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LAW

P.L. 2008, CHAPTER 53, *approved August 5, 2008*  
Senate, No. 1696

1 AN ACT concerning income verification for certain health care  
2 programs and amending 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 9 of P.L.2005, c.156 (C.30:4D-3b) is amended to  
8 read as follows:

9 9. No later than January 1, 2006, the Commissioner of Human  
10 Services shall, at a minimum, establish the following enrollment  
11 simplification practices for dependent children and their parents or  
12 specified caretaker relatives who are applicants for or recipients of  
13 the Medicaid program:

14 a. A streamlined application form as established pursuant to  
15 subsection k. of section 5 of P.L.2005, c.156 (C.30:4J-12);

16 b. Require new applicants to submit **[no more than]** one recent  
17 pay stub from the applicant's employer, or, if the applicant has more  
18 than one employer, **[no more than]** one from each of the applicant's  
19 employers, to verify income. In the event the applicant cannot  
20 provide a recent pay stub, the applicant may submit another form of  
21 income verification as deemed appropriate by the commissioner. If  
22 an applicant does not submit income verification in a timely  
23 manner, before determining the applicant ineligible for the program,  
24 the commissioner shall seek to verify the applicant's income by  
25 reviewing available Department of the Treasury **[or]** and  
26 Department of Labor and Workforce Development records  
27 concerning the applicant **[or]** and such other records as the  
28 commissioner determines appropriate.

29 The commissioner **[may]** shall establish **[such]** retrospective  
30 auditing or income verification procedures **[as he deems**  
31 **appropriate]**, such as sample auditing and matching reported  
32 income with records of the Department of the Treasury **[or]** and the  
33 Department of Labor and Workforce Development **[or]** and such  
34 other records as the commissioner determines appropriate.

35 **[If the commissioner elects to match]** In matching reported  
36 income with confidential records of the Department of the Treasury,  
37 the commissioner shall require an applicant to provide written  
38 authorization for the Division of Taxation in the Department of the  
39 Treasury to release applicable tax information to the commissioner  
40 for the purposes of establishing income eligibility for the program.

**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 The authorization, which shall be included on the program  
2 application form, shall be developed by the commissioner, in  
3 consultation with the State Treasurer;

4 c. Online enrollment and renewal, in addition to enrollment  
5 and renewal by mail. The online enrollment and renewal forms  
6 shall include electronic links to other State and federal health and  
7 social services programs;

8 d. Continuous enrollment;

9 e. Simplified renewal by sending a recipient a preprinted  
10 renewal form and requiring the recipient to sign and return the  
11 form, with any applicable changes in the information provided in  
12 the form, **[no later than 30 days after]** prior to the date the  
13 recipient's annual eligibility expires. The commissioner **[may]**  
14 shall establish such auditing or income verification procedures **[as**  
15 **he deems appropriate,]** as provided in subsection a. of this section;  
16 and

17 f. Provision of program eligibility-identification cards that are  
18 issued no more frequently than once a year.

19 (cf: P.L.2005, c.156, s.9)

20

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

23 5. a. The purpose of the program shall be to provide subsidized  
24 health insurance coverage, and other health care benefits as  
25 determined by the commissioner, to children under 19 years of age  
26 and their parents or caretakers and to adults without dependent  
27 children, within the limits of funds appropriated or otherwise made  
28 available for the program.

29 The program shall require families to pay copayments and make  
30 premium contributions, based upon a sliding income scale. The  
31 program shall include the provision of well-child and other  
32 preventive services, hospitalization, physician care, laboratory and  
33 x-ray services, prescription drugs, mental health services, and other  
34 services as determined by the commissioner.

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

39 c. The commissioner:

40 (1) shall, by regulation, establish standards for determining  
41 eligibility and other program requirements, including, but not  
42 limited to, restrictions on voluntary disenrollments from existing  
43 health insurance coverage;

44 (2) shall require that a parent or caretaker who is a qualified  
45 applicant purchase coverage, if available, through an employer-  
46 sponsored health insurance plan which is determined to be cost-  
47 effective and is approved by the commissioner, and shall provide  
48 assistance to the qualified applicant to purchase that coverage,

1 except that the provisions of this paragraph shall not be construed to  
2 require an employer to provide health insurance coverage for any  
3 employee or employee's spouse or dependent child;

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

8 (4) shall establish, by regulation, other requirements for the  
9 program, including, but not limited to, premium payments and  
10 copayments, and may contract with one or more appropriate  
11 entities, including managed care organizations, to assist in  
12 administering the program. The period for which eligibility for the  
13 program is determined shall be the maximum period permitted  
14 under federal law.

15 d. The commissioner shall establish procedures for determining  
16 eligibility, which shall include, at a minimum, the following  
17 enrollment simplification practices:

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

20 (2) Require new applicants to submit **[no more than]** one recent  
21 pay stub from the applicant's employer, or, if the applicant has more  
22 than one employer, **[no more than]** one from each of the applicant's  
23 employers, to verify income. In the event the applicant cannot  
24 provide a recent pay stub, the applicant may submit another form of  
25 income verification as deemed appropriate by the commissioner. If  
26 an applicant does not submit income verification in a timely  
27 manner, before determining the applicant ineligible for the program,  
28 the commissioner shall seek to verify the applicant's income by  
29 reviewing available Department of the Treasury **[or] and**  
30 Department of Labor and Workforce Development records  
31 concerning the applicant, **[or] and** such other records as the  
32 commissioner determines appropriate.

33 The commissioner **[may] shall** establish **[such]** retrospective  
34 auditing or income verification procedures **[as he deems**  
35 **appropriate]**, such as sample auditing and matching reported  
36 income with records of the Department of the Treasury **[or] and** the  
37 Department of Labor and Workforce Development **[or] and** such  
38 other records as the commissioner determines appropriate.

39 **[If the commissioner elects to match] In matching** reported  
40 income with confidential records of the Department of the Treasury,  
41 the commissioner shall require an applicant to provide written  
42 authorization for the Division of Taxation in the Department of the  
43 Treasury to release applicable tax information to the commissioner  
44 for the purposes of establishing income eligibility for the program.  
45 The authorization, which shall be included on the program  
46 application form, shall be developed by the commissioner, in  
47 consultation with the State Treasurer;

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

5 (4) Continuous enrollment;

6 (5) Simplified renewal by sending an enrollee a preprinted  
7 renewal form and requiring the enrollee to sign and return the form,  
8 with any applicable changes in the information provided in the  
9 form, **[no later than 30 days after]** prior to the date the enrollee's  
10 annual eligibility expires. The commissioner **[may]** shall establish  
11 such auditing or income verification procedures **[as he deems**  
12 **appropriate]**, as provided in paragraph (1) of this subsection; and

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

15 e. The commissioner shall take, or cause to be taken, any  
16 action necessary to secure for the State the maximum amount of  
17 federal financial participation available with respect to the program,  
18 subject to the constraints of fiscal responsibility and within the  
19 limits of available funding in any fiscal year. In this regard,  
20 notwithstanding the definition of "qualified applicant," the  
21 commissioner may enroll in the program such children or their  
22 parents or caretakers who may otherwise be eligible for the  
23 Medicaid program in order to maximize use of federal funds that  
24 may be available pursuant to 42 U.S.C. s.1397aa et seq.

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

29 g. The commissioner shall provide, by regulation, for  
30 presumptive eligibility for the program in accordance with the  
31 following provisions:

32 (1) A child who presents himself for treatment at a general  
33 hospital, federally qualified or community health center, local  
34 health department that provides primary care, or other State  
35 licensed community-based primary care provider shall be deemed  
36 presumptively eligible for the program if a preliminary  
37 determination by hospital, health center, local health department or  
38 licensed health care provider staff indicates that the child meets  
39 program eligibility standards and is a member of a household with  
40 an income that does not exceed 350% of the poverty level;

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

44 (3) The parent or caretaker of a child deemed presumptively  
45 eligible pursuant to this subsection shall be required to submit a  
46 completed application for the program no later than the end of the  
47 month following the month in which presumptive eligibility is  
48 determined;

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

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

7 h. The commissioner, in consultation with the Commissioner of  
8 Education, shall administer an ongoing enrollment initiative to  
9 provide outreach to children throughout the State who may be  
10 eligible for the program.

11 (1) With respect to school-age children, the commissioner, in  
12 consultation with the Commissioner of Education and the Secretary  
13 of Agriculture, shall develop a form that provides information about  
14 the NJ FamilyCare and Medicaid programs and provides an  
15 opportunity for the parent or guardian who signs the school lunch  
16 application form to give consent for information to be shared with  
17 the Department of Human Services for the purpose of determining  
18 eligibility for the programs. The form shall be attached to, included  
19 with, or incorporated into, the school lunch application form.

20 The commissioner, in consultation with the Commissioner of  
21 Education, shall establish procedures for schools to transmit  
22 information attached to, included with, or provided on the school  
23 lunch application form regarding the NJ FamilyCare and Medicaid  
24 programs to the Department of Human Services, in order to enable  
25 the department to determine eligibility for the programs.

26 (2) The commissioner or the Commissioner of Education, as  
27 applicable, shall:

28 (a) make available to each elementary and secondary school,  
29 licensed child care center, registered family day care home, unified  
30 child care agency, local health department that provides primary  
31 care, and community-based primary care provider, informational  
32 materials about the program, including instructions for applying  
33 online or by mail, as well as copies of the program application  
34 form.

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

37 (b) request each entity to distribute a notice at least annually, as  
38 developed by the commissioner, to households of children attending  
39 or receiving its services or care, informing them about the program  
40 and the availability of informational and application materials. In  
41 the case of elementary and secondary schools, the information  
42 attached to, included with, or incorporated into, the school lunch  
43 application form for school-age children pursuant to this  
44 subparagraph shall be deemed to meet the requirements of this  
45 paragraph.

46 i. Subject to federal approval, the commissioner shall, by  
47 regulation, establish that in determining income eligibility for a

1 child, any gross family income above 200% of the poverty level, up  
2 to a maximum of 350% of the poverty level, shall be disregarded.

3 j. The commissioner shall establish a NJ FamilyCare coverage  
4 buy-in program through which a parent or caretaker whose family  
5 income exceeds 350% of the poverty level may purchase coverage  
6 under NJ FamilyCare for a child under the age of 19, who is  
7 uninsured and was not voluntarily disenrolled from employer-  
8 sponsored group insurance coverage within six months prior to  
9 application to the program.

10 The commissioner shall establish the premium and cost sharing  
11 amounts required to purchase coverage, except that the premium  
12 shall not exceed the amount the program pays per month to a  
13 managed care organization under NJ FamilyCare for a child of  
14 comparable age whose family income is between 200% and 350%  
15 of the poverty level, plus a reasonable processing fee.

16 k. The commissioner, in consultation with the Rutgers Center  
17 for State Health Policy, shall develop a streamlined application  
18 form for the NJ FamilyCare and Medicaid programs.

19 (cf: P.L.2005, c.156, s.5)

20

21 3. This act shall take effect on the 90th day after enactment.

22

23

STATEMENT

24

25 The purpose of this bill is to strengthen income eligibility  
26 verification procedures in the Medicaid and NJ FamilyCare  
27 programs to ensure that only families and children who meet the  
28 income eligibility requirements of the respective programs are  
29 enrolled in the programs.

30 Specifically, the bill amends the Medicaid and NJ FamilyCare  
31 statutes concerning program application and renewal requirements  
32 to clarify that “one” recent pay stub, rather than “no more than one”  
33 pay stub (as the law currently provides) shall be submitted by an  
34 applicant. The bill also requires, rather than permits, the  
35 Commissioner of Human Services to establish retrospective  
36 auditing or income verification procedures and to match records of  
37 the Department of Labor and Workforce Development, as well as  
38 the Department of the Treasury.

39 The bill also specifies that Medicaid and NJ FamilyCare program  
40 eligibility renewal forms be submitted “prior to” the date an  
41 enrollee’s or recipient’s annual eligibility expires, rather than “no  
42 later than 30 days after” the date eligibility expires (as the law  
43 currently provides).

44

45

46

47 Requires DHS to verify income of applicants for Medicaid and  
48 NJ FamilyCare with Department of the Treasury records.



# SENATE, No. 1696

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MAY 5, 2008

**Sponsored by:**

**Senator BARBARA BUONO**

**District 18 (Middlesex)**

**Senator JOHN H. ADLER**

**District 6 (Camden)**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington and Camden)**

**Assemblywoman SANDRA LOVE**

**District 4 (Camden and Gloucester)**

**Assemblyman ERIC MUNOZ**

**District 21 (Essex, Morris, Somerset and Union)**

**Assemblyman RUBEN J. RAMOS, JR.**

**District 33 (Hudson)**

**Co-Sponsored by:**

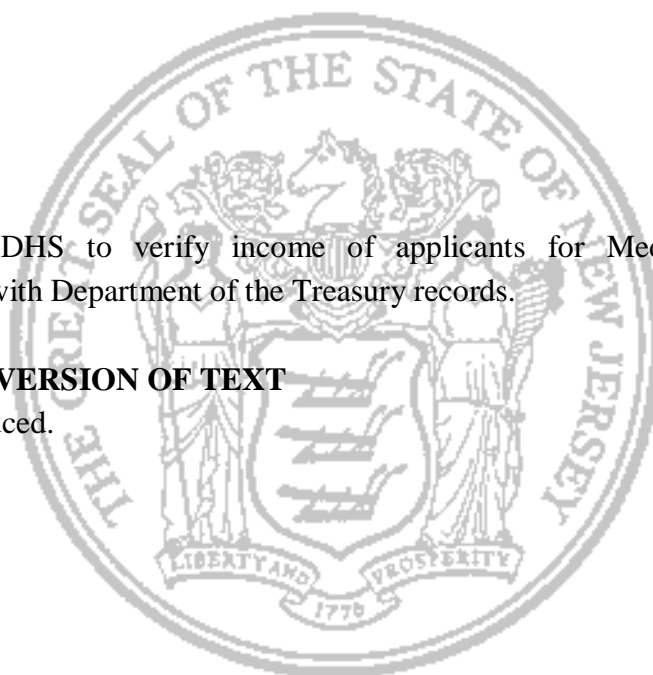
**Senators Beck, Cardinale, Gordon, Assemblyman Polistina,  
Assemblywoman Angelini and Assemblyman O'Scanlon**

**SYNOPSIS**

Requires DHS to verify income of applicants for Medicaid and NJ FamilyCare with Department of the Treasury records.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/17/2008)**

1 AN ACT concerning income verification for certain health care  
2 programs and amending 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 9 of P.L.2005, c.156 (C.30:4D-3b) is amended to  
8 read as follows:

9 9. No later than January 1, 2006, the Commissioner of Human  
10 Services shall, at a minimum, establish the following enrollment  
11 simplification practices for dependent children and their parents or  
12 specified caretaker relatives who are applicants for or recipients of  
13 the Medicaid program:

14 a. A streamlined application form as established pursuant to  
15 subsection k. of section 5 of P.L.2005, c.156 (C.30:4J-12);

16 b. Require new applicants to submit **[no more than]** one recent  
17 pay stub from the applicant's employer, or, if the applicant has more  
18 than one employer, **[no more than]** one from each of the applicant's  
19 employers, to verify income. In the event the applicant cannot  
20 provide a recent pay stub, the applicant may submit another form of  
21 income verification as deemed appropriate by the commissioner. If  
22 an applicant does not submit income verification in a timely  
23 manner, before determining the applicant ineligible for the program,  
24 the commissioner shall seek to verify the applicant's income by  
25 reviewing available Department of the Treasury **[or]** and  
26 Department of Labor and Workforce Development records  
27 concerning the applicant **[or]** and such other records as the  
28 commissioner determines appropriate.

29 The commissioner **[may]** shall establish **[such]** retrospective  
30 auditing or income verification procedures **[as he deems**  
31 **appropriate]**, such as sample auditing and matching reported  
32 income with records of the Department of the Treasury **[or]** and the  
33 Department of Labor and Workforce Development **[or]** and such  
34 other records as the commissioner determines appropriate.

35 **[If the commissioner elects to match]** In matching reported  
36 income with confidential records of the Department of the Treasury,  
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38 authorization for the Division of Taxation in the Department of the  
39 Treasury to release applicable tax information to the commissioner  
40 for the purposes of establishing income eligibility for the program.  
41 The authorization, which shall be included on the program  
42 application form, shall be developed by the commissioner, in  
43 consultation with the State Treasurer;

**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 c. Online enrollment and renewal, in addition to enrollment  
2 and renewal by mail. The online enrollment and renewal forms  
3 shall include electronic links to other State and federal health and  
4 social services programs;
- 5 d. Continuous enrollment;
- 6 e. Simplified renewal by sending a recipient a preprinted  
7 renewal form and requiring the recipient to sign and return the  
8 form, with any applicable changes in the information provided in  
9 the form, **[no later than 30 days after]** prior to the date the  
10 recipient's annual eligibility expires. The commissioner **[may]**  
11 shall establish such auditing or income verification procedures **[as**  
12 **he deems appropriate,]** as provided in subsection a. of this section;  
13 and
- 14 f. Provision of program eligibility-identification cards that are  
15 issued no more frequently than once a year.  
16 (cf: P.L.2005, c.156, s.9)

17  
18 2. Section 5 of P.L.2005, c.156 (C.30:4J-12) is amended to  
19 read as follows:

20 5. a. The purpose of the program shall be to provide subsidized  
21 health insurance coverage, and other health care benefits as  
22 determined by the commissioner, to children under 19 years of age  
23 and their parents or caretakers and to adults without dependent  
24 children, within the limits of funds appropriated or otherwise made  
25 available for the program.

26 The program shall require families to pay copayments and make  
27 premium contributions, based upon a sliding income scale. The  
28 program shall include the provision of well-child and other  
29 preventive services, hospitalization, physician care, laboratory and  
30 x-ray services, prescription drugs, mental health services, and other  
31 services as determined by the commissioner.

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

36 c. The commissioner:

37 (1) shall, by regulation, establish standards for determining  
38 eligibility and other program requirements, including, but not  
39 limited to, restrictions on voluntary disenrollments from existing  
40 health insurance coverage;

41 (2) shall require that a parent or caretaker who is a qualified  
42 applicant purchase coverage, if available, through an employer-  
43 sponsored health insurance plan which is determined to be cost-  
44 effective and is approved by the commissioner, and shall provide  
45 assistance to the qualified applicant to purchase that coverage,  
46 except that the provisions of this paragraph shall not be construed to  
47 require an employer to provide health insurance coverage for any  
48 employee or employee's spouse or dependent child;

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

5 (4) shall establish, by regulation, other requirements for the  
6 program, including, but not limited to, premium payments and  
7 copayments, and may contract with one or more appropriate  
8 entities, including managed care organizations, to assist in  
9 administering the program. The period for which eligibility for the  
10 program is determined shall be the maximum period permitted  
11 under federal law.

12 d. The commissioner shall establish procedures for determining  
13 eligibility, which shall include, at a minimum, the following  
14 enrollment simplification practices:

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

17 (2) Require new applicants to submit **[no more than]** one recent  
18 pay stub from the applicant's employer, or, if the applicant has more  
19 than one employer, **[no more than]** one from each of the applicant's  
20 employers, to verify income. In the event the applicant cannot  
21 provide a recent pay stub, the applicant may submit another form of  
22 income verification as deemed appropriate by the commissioner. If  
23 an applicant does not submit income verification in a timely  
24 manner, before determining the applicant ineligible for the program,  
25 the commissioner shall seek to verify the applicant's income by  
26 reviewing available Department of the Treasury **[or] and**  
27 Department of Labor and Workforce Development records  
28 concerning the applicant, **[or] and** such other records as the  
29 commissioner determines appropriate.

30 The commissioner **[may] shall** establish **[such]** retrospective  
31 auditing or income verification procedures **[as he deems**  
32 **appropriate]**, such as sample auditing and matching reported  
33 income with records of the Department of the Treasury **[or] and** the  
34 Department of Labor and Workforce Development **[or] and** such  
35 other records as the commissioner determines appropriate.

36 **[If the commissioner elects to match] In matching** reported  
37 income with confidential records of the Department of the Treasury,  
38 the commissioner shall require an applicant to provide written  
39 authorization for the Division of Taxation in the Department of the  
40 Treasury to release applicable tax information to the commissioner  
41 for the purposes of establishing income eligibility for the program.  
42 The authorization, which shall be included on the program  
43 application form, shall be developed by the commissioner, in  
44 consultation with the State Treasurer;

45 (3) Online enrollment and renewal, in addition to enrollment  
46 and renewal by mail. The online enrollment and renewal forms

1 shall include electronic links to other State and federal health and  
2 social services programs;

3 (4) Continuous enrollment;

4 (5) Simplified renewal by sending an enrollee a preprinted  
5 renewal form and requiring the enrollee to sign and return the form,  
6 with any applicable changes in the information provided in the  
7 form, **[no later than 30 days after]** prior to the date the enrollee's  
8 annual eligibility expires. The commissioner **[may]** shall establish  
9 such auditing or income verification procedures **[as he deems**  
10 **appropriate]**, as provided in paragraph (1) of this subsection; and

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

13 e. The commissioner shall take, or cause to be taken, any  
14 action necessary to secure for the State the maximum amount of  
15 federal financial participation available with respect to the program,  
16 subject to the constraints of fiscal responsibility and within the  
17 limits of available funding in any fiscal year. In this regard,  
18 notwithstanding the definition of "qualified applicant," the  
19 commissioner may enroll in the program such children or their  
20 parents or caretakers who may otherwise be eligible for the  
21 Medicaid program in order to maximize use of federal funds that  
22 may be available pursuant to 42 U.S.C. s.1397aa et seq.

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

27 g. The commissioner shall provide, by regulation, for  
28 presumptive eligibility for the program in accordance with the  
29 following provisions:

30 (1) A child who presents himself for treatment at a general  
31 hospital, federally qualified or community health center, local  
32 health department that provides primary care, or other State  
33 licensed community-based primary care provider shall be deemed  
34 presumptively eligible for the program if a preliminary  
35 determination by hospital, health center, local health department or  
36 licensed health care provider staff indicates that the child meets  
37 program eligibility standards and is a member of a household with  
38 an income that does not exceed 350% of the poverty level;

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

42 (3) The parent or caretaker of a child deemed presumptively  
43 eligible pursuant to this subsection shall be required to submit a  
44 completed application for the program no later than the end of the  
45 month following the month in which presumptive eligibility is  
46 determined;

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

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

7 h. The commissioner, in consultation with the Commissioner of  
8 Education, shall administer an ongoing enrollment initiative to  
9 provide outreach to children throughout the State who may be  
10 eligible for the program.

11 (1) With respect to school-age children, the commissioner, in  
12 consultation with the Commissioner of Education and the Secretary  
13 of Agriculture, shall develop a form that provides information about  
14 the NJ FamilyCare and Medicaid programs and provides an  
15 opportunity for the parent or guardian who signs the school lunch  
16 application form to give consent for information to be shared with  
17 the Department of Human Services for the purpose of determining  
18 eligibility for the programs. The form shall be attached to, included  
19 with, or incorporated into, the school lunch application form.

20 The commissioner, in consultation with the Commissioner of  
21 Education, shall establish procedures for schools to transmit  
22 information attached to, included with, or provided on the school  
23 lunch application form regarding the NJ FamilyCare and Medicaid  
24 programs to the Department of Human Services, in order to enable  
25 the department to determine eligibility for the programs.

26 (2) The commissioner or the Commissioner of Education, as  
27 applicable, shall:

28 (a) make available to each elementary and secondary school,  
29 licensed child care center, registered family day care home, unified  
30 child care agency, local health department that provides primary  
31 care, and community-based primary care provider, informational  
32 materials about the program, including instructions for applying  
33 online or by mail, as well as copies of the program application  
34 form.

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

37 (b) request each entity to distribute a notice at least annually, as  
38 developed by the commissioner, to households of children attending  
39 or receiving its services or care, informing them about the program  
40 and the availability of informational and application materials. In  
41 the case of elementary and secondary schools, the information  
42 attached to, included with, or incorporated into, the school lunch  
43 application form for school-age children pursuant to this  
44 subparagraph shall be deemed to meet the requirements of this  
45 paragraph.

46 i. Subject to federal approval, the commissioner shall, by  
47 regulation, establish that in determining income eligibility for a

1 child, any gross family income above 200% of the poverty level, up  
2 to a maximum of 350% of the poverty level, shall be disregarded.

3 j. The commissioner shall establish a NJ FamilyCare coverage  
4 buy-in program through which a parent or caretaker whose family  
5 income exceeds 350% of the poverty level may purchase coverage  
6 under NJ FamilyCare for a child under the age of 19, who is  
7 uninsured and was not voluntarily disenrolled from employer-  
8 sponsored group insurance coverage within six months prior to  
9 application to the program.

10 The commissioner shall establish the premium and cost sharing  
11 amounts required to purchase coverage, except that the premium  
12 shall not exceed the amount the program pays per month to a  
13 managed care organization under NJ FamilyCare for a child of  
14 comparable age whose family income is between 200% and 350%  
15 of the poverty level, plus a reasonable processing fee.

16 k. The commissioner, in consultation with the Rutgers Center  
17 for State Health Policy, shall develop a streamlined application  
18 form for the NJ FamilyCare and Medicaid programs.

19 (cf: P.L.2005, c.156, s.5)

20

21 3. This act shall take effect on the 90th day after enactment.

22

23

24

#### STATEMENT

25

26 The purpose of this bill is to strengthen income eligibility  
27 verification procedures in the Medicaid and NJ FamilyCare  
28 programs to ensure that only families and children who meet the  
29 income eligibility requirements of the respective programs are  
30 enrolled in the programs.

31 Specifically, the bill amends the Medicaid and NJ FamilyCare  
32 statutes concerning program application and renewal requirements  
33 to clarify that “one” recent pay stub, rather than “no more than one”  
34 pay stub (as the law currently provides) shall be submitted by an  
35 applicant. The bill also requires, rather than permits, the  
36 Commissioner of Human Services to establish retrospective  
37 auditing or income verification procedures and to match records of  
38 the Department of Labor and Workforce Development, as well as  
39 the Department of the Treasury.

40 The bill also specifies that Medicaid and NJ FamilyCare program  
41 eligibility renewal forms be submitted “prior to” the date an  
42 enrollee’s or recipient’s annual eligibility expires, rather than “no  
43 later than 30 days after” the date eligibility expires (as the law  
44 currently provides).

SENATE HEALTH, HUMAN SERVICES AND SENIOR  
CITIZENS COMMITTEE

STATEMENT TO

**SENATE, No. 1696**

**STATE OF NEW JERSEY**

DATED: MAY 15, 2008

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 1696.

The purpose of this bill is to strengthen income eligibility verification procedures in the Medicaid and NJ FamilyCare programs to ensure that only families and children who meet the income eligibility requirements of the respective programs are enrolled in the programs.

Specifically, the bill amends the Medicaid and NJ FamilyCare statutes concerning program application and renewal requirements to clarify that “one” recent pay stub, rather than “no more than one” pay stub (as the law currently provides) shall be submitted by an applicant. The bill also requires, rather than permits, the Commissioner of Human Services to establish retrospective auditing or income verification procedures and to match records of the Department of Labor and Workforce Development, as well as the Department of the Treasury.

The bill also specifies that Medicaid and NJ FamilyCare program eligibility renewal forms be submitted “prior to” the date an enrollee’s or recipient’s annual eligibility expires, rather than “no later than 30 days after” the date eligibility expires (as the law currently provides).

This bill is identical to Assembly Bill No. 2708 (Conaway), which is pending in the Assembly Health and Senior Services Committee.



# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 1696

# STATE OF NEW JERSEY

DATED: MAY 19, 2008

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1696.

This bill strengthens the income eligibility verification procedures in the Medicaid and NJ FamilyCare programs to ensure that only families and children who meet the income eligibility requirements of the respective programs are enrolled in the programs.

Specifically, the bill amends the Medicaid and NJ FamilyCare statutes concerning program application and renewal requirements to clarify that “one” recent pay stub, rather than “no more than one” pay stub (as the law currently provides) shall be submitted by an applicant. The bill also requires, rather than permits, the Commissioner of Human Services to establish retrospective auditing or income verification procedures and to match records of the Department of Labor and Workforce Development, as well as the Department of the Treasury.

The bill also specifies that Medicaid and NJ FamilyCare program eligibility renewal forms be submitted “prior to” the date an enrollee’s or recipient’s annual eligibility expires, rather than “no later than 30 days after” the date eligibility expires (as the law currently provides).

This bill is identical to Assembly Bill No. 2708.

#### FISCAL IMPACT:

This bill is not certified for a fiscal note.

# ASSEMBLY, No. 2708

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MAY 12, 2008

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington and Camden)**

**Assemblywoman SANDRA LOVE**

**District 4 (Camden and Gloucester)**

**Assemblyman ERIC MUNOZ**

**District 21 (Essex, Morris, Somerset and Union)**

**Assemblyman RUBEN J. RAMOS, JR.**

**District 33 (Hudson)**

**Co-Sponsored by:**

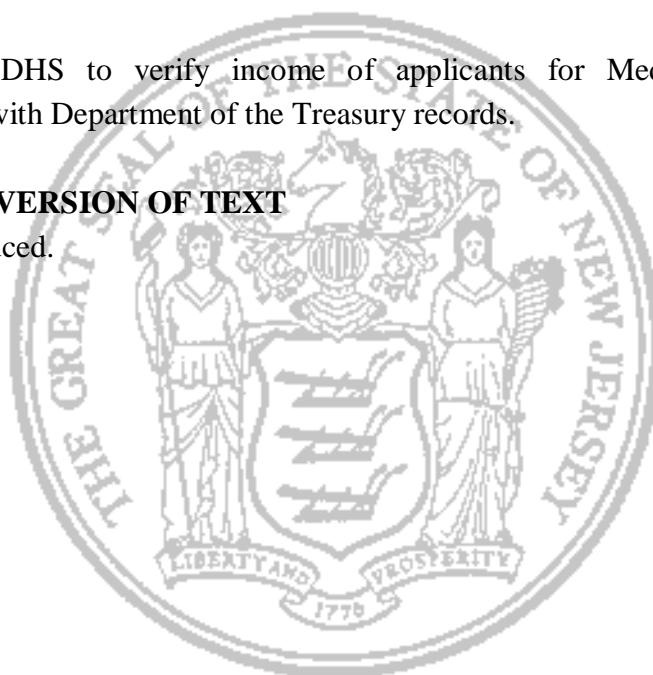
**Assemblyman Polistina, Assemblywoman Angelini and Assemblyman O'Scanlon**

**SYNOPSIS**

Requires DHS to verify income of applicants for Medicaid and NJ FamilyCare with Department of the Treasury records.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/17/2008)**

1 AN ACT concerning income verification for certain health care  
2 programs and amending 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 9 of P.L.2005, c.156 (C.30:4D-3b) is amended to  
8 read as follows:

9 9. No later than January 1, 2006, the Commissioner of Human  
10 Services shall, at a minimum, establish the following enrollment  
11 simplification practices for dependent children and their parents or  
12 specified caretaker relatives who are applicants for or recipients of  
13 the Medicaid program:

14 a. A streamlined application form as established pursuant to  
15 subsection k. of section 5 of P.L.2005, c.156 (C.30:4J-12);

16 b. Require new applicants to submit **[no more than]** one recent  
17 pay stub from the applicant's employer, or, if the applicant has more  
18 than one employer, **[no more than]** one from each of the applicant's  
19 employers, to verify income. In the event the applicant cannot  
20 provide a recent pay stub, the applicant may submit another form of  
21 income verification as deemed appropriate by the commissioner. If  
22 an applicant does not submit income verification in a timely  
23 manner, before determining the applicant ineligible for the program,  
24 the commissioner shall seek to verify the applicant's income by  
25 reviewing available Department of the Treasury **[or]** and  
26 Department of Labor and Workforce Development records  
27 concerning the applicant **[or]** and such other records as the  
28 commissioner determines appropriate.

29 The commissioner **[may]** shall establish **[such]** retrospective  
30 auditing or income verification procedures **[as he deems**  
31 **appropriate]**, such as sample auditing and matching reported  
32 income with records of the Department of the Treasury **[or]** and the  
33 Department of Labor and Workforce Development **[or]** and such  
34 other records as the commissioner determines appropriate.

35 **[If the commissioner elects to match]** In matching reported  
36 income with confidential records of the Department of the Treasury,  
37 the commissioner shall require an applicant to provide written  
38 authorization for the Division of Taxation in the Department of the  
39 Treasury to release applicable tax information to the commissioner  
40 for the purposes of establishing income eligibility for the program.  
41 The authorization, which shall be included on the program  
42 application form, shall be developed by the commissioner, in  
43 consultation with the State Treasurer;

**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 c. Online enrollment and renewal, in addition to enrollment  
2 and renewal by mail. The online enrollment and renewal forms  
3 shall include electronic links to other State and federal health and  
4 social services programs;
- 5 d. Continuous enrollment;
- 6 e. Simplified renewal by sending a recipient a preprinted  
7 renewal form and requiring the recipient to sign and return the  
8 form, with any applicable changes in the information provided in  
9 the form, **[no later than 30 days after]** prior to the date the  
10 recipient's annual eligibility expires. The commissioner **[may]**  
11 shall establish such auditing or income verification procedures **[as**  
12 **he deems appropriate,]** as provided in subsection a. of this section;  
13 and
- 14 f. Provision of program eligibility-identification cards that are  
15 issued no more frequently than once a year.  
16 (cf: P.L.2005, c.156, s.9)

17  
18 2. Section 5 of P.L.2005, c.156 (C.30:4J-12) is amended to  
19 read as follows:

20 5. a. The purpose of the program shall be to provide subsidized  
21 health insurance coverage, and other health care benefits as  
22 determined by the commissioner, to children under 19 years of age  
23 and their parents or caretakers and to adults without dependent  
24 children, within the limits of funds appropriated or otherwise made  
25 available for the program.

26 The program shall require families to pay copayments and make  
27 premium contributions, based upon a sliding income scale. The  
28 program shall include the provision of well-child and other  
29 preventive services, hospitalization, physician care, laboratory and  
30 x-ray services, prescription drugs, mental health services, and other  
31 services as determined by the commissioner.

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

36 c. The commissioner:

37 (1) shall, by regulation, establish standards for determining  
38 eligibility and other program requirements, including, but not  
39 limited to, restrictions on voluntary disenrollments from existing  
40 health insurance coverage;

41 (2) shall require that a parent or caretaker who is a qualified  
42 applicant purchase coverage, if available, through an employer-  
43 sponsored health insurance plan which is determined to be cost-  
44 effective and is approved by the commissioner, and shall provide  
45 assistance to the qualified applicant to purchase that coverage,  
46 except that the provisions of this paragraph shall not be construed to  
47 require an employer to provide health insurance coverage for any  
48 employee or employee's spouse or dependent child;

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

5 (4) shall establish, by regulation, other requirements for the  
6 program, including, but not limited to, premium payments and  
7 copayments, and may contract with one or more appropriate  
8 entities, including managed care organizations, to assist in  
9 administering the program. The period for which eligibility for the  
10 program is determined shall be the maximum period permitted  
11 under federal law.

12 d. The commissioner shall establish procedures for determining  
13 eligibility, which shall include, at a minimum, the following  
14 enrollment simplification practices:

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

17 (2) Require new applicants to submit **[no more than]** one recent  
18 pay stub from the applicant's employer, or, if the applicant has more  
19 than one employer, **[no more than]** one from each of the applicant's  
20 employers, to verify income. In the event the applicant cannot  
21 provide a recent pay stub, the applicant may submit another form of  
22 income verification as deemed appropriate by the commissioner. If  
23 an applicant does not submit income verification in a timely  
24 manner, before determining the applicant ineligible for the program,  
25 the commissioner shall seek to verify the applicant's income by  
26 reviewing available Department of the Treasury **[or] and**  
27 Department of Labor and Workforce Development records  
28 concerning the applicant, **[or] and** such other records as the  
29 commissioner determines appropriate.

30 The commissioner **[may] shall** establish **[such]** retrospective  
31 auditing or income verification procedures **[as he deems**  
32 **appropriate]**, such as sample auditing and matching reported  
33 income with records of the Department of the Treasury **[or] and** the  
34 Department of Labor and Workforce Development **[or] and** such  
35 other records as the commissioner determines appropriate.

36 **[If the commissioner elects to match] In matching** reported  
37 income with confidential records of the Department of the Treasury,  
38 the commissioner shall require an applicant to provide written  
39 authorization for the Division of Taxation in the Department of the  
40 Treasury to release applicable tax information to the commissioner  
41 for the purposes of establishing income eligibility for the program.  
42 The authorization, which shall be included on the program  
43 application form, shall be developed by the commissioner, in  
44 consultation with the State Treasurer;

45 (3) Online enrollment and renewal, in addition to enrollment  
46 and renewal by mail. The online enrollment and renewal forms

1 shall include electronic links to other State and federal health and  
2 social services programs;

3 (4) Continuous enrollment;

4 (5) Simplified renewal by sending an enrollee a preprinted  
5 renewal form and requiring the enrollee to sign and return the form,  
6 with any applicable changes in the information provided in the  
7 form, **[no later than 30 days after]** prior to the date the enrollee's  
8 annual eligibility expires. The commissioner **[may]** shall establish  
9 such auditing or income verification procedures **[as he deems**  
10 **appropriate]**, as provided in paragraph (1) of this subsection; and

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

13 e. The commissioner shall take, or cause to be taken, any  
14 action necessary to secure for the State the maximum amount of  
15 federal financial participation available with respect to the program,  
16 subject to the constraints of fiscal responsibility and within the  
17 limits of available funding in any fiscal year. In this regard,  
18 notwithstanding the definition of "qualified applicant," the  
19 commissioner may enroll in the program such children or their  
20 parents or caretakers who may otherwise be eligible for the  
21 Medicaid program in order to maximize use of federal funds that  
22 may be available pursuant to 42 U.S.C. s.1397aa et seq.

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

27 g. The commissioner shall provide, by regulation, for  
28 presumptive eligibility for the program in accordance with the  
29 following provisions:

30 (1) A child who presents himself for treatment at a general  
31 hospital, federally qualified or community health center, local  
32 health department that provides primary care, or other State  
33 licensed community-based primary care provider shall be deemed  
34 presumptively eligible for the program if a preliminary  
35 determination by hospital, health center, local health department or  
36 licensed health care provider staff indicates that the child meets  
37 program eligibility standards and is a member of a household with  
38 an income that does not exceed 350% of the poverty level;

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

42 (3) The parent or caretaker of a child deemed presumptively  
43 eligible pursuant to this subsection shall be required to submit a  
44 completed application for the program no later than the end of the  
45 month following the month in which presumptive eligibility is  
46 determined;

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

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

7 h. The commissioner, in consultation with the Commissioner of  
8 Education, shall administer an ongoing enrollment initiative to  
9 provide outreach to children throughout the State who may be  
10 eligible for the program.

11 (1) With respect to school-age children, the commissioner, in  
12 consultation with the Commissioner of Education and the Secretary  
13 of Agriculture, shall develop a form that provides information about  
14 the NJ FamilyCare and Medicaid programs and provides an  
15 opportunity for the parent or guardian who signs the school lunch  
16 application form to give consent for information to be shared with  
17 the Department of Human Services for the purpose of determining  
18 eligibility for the programs. The form shall be attached to, included  
19 with, or incorporated into, the school lunch application form.

20 The commissioner, in consultation with the Commissioner of  
21 Education, shall establish procedures for schools to transmit  
22 information attached to, included with, or provided on the school  
23 lunch application form regarding the NJ FamilyCare and Medicaid  
24 programs to the Department of Human Services, in order to enable  
25 the department to determine eligibility for the programs.

26 (2) The commissioner or the Commissioner of Education, as  
27 applicable, shall:

28 (a) make available to each elementary and secondary school,  
29 licensed child care center, registered family day care home, unified  
30 child care agency, local health department that provides primary  
31 care, and community-based primary care provider, informational  
32 materials about the program, including instructions for applying  
33 online or by mail, as well as copies of the program application  
34 form.

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

37 (b) request each entity to distribute a notice at least annually, as  
38 developed by the commissioner, to households of children attending  
39 or receiving its services or care, informing them about the program  
40 and the availability of informational and application materials. In  
41 the case of elementary and secondary schools, the information  
42 attached to, included with, or incorporated into, the school lunch  
43 application form for school-age children pursuant to this  
44 subparagraph shall be deemed to meet the requirements of this  
45 paragraph.

46 i. Subject to federal approval, the commissioner shall, by  
47 regulation, establish that in determining income eligibility for a

1 child, any gross family income above 200% of the poverty level, up  
2 to a maximum of 350% of the poverty level, shall be disregarded.

3 j. The commissioner shall establish a NJ FamilyCare coverage  
4 buy-in program through which a parent or caretaker whose family  
5 income exceeds 350% of the poverty level may purchase coverage  
6 under NJ FamilyCare for a child under the age of 19, who is  
7 uninsured and was not voluntarily disenrolled from employer-  
8 sponsored group insurance coverage within six months prior to  
9 application to the program.

10 The commissioner shall establish the premium and cost sharing  
11 amounts required to purchase coverage, except that the premium  
12 shall not exceed the amount the program pays per month to a  
13 managed care organization under NJ FamilyCare for a child of  
14 comparable age whose family income is between 200% and 350%  
15 of the poverty level, plus a reasonable processing fee.

16 k. The commissioner, in consultation with the Rutgers Center  
17 for State Health Policy, shall develop a streamlined application  
18 form for the NJ FamilyCare and Medicaid programs.

19 (cf: P.L.2005, c.156, s.5)

20

21 3. This act shall take effect on the 90th day after enactment.

22

23

24

#### STATEMENT

25

26 The purpose of this bill is to strengthen income eligibility  
27 verification procedures in the Medicaid and NJ FamilyCare  
28 programs to ensure that only families and children who meet the  
29 income eligibility requirements of the respective programs are  
30 enrolled in the programs.

31 Specifically, the bill amends the Medicaid and NJ FamilyCare  
32 statutes concerning program application and renewal requirements  
33 to clarify that “one” recent pay stub, rather than “no more than one”  
34 pay stub (as the law currently provides) shall be submitted by an  
35 applicant. The bill also requires, rather than permits, the  
36 Commissioner of Human Services to establish retrospective  
37 auditing or income verification procedures and to match records of  
38 the Department of Labor and Workforce Development, as well as  
39 the Department of the Treasury.

40 The bill also specifies that Medicaid and NJ FamilyCare program  
41 eligibility renewal forms be submitted “prior to” the date an  
42 enrollee’s or recipient’s annual eligibility expires, rather than “no  
43 later than 30 days after” the date eligibility expires (as the law  
44 currently provides).



ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2708

**STATE OF NEW JERSEY**

DATED: JUNE 5, 2008

The Assembly Health and Senior Services Committee reports favorably Assembly Bill No. 2708.

This bill strengthens income eligibility verification procedures in the Medicaid and NJ FamilyCare programs to ensure that only families and children who meet the income eligibility requirements of the respective programs are enrolled in the programs.

Specifically, the bill:

- amends the Medicaid and NJ FamilyCare statutes concerning program application and renewal requirements to clarify that “one” recent pay stub, rather than “no more than one” pay stub (as the law currently provides) is to be submitted by an applicant;
- requires, rather than permits, the Commissioner of Human Services to establish retrospective auditing or income verification procedures and to match records of the Department of Labor and Workforce Development, as well as the Department of the Treasury; and
- specifies that Medicaid and NJ FamilyCare program eligibility renewal forms be submitted “prior to” the date an enrollee’s or recipient’s annual eligibility expires, rather than “no later than 30 days after” the date eligibility expires (as the law currently provides).

This bill is identical to Senate Bill No. 1696 (Buono/Adler), which is pending before the Senate.