ASSEMBLY, No. 461

STATE OF NEW JERSEY

209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:
Assemblyman HERBERT CONAWAY, JR.
District 7 (Burlington and Camden)
Assemblywoman CHARLOTTE VANDERVALK
District 39 (Bergen)

Co-Sponsored by:
Assemblywomen Weinberg, Quigley, Assemblyman Conners, Assemblywoman Buono, Assemblymen Cohen, Impreveduto, Caraballo and Assemblywoman Friscia

SYNOPSIS

Establishes programs through NJ KidCare for State financial assistance and subsidies to purchase employer-sponsored health benefits plans for certain dependent children.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning the Children's Health Care Coverage Program and supplementing P.L.1997, c.272 (C.30:4I-1 et seq.).

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

1. a. Subject to federal approval under the State Children's Health Insurance Program established in Title XXI of the Social Security Act and the availability of State and federal funds, the Commissioner of Human Services shall establish a partnership program to provide financial assistance on behalf of eligible families to allow the purchase of available employer-sponsored health insurance for their dependent children.

The following conditions shall be met in order to qualify for the assistance:

(1) the employer shall contribute at least 50% of the premium cost;

(2) the employee shall contribute to the premium in an amount specified by the commissioner that is based on the employee's family gross income;

(3) the employee's dependent child is under the age of 19 and is uninsured; and

(4) the employee's family gross income is between 150% and 350% of the official poverty level.

b. Subject to the availability of State funds, the commissioner shall establish an equity program to provide a financial subsidy on behalf of eligible employees who purchase health insurance coverage for their dependent children through an employer-sponsored insurance plan.

The following conditions shall be met in order to qualify for the subsidy:

(1) the employer shall contribute at least 50% of the premium cost;

(2) the employee shall contribute to the premium in an amount specified by the commissioner that is based on the employee's family gross income;

(3) the employee's dependent child is under the age of 19 and is not eligible for the Medicaid program established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.); and

(4) the employee's family gross income is less than 200% of the official poverty level.

c. The Department of Human Services shall be responsible for determining a child's eligibility, including the processing of applications, for the partnership and equity programs.

d. Nothing in this act shall be construed to require an employer to provide health insurance coverage for dependent children.

e. The commissioner shall adopt regulations establishing the partnership and equity programs, including the amounts of the assistance and subsidy that shall be available and the employee

contribution that shall be required, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

2. This act shall take effect immediately.

STATEMENT

This bill expands the Children's Health Care Coverage Program (NJ KidCare) for working families by creating incentives to families to purchase and employers to provide employer-sponsored health benefits coverage for dependent children through a partnership program and an equity program.

Partnership program: The bill directs the Commissioner of Human Services, subject to federal approval and the availability of State and federal funds, to establish a partnership program to provide financial assistance on behalf of eligible families to allow the purchase of available employer-sponsored health insurance for their dependent children. The bill provides that the following conditions would have to be met in order to qualify for the assistance:

- the employee must contribute to the premium in an amount specified by the commissioner that is based on the employee's family gross income;
- the employee's dependent child must be under the age of 19 and uninsured; and
- the employee's family gross income must be between 150% and 350% of the official poverty level.

To ensure federal approval and federal funding, the partnership program must comply with the requirements of the federal Title XXI State Children's Health Insurance Program, which currently provide that the following conditions must be met:

- the child must be uninsured and can not have had employer-sponsored health insurance for the six-month period preceding application for the program;

- if the employer provides either family coverage or parent/child coverage, the employer must pay at least 50% of the premium cost;

- health benefits coverage (under the partnership program) cannot cost more than direct coverage under the State's NJ KidCare program;

- the health benefits coverage provided to the child must meet federal "benchmark" requirements, which represent a minimal level of benefits that must be provided;

- the health benefits coverage cannot require any copayments for well-child or preventive services; and

- unless a waiver is approved by the federal government, family cost sharing cannot exceed 5% of family income.

Equity program: In order to assist those low-income families who already purchase employer-sponsored coverage for their children, this bill directs the commissioner, subject to the availability of State funds, to establish an equity program to provide a financial subsidy on behalf of eligible employees who purchase health insurance coverage for their dependent children through an employer-sponsored insurance plan. The following conditions would have to be met in order to qualify for the subsidy:

- the employer would have to contribute at least 50% of the premium cost;
- the employee would have to contribute to the premium in an amount specified by the commissioner that is based on the employee's gross family income;
- the employee's dependent child must be under the age of 19 and cannot be eligible for the Medicaid program;
- the employee's gross family income would have to be less than 200% of the official poverty level.

For both the partnership and equity programs, the Department of Human Services will be responsible for determining a child's eligibility, including the processing of applications. The bill also directs the commissioner to adopt regulations establishing both programs, including the amounts of the assistance and subsidy that shall be available and the employee contribution that shall be required.

Both the partnership and equity programs established in the bill are subject to the availability of State funds and are not health insurance entitlement programs. Finally, the bill provides that its provisions shall not be construed to require an employer to provide health insurance coverage for dependent children.