

## **Medicaid Buy-in for Children with Disabilities: A Possibility for New Jersey**

Under a new federal law known as the Family Opportunity Act (FOA), families with a child with a disability, and whose income is above the Medicaid eligibility level, will be able to buy-in to Medicaid. In order for families to buy-in to Medicaid, New Jersey, and other States, must choose to cover this as a benefit option.

As part of the federal Deficit Reduction Act of 2005, Congress included the FOA, which creates a new option for states to extend Medicaid coverage to children with disabilities whose family income does not exceed 300% of the poverty level. Beginning in 2007, coverage is phased in for children up to age 6: this age will rise to 19 by 2009. States are permitted to charge income-related premiums and parents are required to participate in employer-sponsored insurance if the employers cover at least 50% of the premium.

This is an important new opportunity of which New Jersey can and should take advantage. Many children with disabilities do not have the benefits of Medicaid coverage, which provides recipients with open-ended entitlement to important health care services such as:

- prescription drugs;
- unlimited speech, physical, and other therapies;
- personal care assistance;
- dental
- other health and support services which facilitate more independent living in the community

For families who have private health insurance, this option would provide important wrap-around services for benefits not covered by private insurance.

Currently, New Jersey already covers children who do not have health insurance up to 350% of the poverty level under NJ Family Care (the State's Child Health Insurance Program). Nevertheless, children who qualify for this state program receive a benefits package similar to those provided by private health insurance and do not receive the many important benefits covered under Medicaid.

In 2000, New Jersey became the 9<sup>th</sup> state in the nation to choose a Medicaid buy-in program for individuals with disabilities who work and have incomes above 250% of the poverty level, known as NJ WorkAbility. More than 2,000 individuals are now receiving Medicaid benefits under this important new program. New Jersey should continue with its progressive policies of ensuring that people with disabilities have the opportunity to receive Medicaid benefits even if their incomes are above the Medicaid eligibility level.

New Jersey should choose the option of a Medicaid buy-in for children with disabilities.