

STATEMENT FROM HUMAN SERVICES COMMISSIONER SARAH ADELMAN

The irony of Congress passing this bill on the eve of Independence Day should not be lost on anyone. Far from advancing equality, this legislation undermines Americans' fundamental pursuit of life, liberty, and happiness.

It will make it harder for New Jersey families to access health care and food assistance, while shifting hundreds of millions of dollars in costs onto state taxpayers.

Programs like NJ FamilyCare and NJ SNAP are not just safety nets. They are lifelines. They reflect New Jersey's core values of dignity, compassion, and opportunity for all. These programs ensure that children receive medical care, that older adults and people with disabilities can live with independence, and that no family goes hungry in a time of need.

Since the beginning of this debate, Governor Murphy and I have been clear about what these proposed cuts to Medicaid, food assistance, and other essential programs would mean for New Jersey older adults, individuals with disabilities, and families struggling to make ends meet. We've conveyed this message - both publicly and privately - to our Congressional delegation, warning of the devastating consequences these measures would bring.

Sadly, the outcome revealed no surprise courage.

The cumulative effect of these changes to Medicaid will be:

- an estimated 350,000 eligible residents will lose healthcare coverage because of bureaucratic barriers
- \$3.3 billion annual cut in funding to hospitals and public health funding
- \$360 million annual cut to the state budget due to reductions in federal funding and provider assessments

For NJFamilyCare Members this bill will:

- restrict the definition of qualified immigrants (Oct. 2026)
- impose work requirements for able-bodied adults (as soon as Jan. 2027, and no later than Jan. 2029)
- require six-month eligibility redetermination for expansion adults (Jan. 2027)
- limits retroactive coverage to one month prior to application for expansion population and two months prior for traditional enrollees (Jan. 2027)
- require expansion adults to pay money out of pocket towards the cost of treatment (Oct. 2028)

For Medicaid providers and administrators:

- prohibit new or increased provider taxes (immediate)
- cap new state directed payments at 100% of the Medicare rate, any plan enacted prior to May 2025 will be reduced 10% annually until they meet the cap (immediate)
- limit federal matching funds for emergency Medicaid (Oct. 2026)
- create stricter budget neutrality standard for 1115 waivers (Jan. 2027)
- phase down enhanced funding for hospitals and other providers by lowering the safe harbor limit for provider taxes by 0.5% annually until it reaches 3.5% in 2031 (beginning Oct. 2027)
- reduce federal match to states for improper payment error rates (Oct. 2029)
- does not include delay of DSH reductions (going into effect Oct. 2025)

The impact to the 800,000 residents who receive SNAP food assistance, more than 60% of which are children or seniors, is:

- Requiring state budget to raise \$100-\$300 million due to a new cost-sharing requirement for states, or risk eliminating the entire SNAP program for New Jersey
- Requiring county governments to find or tax an addition \$78 million annually due to decreasing federal reimbursement

While we are deeply disheartened by this outcome, NJ Human Services will keep the health, dignity and success of every New Jersey resident and their families at the center of all we do. Those will be our guiding principles as the federal Administration next begins directing states on implementation of the law.