



NJ For Health Care

njforhealthcare.org

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Communications Workers of
America, Local 1034
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New Jersey Working Families Alliance
Next Step
South Jersey NOW -
Alice Paul Chapter
Spanish American Social Cultural
Association (SASCA)
Statewide Parent Advocacy Network
The Workman's Circle/Arbeter Ring
Branch 1091
The Workmen's Circle/Arbeter Ring
Women's Fund of New Jersey

Wednesday, May 6, 2009

c/o Eve Weissman
NJ Citizen Action
75 Raritan Ave, Suite 200
Highland Park, NJ 08904

Dear Member of the General Assembly,

On behalf of the **NJ For Health Care Coalition**, we urge you to preserve and protect programs that serve our state's most vulnerable residents in New Jersey's Fiscal Year 2010 State Budget. With record high unemployment, thousands of New Jersey residents are losing their jobs and health care for themselves and their families. In December 2008 and January 2009 alone, it is estimated that 650 New Jersey residents a day lost their health coverage. Given the current economic climate, it is absolutely the wrong time to freeze enrollment in NJ FamilyCare for low income working parents or implement co-payments for those who can least afford them.

Proposals to cut NJ FamilyCare (NJFC) funding in the FY10 Budget, freezing enrollment of parents between 150%-200% of the federal poverty level (FPL), should not be implemented. The NJ Department of Human Services (DHS) estimates that this proposal will save \$9 million in state funds. **However New Jersey will loose almost twice that in federal matching funds (\$17 million). More importantly, an estimated 17,000 parents would be denied FamilyCare in the first year alone.** Research consistently demonstrates that the participation of parents in NJ FamilyCare is critical to the success of enrolling children.¹

We also urge you to eliminate proposed co-payments for Medicaid recipients and those in the AIDS Drug Distribution Program (ADDP). Co-payments will harm New Jersey's most vulnerable residents, forcing our neediest citizens to make unreasonable choices between paying for health care and other necessities. Co-pays do not result in actual savings in the long run, because when people are forced to cut back on medications, there is an increase in preventable hospitalizations and emergency room visits. These costs, consequences of implementing Medicaid and ADDP co-pays, will add financial burden to New Jersey taxpayers.

We urge you to oppose these budget proposals and restore funding for NJ FamilyCare, Medicaid, and the ADDP Program. We urge you to stand behind the promise of the 2008 health care reforms (S-1557) to bring health care to all of New Jersey's children and expand access to coverage to low income working families.

New Jersey has a long-standing history of supporting preventative health care and ensuring that individuals, particularly the most vulnerable, receive quality health care services. Our state has been a leader in this arena and has a proud history that we must protect.

Freezing parent eligibility in NJ FamilyCare will ultimately increase costs for the State. In addition to leaving federal matching funds on the table, freezing eligibility for parents will result in higher charity care costs. The Charity Care Program offsets the fiscal impact hospitals incur while meeting their legal obligation to treat everyone regardless of ability to pay. Individuals denied access to affordable primary and preventative care often seek treatment for non-emergent medical needs in the emergency room and/or arrive at the hospital with costly medical conditions which could have been ameliorated if treated sooner. Charity care, funded entirely with taxpayer dollars, is an inefficient use of resources. 96.3% of all Charity Care dollars are used to pay for the care of persons with incomes below 200% FPL. Thus, maintaining eligibility for parents in NJFC helps offset and redirect charity care funding without causing an additional burden to hospitals. New Jersey has seen a direct impact on the cost of charity care through the incremental expansion of eligibility for parents in NJFC. When the expansion began in January 2006, more than 60,000 new parents enrolled in the program as of July 2007 and documented charity care for this period decreased \$71 million.¹

The NJ For Health Care Coalition calls for a budget that is equitable and responsible. The 2010 budget's proposed FamilyCare freeze and Medicaid and ADDP co-pays are the wrong choices for New Jersey. These proposals, if enacted, will make quality, affordable health care less rather than more accessible to residents on fixed incomes, low income working families and the ranks of the unemployed. Moreover, these cuts will result not in a savings for the State but cost increases for the State and taxpayers due to the inevitable higher costs that we will bear as a result of caring for the health care emergencies and serious illnesses that would have been avoided had these individuals and families had access to affordable insurance coverage.

The **NJ For Health Care Coalition** is a broad-based alliance of health care, consumer, senior, student, disability, women's, labor, faith-based, civil rights and social justice organizations working to bring guaranteed, high quality, affordable health care to all New Jersey residents. While we support the proposal to eliminate premiums for children in NJFC under 200% FPL we can't support proposals that give with one hand and take with the other. For more information please contact NJ Citizen Action Health Care Campaign Coordinator, Eve Weissman at (732) 246-4772 or eve@njcitizenaction.org

Respectfully,

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Sy Larson

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AARP NJ

Ken Mcnamara

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President
CWA Local 1037

Morris Kafka

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Second Ward Neighborhood Block Club

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Central NJ for Change Coordinating Committee

Jeanne Oterson

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Health Professionals and Allied Employees

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NJ Family Voices

The Rev. Bruce H. Davidson

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Next Step and Alliance for Disabled in Action

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Marcia Marley

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CC:

Governor Jon Corzine, Office of the Governor
Commissioner Heather Howard, NJ Department of Health and Senior Services
Commissioner Jennifer Velez, NJ Department of Human Services

¹ Health Care Coverage For All: A Blueprint for New Jersey, Joseph F. Vitale & David L. Knowlton, March 17, 2008. [Click here for report.](#)