

## New Jersey Title XXI 1115 Fact Sheet

<b>Name of Section 1115 Demonstration:</b>	Family Coverage under SCHIP for Families and Pregnant Women—NJ FamilyCare
<b>Date Proposal Submitted:</b>	September 26, 2000
<b>Date Proposal Approved:</b>	January 18, 2001
<b>Date Implemented:</b>	January 18, 2001
<b>Date HIFA Amendment Received:</b>	July 30, 2002
<b>Date HIFA Amendment Approved:</b>	January 31, 2003
<b>Date Implemented:</b>	March 1, 2003
<b>Date Renewal Submitted:</b>	January 13, 2005
<b>Date Renewal Request Not Approved:</b>	July 7, 2005
<b>Date Renewal Approved:</b>	January 10, 2006
<b>Date Implemented:</b>	January 18, 2006

### **Background**

- On September 26, 2000, New Jersey submitted a proposal requesting authority under section 1115 of the Social Security Act (the Act) to cover custodial parents and caretaker relatives of Medicaid and SCHIP children, and pregnant women not eligible under Medicaid, with enhanced title XXI Federal matching funds.
- The Centers for Medicare and Medicaid Services (CMS) approved New Jersey's section 1115 demonstration proposal for a 5-year period as project No. 21-W-00003/2-01 on January 18, 2001. This demonstration provided the State the authority to obtain enhanced title XXI match for custodial parents and caretaker relatives of Medicaid and SCHIP children with family incomes up to and including 200 percent of the Federal poverty level (FPL), and for pregnant women with family incomes above 185 percent up to and including 200 percent of the FPL, who are uninsured and not covered by Medicaid.

### **Amendments**

- On July 30, 2002, New Jersey requested a section 1115 demonstration amendment to change the benefit package provided to parents and caretaker relatives under the demonstration.
- On January 31, 2003, CMS approved New Jersey's request to amend its demonstration. This approval utilized the Health Insurance Flexibility and Accountability (HIFA) section 1115 demonstration authority and standardized the service package for all parents and caretaker relatives enrolled in the demonstration to NJ FamilyCare Plan D. The benchmark for Plan D is the most widely-used HMO package with the largest, insured commercial, non-Medicaid enrollment marketed in New Jersey. Prior to approval of this

amendment, parents and caretaker relatives up to and including 133 percent of the FPL received the full Medicaid benefits package (NJ FamilyCare Plan A).

- Savings from the benefit standardization were devoted to expanding health insurance to 12,000 custodial parents and caretaker relatives of Medicaid and SCHIP-eligible children whose applications were pending as of June 15, 2002. The estimated 5-year cost of the amendment was \$551,974,201 in Federal funds, including administration, adhering to allotment and budget neutrality.

### **Demonstration Renewal**

- On January 13, 2005, New Jersey submitted a request to renew the demonstration for another three years under section 1115(e) of the Act.
- On July 7, 2005, CMS was unable to approve the renewal request under section 1115(e) of the Act because the supporting documentation necessary for an evaluation and approval of the request was not submitted in a timely manner. However, CMS continued to work with the State to ensure approval under section 1115(a) of the Act before the demonstration was to expire on January 17, 2006.
- CMS approved New Jersey's demonstration on January 10, 2006, for another 3-year period under authority of section 1115(a) the Act, renewing the State's authority to provide health care coverage to custodial parents and caretaker relatives of Medicaid and SCHIP children, and uninsured pregnant women with family incomes up to and including 200 percent of the FPL.
- The demonstration was approved for the 3-year period beginning on January 18, 2006, and ending on January 17, 2009.
- The end date for the demonstration was subsequently changed. On June 20, 2007, CMS sent a letter to New Jersey advising that the end date of the demonstration was being modified. Instead of expiring on January 17, 2009, as indicated in the approval letter, the expiration date was being changed to January 31, 2009, in order to align the demonstration period with expenditure reporting requirements.

### **Eligibility**

- Parents and caretaker relatives of Medicaid and SCHIP-eligible children in families with incomes up to and including 200 percent of the FPL, and pregnant women with incomes above 185 percent up to and including 200 percent of the FPL are eligible for the demonstration. The State receives title XXI enhanced match for parents and caretaker relatives at or below 133 percent of the FPL who are eligible under the section 1931 Medicaid state plan expansion. Uninsured parents and caretaker relatives with income at or below 200 percent of the FPL, who are not eligible for Medicaid, are enrolled in the separate child health program.

## **Enrollment**

- As of September 30, 2007, there were an estimated 85,534 individuals enrolled in the demonstration. Of these, 135 were pregnant women and 85,399 were parents and caretakers of Medicaid and SCHIP children.

## **Benefits**

- Under this demonstration, parents and caretaker relatives up to and including 200 percent of the FPL receive a benefit package equivalent to the most widely-used HMO package with the largest, insured commercial, non-Medicaid enrollment in the State. This coverage is consistent with the benchmark coverage provided under Plan D of New Jersey's SCHIP program.
- Pregnant women receive the standard Medicaid benefits package. This is referred to as NJ FamilyCare Plan A.

## **Cost Sharing**

- Premiums will be charged to parents above 150 percent of the FPL. The premiums required will be adjusted annually in accordance with the change in the FPL for a family of two at 100 percent of the FPL. Parents below 150 percent of the FPL and pregnant women will not be charged premiums.
- Effective July 1, 2007, monthly premiums of \$31.50 for the first adult in the family and \$13 for an additional adult will be imposed on individuals with family incomes greater than 150 percent of the FPL.
- Co-payments range from \$5 to \$35, depending on the service.
- The yearly maximum for out-of-pocket expenditures per family is 5 percent of family income. Enrollees are informed of the maximum out-of-pocket amounts when their applications are approved. Families are told to contact the State when cost-sharing payments reach 80 percent of the informed amount (also calculated at the time of approval). When the 5 percent limit is reached, a letter of notification is sent to the family and copied to the appropriate HMO. If families are served through a fee-for-service arrangement, they are directed to present the letter of notification to the provider when accessing services.

## **Delivery System**

- Parents and caretaker relatives receive services through an HMO in the title XXI delivery system. Parents are enrolled in the same health plan as their children.
- Pregnant women receive services through New Jersey's Medicaid delivery system.

- New Jersey's demonstration includes a premium assistance program called the Premium Support Program (PSP) that requires families to enroll in employer-sponsored group health plans when it is cost-effective. If the parent is employed by a large business of 50 or more employees, both the specific services and extent of coverage in the employer's plan must be at least equal to New Jersey's Plan D coverage. For small employer plans, the specific services must be the same as Plan D, but the extent of coverage of the services does not have to be equal. The State provides wrap-around coverage to ensure that benefits and cost-sharing in PSP are consistent with the title XIX or title XXI requirements for the children and adults in the family.

### **Administration**

- The New Jersey Department of Human Services, Division of Medical Assistance and Health Services, administers the program.

### **Funding Projections**

- Projected title XXI funding for the renewal period is \$59,168,133.

*Updated December 12, 2007*