62 A person shall not be considered a qualified applicant if, within
63 24 months of becoming or making application to become a qualified
64 applicant, he has made a voluntary assignment or transfer of real
65 or personal property, or any interest or estate in property, for less

66 than adequate consideration. Such voluntary assignment or trans-
 67 fer of property shall be deemed to have been made for the purpose
 68 of becoming a qualified applicant in the absence of evidence to the
 69 contrary supplied by the applicant. This requirement shall not be
 70 applicable to Supplemental Security Income applicants or aged,
 71 blind or disabled applicants for Medicaid only unless authorized
 72 by federal law. Implementation of this requirement shall conform
 73 with the provisions of section 132 of Pub. L. 97-248 (42 U. S. C.
 74 § 1396 p. (e));

75 (8) Is determined to be medically needy and meets all the
 76 eligibility requirements described below:

77 (a) The following individuals are eligible for services, if
 78 they are determined to be medically needy:

79 (i) Pregnant women;

80 (ii) Dependent children under the age of 21;

81 (iii) Individuals who are 65 years of age and older; and

82 (iv) Individuals who are blind or disabled pursuant to
 83 either 42 C. F. R. 435.530 et seq. or 42 C. F. R. 435.540
 84 et seq., respectively.

85 (b) The following income standard shall be used to deter-
 86 mine medically needy eligibility:

87 (i) For one person and two person households, the income
 88 standard shall be the maximum allowable under federal law,
 89 but shall not exceed 133 $\frac{1}{3}$ % of the State's payment level
 90 to two person households eligible to receive assistance pur-
 91 suant to P. L. 1959, c. 86 (C. 44:10-1 et seq.); and

92 (ii) For households of three or more persons, the income
 93 standard shall be set at 133 $\frac{1}{3}$ % of the State's payment
 94 level to similar size households eligible to receive assistance
 95 pursuant to P. L. 1959, c. 86 (C. 44:10-1 et seq.).

96 (c) The following resource standard shall be used to deter-
 97 mine medically needy eligibility:

98 (i) For one person households, the resource standard
 99 shall be 200% of the resource standard for recipients of
 100 Supplemental Security Income pursuant to 42 U. S. C. § 1382
 101 (1) (B);

102 (ii) For two person households, the resource standard
 103 shall be 200% of the resource standard for recipients of Sup-
 104 plemental Security Income pursuant to 42 U. S. C. § 1382
 105 (2) (B); and

106 (iii) For households of three or more persons, the resource
 107 standard in subparagraph (c) (ii) above shall be increased
 108 by \$100.00 for each additional person.

109 (iv) The resource standards established in (i), (ii), and
110 (iii) are subject to federal approval and the resource stan-
111 dard may be lower if required by the federal Department of
112 Health and Human Services.

113 (d) Individuals whose income exceeds those established in
114 subparagraph (b) of paragraph (8) of this subsection may be-
115 come medically needy by incurring medical expenses as defined
116 in 42 C. F. R. 435.831 (c) which will reduce their income to the
117 applicable medically needy income established in subparagraph
118 (b) of paragraph (8) of this subsection.

119 (e) A six month period shall be used to determine whether
120 an individual is medically needy.

121 (f) Eligibility determinations for the medically needy pro-
122 gram shall be administered as follows:

123 (i) County welfare agencies are responsible for determin-
124 ing and certifying the eligibility of pregnant women and
125 dependent children. The division shall reimburse county
126 welfare agencies for 100% of the reasonable costs of ad-
127 ministration which are not reimbursed by the federal gov-
128 ernment for the first 12 months of this program's operation.
129 Thereafter, 75% of the administrative costs incurred by
130 county welfare agencies which are not reimbursed by the
131 federal government shall be reimbursed by the division;

132 (ii) The division is responsible for certifying the eligi-
133 bility of individuals who are 65 years of age and older and
134 individuals who are blind or disabled. The division may
135 enter into contracts with county welfare agencies to deter-
136 mine certain aspects of eligibility. In such instances the
137 division shall provide county welfare agencies with all in-
138 formation the division may have available on the individual.

139 The division shall notify all eligible recipients of the Phar-
140 maceutical Assistance to the Aged and Disabled program,
141 P. L. 1975, c. 194 (C. 30:4D-20 et seq.) on an annual basis
142 of the medically needy program and the program's general
143 requirements. The division shall take all reasonable adminis-
144 trative actions to ensure that Pharmaceutical Assistance to
145 the Aged and Disabled recipients, who notify the division
146 that they may be eligible for the program, have their ap-
147 plications processed expeditiously, at times and locations
148 convenient to the recipients; and

149 (iii) The division is responsible for certifying incurred
150 medical expenses for all eligible persons who attempt to

151 qualify for the program pursuant to subparagraph (d) of
 152 paragraph (8) of this subsection****[.]**** **,**

153 ***(9)** (a) Is a pregnant woman, or is a child who is under one
 154 year of age, or, on and after October 1, 1987, is a child under two
 155 years of age; and

156 (b) Is a member of a family whose income does not exceed the
 157 poverty level and who meets the federal Medicaid eligibility re-
 158 quirements set forth in section 9401 of Pub. L. 99-509 (42 U. S. C.
 159 § 1396a), except that a pregnant woman who is determined to be
 160 a qualified applicant shall, notwithstanding any change in the income
 161 of the family of which she is a member, continue to be deemed a
 162 qualified applicant until the end of the 60 day period beginning on
 163 the last day of her pregnancy**[.]**;

164 (10) Is a pregnant woman who is determined by a provider to
 165 be presumptively eligible for medical assistance based on criteria
 166 established by the commissioner, pursuant to section 9407 of Pub.
 167 L. 99-509 (42 U. S. C. § 1396a(a))**[.]**; or **

168 ***(9)** ***(11)** *Is an individual 65 years of age and older, or*
 169 *an individual who is blind or disabled pursuant to **[either 42***
 170 *C. F. R. 435.530 et seq. or 42 C. F. R. 435.540 et seq.]* ***section 301**
 171 *of Pub. L. 92-603 (42 U. S. C. § 1382c.)*, whose income does not
 172 exceed 100% of the poverty **[line]** **level**, adjusted for
 173 family size, and whose resources do not exceed 100% of the re-
 174 source standard used to determine medically needy eligibility pursu-
 175 ant to paragraph (8) of this subsection. **[Prior to receiving**
 176 *services pursuant to this paragraph, the individual shall be evalu-*
 177 *ated to determine his eligibility for Medicaid and, if determined*
 178 *to be ineligible therefor, shall then be referred to the medically*
 179 *needy program for a determination of his eligibility therefor pursu-*
 180 *ant to paragraph (8) of this subsection.]*

181 j. "Recipient" means any qualified applicant receiving benefits
 182 under this act.

183 k. "Resident" means a person who is living in the State
 184 voluntarily with the intention of making his home here and not
 185 for a temporary purpose. Temporary absences from the State,
 186 with subsequent returns to the State or intent to return when
 187 the purposes of the absences have been accomplished, do not
 188 interrupt continuity of residence.

189 l. "State Medicaid Commission" means the Governor, the Com-
 190 missioner of Human Services, the President of the Senate and the
 191 Speaker of the General Assembly, hereby constituted a commission
 192 to approve and direct the means and method for the payment of
 193 claims pursuant to this act.

194 m. "Third party" means any person, institution, corporation,
 195 insurance company, public, private or governmental entity who is
 196 or may be liable in contract, tort, or otherwise by law or equity
 197 to pay all or part of the medical cost of injury, disease or dis-
 198 ability of an applicant for or recipient of medical assistance payable
 199 under this act.

200 n. "Governmental peer grouping system" means a separate class
 201 of skilled nursing and intermediate care facilities administered by
 202 the State or county governments, established for the purpose of
 203 screening their reported costs and setting reimbursement rates
 204 under the Medicaid program that are reasonable and adequate to
 205 meet the costs that must be incurred by efficiently and economically
 206 operated State or county skilled nursing and intermediate care
 207 facilities.

208 **o. "Comprehensive maternity or pediatric care provider"
 209 means any person or public or private health care facility that is
 210 a provider and that is approved by the commissioner to provide
 211 comprehensive maternity care or comprehensive pediatric care as
 212 defined in subsection b. (18) and (19) of section 6 of P. L. 1968,
 213 c. 413 (C. 30:4D-6b. (18) and (19)).

214 p. "Poverty level" means the official poverty level based on family
 215 size established and adjusted under Section 673 (2) of Subtitle B,
 216 the "Community Services Block Grant Act," of Pub. L. 97-35 (42
 217 U. S. C. § 9902 (2)).**

218 ****[o. "Poverty line" means the **[nonfarm]** official poverty**
 219 *****[line]*** level* based on family size established and adjusted under**
 220 **section 673 (2) of the "Community Services Block Grant Act,"**
 221 **Pub. L. 97-35 (42 U. S. C. § 9902 (2)).]****

1 2. This act shall take effect on July 1, 1987, or upon ******[the]******
 2 enactment ******[into law of Assembly Bill No. 2733 of 1986]******, which-
 3 ever is later******[;****; except that the Department of Human Services
 4 may, prior to the effective date of this act, take such actions as are
 5 necessary to effectuate the provisions thereof on the effective
 6 date**]****.

PUBLIC ASSISTANCE

Increases Medicaid income eligibility standard for elderly and dis-
 abled persons to federal poverty level.

191 *on family size established and adjusted under section 673 (2) of*
192 *the "Community Services Block Grant Act," Pub. L. 97-35 (42*
193 *U. S. C. § 9902 (2)).*

1 2. This act shall take effect on July 1, 1987, or upon the enact-
2 ment into law of Assembly Bill No. 2733 of 1986, whichever is later;
3 except that the Department of Human Services may, prior to the
4 effective date of this act, take such actions as are necessary to
5 effectuate the provisions thereof on the effective date.

STATEMENT

This bill enables elderly persons 65 years of age and over and persons who are blind or disabled pursuant to federal regulations to participate in the Medicaid program if their incomes are less than the appropriate federal poverty level and their assets do not exceed the level permitted under the State's medically needy program, as permitted under Title IX of the federal "Omnibus Budget Reconciliation Act of 1986," Pub. L. 99-509.

The bill takes effect at the beginning of FY 1988 and is contingent upon enactment of the "Health Care Program for Pregnant Women and Children" (Assembly Bill No. 2733, which was substituted for Senate Bill No. 2307), since federal law requires that an increase in the Medicaid income eligibility standard apply to all categories of recipients.

PUBLIC ASSISTANCE

Increases Medicaid income eligibility standard for elderly and disabled persons to poverty line.

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ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2972

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STATE OF NEW JERSEY

DATED: SEPTEMBER 10, 1987

The Assembly Appropriations Committee favorably reports Senate Bill No. 2972 (2nd OCR).

Senate Bill No. 2972 (2nd OCR) expands the eligibility criteria for the State Medicaid program to include persons who are 65 years of age and older, disabled or blind and whose incomes are less than the appropriate poverty level for their family size and whose assets do not exceed the level permitted under the State's needy program.

Currently the medically needy income standard for one person is \$3,960.00 a year, for two persons, \$4,992.00 a year and for three persons, \$6,492.00 a year. Under the provisions of the bill, the new income standard for one person is \$5,500.00 a year, for two persons, \$7,400.00 a year and for three persons, \$9,300.00 a year. The provisions of the bill that establish a higher income eligibility standard for applicants than is currently the standard for the State's medically needy program will permit some of the medically needy recipients to now receive Medicaid while others will be new recipients altogether due to the new standard.

The criteria expansion is a State option under the "Sixth Omnibus Budget Reconciliation Act of 1986" (SOBRA), Pub. L. 99-509. The federal law permits states to expand Medicaid eligibility if the State also similarly expands Medicaid eligibility for pregnant women and young children. That eligibility expansion took effect upon enactment of P. L. 1987, c. 115.

FISCAL IMPACT:

This bill contains no appropriation. The Department of Human Services estimates that \$30 million is necessary to fund the expansion and that 65,304 people will be eligible. The money for this program is contained in the Budget for fiscal year 1988, P. L. 1987, c. 154.

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SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO

SENATE, No. 2972

with Senate committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 26, 1987

The Senate Institutions, Health and Welfare Committee favorably reports Senate Bill No. 2972 with committee amendments.

As amended by committee, this bill expands eligibility in the State Medicaid program to include persons who are 65 years of age and older, disabled or blind and whose incomes are less than the appropriate poverty level for their family size and whose assets do not exceed the level permitted under the State's medically needy program.

This bill will enable persons whose monthly income does not exceed \$447 (for one person) or \$603 (for two persons) and whose assets do not exceed \$3,600 (for one person) and \$5,400 (for two persons) to qualify for all the services covered under the State Medicaid program.

The expansion of Medicaid eligibility to these aged, blind and disabled persons is a state option under the "Sixth Omnibus Budget Reconciliation Act of 1986," (SOBRA), Pub. L. 99-509. The federal law permits states to expand Medicaid eligibility to these persons if the State also similarly expands Medicaid eligibility for pregnant women and young children. Accordingly, this bill will not take effect until Assembly Bill No. 2733 of 1986 (which provides expanded Medicaid eligibility for pregnant women and children) is enacted into law.

The committee adopted technical amendments to the bill which delete the provision requiring that, prior to receiving services under the bill, a person shall be evaluated to determine whether the person is eligible for the Medicaid or Medically Needy programs. Since the expanded program established in the bill is part of the Medicaid program, it is not necessary to specify that the person's eligibility for the other "Medicaid" programs be evaluated prior to receiving services under the expanded program. Other technical amendments conform the definitions of "poverty line" and "blind and disabled" to federal law.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 2972

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 15, 1987

The Senate Revenue, Finance and Appropriations Committee reported Senate Bill No. 2972 OCR favorably, with committee amendments.

Senate Bill No. 2972 OCR, as amended, expands the eligibility criteria for the State Medicaid program to include persons who are 65 years of age and older, disabled or blind and whose incomes are less than the appropriate poverty level for their family size and whose assets do not exceed the level permitted under the State's medically needy program.

The provisions of the bill establish a higher income eligibility standard for applicants than is currently the standard for the State's medically needy program. This new standard will permit some of the medically needy recipients to now receive Medicaid while others will be new recipients altogether due to the new standard. Currently, the medically needy income standard for one person is \$3,960.00 a year, for two persons, \$4,992.00 a year and for three persons, \$6,492.00 a year. Under the provisions of the bill, the new income standard for one person is \$5,500.00 a year, for two persons, \$7,400.00 a year and for three persons, \$9,300.00 a year.

The criteria expansion is a State option under the "Sixth Omnibus Budget Reconciliation Act of 1986" (SOBRA), Pub. L. 99-509. The federal law permits states to expand Medicaid eligibility if the State also similarly expands Medicaid eligibility for pregnant women and young children. That eligibility expansion took effect upon enactment of P. L. 1987, c. 115.

COMMITTEE AMENDMENTS:

The committee amendments are technical in nature and conform the bill with the provisions of P. L. 1987, c. 115, which amended the same section of law.

FISCAL IMPACT:

This bill contains no appropriation. The Department of Human Services estimates that \$30 million is necessary to fund the expansion and that 65,304 people will be eligible. The money for this program is contained in the proposed Senate Budget for fiscal year 1988.

974.901

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OFFICE OF THE GOVERNOR

NEWS RELEASE

Governor Thomas H. Kean

TRENTON, N.J. 08625

Release:

CN-001

Contact:

CARL GOLDEN
609-292-8956 OR 292-6000 EXT. 207

MON. JAN. 4, 1988

Governor Thomas H. Kean today signed legislation to extend full Medicaid benefits to more than 65,000 elderly, blind and disabled residents of New Jersey, a step which described as "in keeping with the spirit of compassion and caring which has come to typify New Jersey and our people."

The legislation, S-2972, was sponsored by Senator Frank Pallone, D-Monmouth. An identical bill, A-3765, was sponsored in the Assembly by Assemblyman Robert Singer, R-Ocean, and Assemblywoman Clare Farragher, R-Monmouth.

Kean also signed legislation to establish a \$3 million personal attendant services program in the Department of Human Services to help adults with chronic disabilities to meet the routine of everyday living.

This bill, S-3329, was sponsored by Senator Richard VanWagner, D-Monmouth. An identical bill, A-4322, was sponsored in the Assembly by Assemblyman John Bennett, R-Monmouth, and Assemblywoman Farragher.

The extension of Medicaid services to the elderly, blind and disabled will cost \$61.5 million, half of which will come from the Federal government and half from New Jersey's casino revenue fund.

The legislation increases the income eligibility limits to qualify for Medicaid coverage from \$333 per month to \$458 per month for an individual and from \$416 per month to \$616 per month for a couple.

- more -

The extension was made possible through the enactment of Federal legislation which provided states with the option of extending full Medicaid benefits to the elderly, blind and disabled, as well as to pregnant women and children. The benefits were extended to pregnant women and children in legislation sponsored by Assemblyman Anthony Villane, R-Monmouth, and signed by the Governor in May of 1987.

The extension of the Medicaid benefits will cover new areas including prescription drug costs, dental care, eyeglasses and vision care and home health care. The extension also means that individuals now eligible for Medicare will have their co-payment and deductible for hospital care paid for by Medicaid.

"This legislation means that New Jersey has reached out once again to help its medically needy population in a significant way," Kean said. "We can now assure those individuals that they will not be forced to forego necessary medical care because of a shortage of money."

The second bill signed by the Governor appropriates \$3 million to establish a Statewide personal attendant services program to aid persons between the ages of 18 and 65 who suffer from chronic disabilities.

The program will be administered by designated agencies in each of the State's 21 counties.

It will provide help for the chronically disabled who experience difficulty in normal everyday tasks, thereby allowing them to remain in their homes and communities, rather than being admitted to an institution.

- more -

"The services to be provided will be non-medical ones, but will include such things as meal preparation, driving, shopping and doing laundry," Kean said. "In short, all of the things that those of us who are not disabled take for granted. We tend to overlook the difficulties experienced by those who suffer from a disability of one kind or another. This legislation will assure that these individuals are overlooked no longer."

The Department of Human Services has estimated that approximately 650 persons will be eligible for the services to be provided under this program. The program was established as a two-year pilot program in ten counties with a total caseload of about 200 persons. The pilot program ended in November of 1987.

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