

## **PRESS RELEASE**

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# **New Report Release Demonstrates How the Patient Protection and Affordable Care Act (ACA) Will Benefit New Jersey's Working Families**

**Highland Park, New Jersey** - Today, Thursday, March 17, 2010 NJ Citizen Action Education Fund and NJ for Health Care released a new report by New Jersey Policy Perspective, analyzing the impact of the ACA on New Jersey's struggling working families. The Report – *Good Medicine: The Impact of the Patient Protection and Affordable Care Act on New Jersey's Working Families with Children* – identifies specific benefits of the ACA and makes recommendations about how New Jersey can maximize its benefit under the new law.

This report comes in advance of the 1 year Anniversary of the ACA and provides detailed information about how many New Jersey families may benefit from key provisions such as financial assistance to help low and moderate income families afford health care, new consumer protections, expanded community health services and a new transparent and user-friendly marketplace to help consumers purchase insurance. It also discusses ways that the State may maximize these benefits and put New Jersey's health care system at the forefront.

"The ACA has only been in effect for one year and we've only seen the tip of the iceberg in what this new law can do to help New Jersey. We must use these resources wisely and maximize the improvements we can achieve in increased access, affordability and quality of coverage for New Jerseyans," said Crystal Snedden, Health Care Campaign Coordinator for the NJ Citizen Action Education Fund.

The New Jersey Policy Perspective report shows that working families will receive many direct and indirect benefits from the ACA that help to improve access, affordability and the quality of care that they receive. For example:

- The percent of insured parents in working families is expected to increase from 86 to 94% in New Jersey by 2019, an increase of about 180,000 parents.
- Tax credits to cover the cost of insurance premiums will enable coverage of an estimated 6,000 uninsured children in working families with incomes that exceed the NJ FamilyCare income limit. Many more children will also become insured over time because research in NJ FamilyCare has shown that parents tend to insure their children more when they obtain insurance for themselves.
- Up to 2.9 million children and parents who are already insured will also benefit from consumer protections such as a prohibition on denial of treatment for a pre-existing condition and a ban on cost sharing for preventive services such as vaccines, will child visits and mammograms.
- Families will also benefit from the "essential benefits" that will be required starting in 2014, such as maternity and newborn care, wellness services, and pediatric services, including oral and vision care.
- Federal funding for NJ FamilyCare will be extended two more years, until 2015 and the federal matching rate will be increased from 65 to 88%, generating an additional \$175 million in federal funds annually if CHIP funds are extended. Funding for outreach and communication will also increase.

- Major new funding opportunities for the state for information technology will make it easier for consumers to apply for assistance and obtain quality health insurance.
- A major investment in community health centers will greatly improve access to primary care for families in high-need areas of the state.

In addition, the report details both the successes and challenges in NJ FamilyCare. The program serves as a model for the country in increased eligibility for children and parents. However, it has experienced challenges in outreach and yearly fluctuations in parent eligibility requirements.

“The ACA builds upon the success of NJ FamilyCare, which has dramatically increased the insurance rate for children in New Jersey. However due to inadequate state revenues, New Jersey has often had to cut eligibility for low-income uninsured working parents in this program. The ACA addresses this major shortcoming by providing subsidies at all federal cost to parents up to four times the poverty level so that they can better afford the insurance they need to remain healthy and productive. That benefits parents, the children they struggle to care for, and the state’s economy,” said Ray Castro, Senior Policy Analyst for New Jersey Policy Perspective and author of the report.

The report also acknowledges that many of these expected positive outcomes for families are contingent on actions the state will need to take to implement health reform in a way that benefits New Jerseyans. In order to achieve the full promise of the ACA, the report recommends the following:

1. The Governor, State Legislature and the New Jersey Congressional Delegation should vigorously oppose efforts in Congress to undermine the ACA or Medicaid.
2. The state should restore all cutbacks this year in NJ FamilyCare that affect eligibility for parents and not enact further cutbacks to better prepare for full implementation of the ACA and maximize federal funds.
3. The needs of families should be paramount in creating the exchange. For example, it will be important for the exchange to use some of the same insurers that NJ FamilyCare contracts with so that parents can be covered by the same insurer as their children. Individuals whose incomes increase and become ineligible for Medicaid should be able to buy that coverage to maintain continuity.
4. The state should expedite its plan to upgrade the necessary information technology needed to improve the application process that is required for the exchange. Applicants should be able to apply for other federal or state programs in one single application.
5. The state should work with community health centers to improve health outcomes, coordinate care and improve health access as part of a comprehensive plan for families.
6. The state should maintain its commitment to cover all children and update on its website its monthly progress in enrolling all eligible children in NJ FamilyCare and the NJ FamilyCare Advantage programs.

“In these difficult economic times, working families like mine need all the help we can get. My family of 4 (My spouse and 2 children with special health care needs) lost our health care coverage this year because the NJ FamilyCare income eligibility limits were changed from 200% down to 133% of the FPL. Now, we are unable to afford health care coverage. My children and spouse have not been able to get the treatment and therapy services they need since we were terminated. The new health care law gives me hope and peace of mind because there will be subsidies to help hardworking families like mine afford health care coverage. I strongly believe the state should use this new law to help working families like mine access health insurance,” said Yolanda Quintero.

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**NJ For Health Care** is made up of a broad-based alliance of over 70 health care, consumer, senior, student, disability, women's, labor, faith-based, civil rights and social justice organizations representing more than 2 million New Jerseyans working to bring guaranteed, high quality, affordable health care to all NJ residents.

**New Jersey Citizen Action Education Fund (NJCAEF)** is a nonprofit, 501(c)(3) organization, founded in 1983, promoting the empowerment of low- and middle-income people through research, education and training around public policy issues and direct counseling and services.

**NJ Policy Perspective** is a nonpartisan, non-profit organization that conducts research on state issues. NJPP offers credible, pointed, progressive analysis and commentary aimed at broadening debate in NJ.