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## N.J. mandates health insurance for all children

**Wednesday, July 9, 2008**

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New Jersey expanded its subsidized health-insurance program and mandated that all children be provided health insurance under a law signed Tuesday.

The bill's sponsors see it as the first step toward universal health coverage in New Jersey, an effort intended to guarantee access to health care while relieving the pressure on hospitals to provide free care for the uninsured.

"New Jersey is taking a dramatic step forward in ensuring quality health care is a fundamental right - not a privilege - for all state residents," said state Sen. Joseph Vitale, D-Middlesex, the bill's sponsor.

With 1.3 million uninsured residents, New Jersey is one of 14 states attempting to expand health-care coverage in the absence of broad federal action. Three - Massachusetts, Maine and Vermont - have enacted comprehensive reforms.

The legislation "puts New Jersey among the states leading the way on health-care reform," said Jocelyn Guyer of the Center for Children and Families at Georgetown University's Health Policy Institute. "The key to the enterprise is whether or not the state really offers affordable coverage to families." The new law is expected to add 57,000 parents and 17,000 children to the state's FamilyCare program over the next three years, by raising the income limits for parents to participate. The maximum allowable income will rise from \$28,200 to \$42,400 for a family of four. There are currently 97,000 adults and 124,000 children in the program. Experience in 2000 and 2001 with loosening eligibility for parents to participate in FamilyCare led to a huge expansion of enrollment, so much so that adult sign-ups had to be cut off in mid-2001. This is expected to be similarly popular.

FamilyCare insurance is subsidized, depending on income. Changes made late last year also allow families to "buy in" to the program at the same monthly price the state pays, \$137 per child, to cover their uninsured children.

Under the new law, all children up to age 19 will be required to have insurance, either public or private, by next July 8. There's no penalty for non-compliance, but \$1 million has been set aside for a vigorous promotional campaign. An estimated 240,000

children lack insurance.

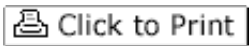
Hospitals will no longer be able to bill the state's charity care fund for emergency care of children under age 19. When they show up at an emergency room, those children will be assumed to be eligible for Medicaid or FamilyCare, and hospitals will bill those programs.

The recently signed state budget allocates \$8 million for the FamilyCare expansion.

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