

**ASSEMBLY, No. 140**

---

**STATE OF NEW JERSEY**

**213th LEGISLATURE**

---

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

**Sponsored by:**  
**Assemblyman RUBEN J. RAMOS, JR.**  
**District 33 (Hudson)**

**SYNOPSIS**

Establishes "Regional Network Health Benefits Plan Pilot Program."

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT establishing the "Regional Network Health Benefits Plan  
2 Pilot Program."

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. The Legislature finds and declares that:

8 a. Many health care providers in this State provide free medical  
9 care to adults and children who are not covered under a health care  
10 benefits plan;

11 b. While charity care is a vital public service, it is rarely  
12 preventative and comprehensive, and it is not cost-efficient either to  
13 the State, which partially subsidizes charity care expenditures, or to  
14 the health care providers that must shoulder unpaid charity care  
15 debts;

16 c. Recognizing that increasing the number of people with  
17 health insurance is in the best interest of the State, health care  
18 providers and public health, the Legislature instituted ground-  
19 breaking reform in 1992 with the establishment of the New Jersey  
20 Individual Health Coverage Program and New Jersey Small  
21 Employer Health Benefits Program;

22 d. These programs showed some initial success in increasing  
23 the number of covered persons, however these coverage rates have  
24 since fallen as the cost of insurance premiums in the programs has  
25 risen;

26 e. It is important for the State to reverse this downward trend  
27 of coverage rates and look for new ways to invigorate the individual  
28 and small employer health benefits markets by developing a new  
29 health benefits plan that is affordable for individuals and small  
30 employers; and

31 f. Therefore, with these goals in mind, it is appropriate that the  
32 Legislature direct the Department of Banking and Insurance to  
33 establish the "Regional Network Health Benefits Plan Pilot  
34 Program," the purpose of which is to develop a new type of health  
35 benefits plan and test whether this new benefits plan has the  
36 potential of increasing the number of insured in the State.

37

38 2. a. The Commissioner of Banking and Insurance shall  
39 establish in the Department of Banking and Insurance the "Regional  
40 Network Health Benefits Plan Pilot Program," hereinafter, the pilot  
41 program. The program shall:

42 (1) develop a regional network health benefits plan which shall  
43 be offered by a health insurance carrier through the New Jersey  
44 Individual Health Coverage Program or New Jersey Small  
45 Employer Health Benefits Program, as applicable; and

46 (2) test whether the regional network health benefits plan has  
47 the potential to increase the number of insured persons in this State.

48 b. Under the pilot program, the regional network benefits plan

1 shall be offered to individuals or small employers living or working  
2 in an area of the State that has a high number of uninsured persons,  
3 as determined pursuant to subsection c. of this section. Individuals  
4 or small employers covered under the regional network health  
5 benefits plan shall receive the same coverage and benefits as  
6 mandated for plans under the New Jersey Individual Health  
7 Coverage Program P.L.1992, c.161 (C.17B:27A-2 et seq.) or New  
8 Jersey Small Employer Health Benefits Program pursuant to  
9 P.L.1992, c.162 (C.17B:27A-17 et seq.), as applicable. However,  
10 with the exception of emergency care, urgent care, or continuity of  
11 care, covered persons will obtain all medical services from a  
12 defined, regional network of health care providers.

13 c. In developing the regional network benefits plan, the  
14 Commissioner of Banking and Insurance, in consultation with the  
15 Commissioner of Health and Senior Services, shall:

16 (1) identify an area of the State that contains a high number of  
17 uninsured persons and has a sufficient number of eligible health  
18 care providers to provide all the health care services covered under  
19 the plan;

20 (2) identify a health insurance carrier that will assist in  
21 developing and will offer the regional network health benefits plan  
22 through the New Jersey Individual Health Coverage Program and  
23 New Jersey Small Employer Health Benefits Program;

24 (3) provide assistance to the health insurance carrier in  
25 establishing a comprehensive network of health care providers that  
26 includes those providers who provide the most charity care to  
27 residents in the area; and

28 (4) provide any appropriate assistance to the health insurance  
29 carrier in offering and marketing the regional health benefits plan  
30 through the New Jersey Individual Health Coverage Program and  
31 New Jersey Small Employer Health Benefits Program.

32 d. The Commissioner of Banking and Insurance shall submit a  
33 report to the Governor, the President of the Senate, the Speaker of  
34 the General Assembly, and the Chairs of the Senate Health, Human  
35 Services and Senior Citizens Committee, the Assembly Financial  
36 Institutions and Insurance Committee, and the Assembly Health and  
37 Human Services Committee on the pilot program no later than five  
38 years after the effective date of this act. The report shall include a  
39 detailed summary of the pilot program and the health benefits plan  
40 that was developed, the cost of the plan to covered persons, the  
41 number of plans sold under the pilot program, an assessment by the  
42 commissioner on the potential efficacy of this type of health  
43 benefits plan in increasing the number of insured persons in the  
44 State if the plan were to be offered Statewide, and any  
45 recommendation on whether the State should require that health  
46 benefits plans similar to the regional network health benefit plan be  
47 offered Statewide through the New Jersey Individual Health

1 Coverage and New Jersey Small Employer Health Benefits  
2 Programs.

3

4 3. The Commissioner of Banking and Insurance, in  
5 consultation with the Commissioner of Health and Senior Services,  
6 shall promulgate rules and regulations pursuant to the  
7 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
8 seq.) necessary to carry out the purposes of this act.

9

10 4. This act shall take effect immediately.

11

12

13

#### STATEMENT

14

15 It is a priority in this State to increase the number of adults and  
16 children who are covered under a health insurance plan. In 1992,  
17 the Legislature enacted ground-breaking insurance reform through  
18 the establishment of the New Jersey Individual Health Coverage  
19 Program and New Jersey Small Employer Health Benefits Program.  
20 Through these programs, individuals and small employers could  
21 obtain affordable insurance for themselves and their employees,  
22 respectively. While these programs were successful early on, rising  
23 health and insurance costs have since driven many individuals and  
24 small employers out of the market. To reinvigorate these markets  
25 and increase the number of people covered by insurance, this bill  
26 establishes the "Regional Network Health Benefits Pilot Program"  
27 in the Department of Banking and Insurance. The purpose of the  
28 program is to develop a regional network health benefits plan,  
29 described herein, and test the plan's potential efficacy in increasing  
30 the number of people with insurance.

31

32 The regional network benefits plan shall be offered to individuals  
33 or small employers living or working in an area of the State that has  
34 a high number of uninsured persons. Individuals or small  
35 employers covered under the regional network health benefits plan  
36 shall receive the same coverage and benefits levels as mandated for  
37 plans available in the New Jersey Individual Health Coverage or  
38 Small Employer Health Benefits Programs, as applicable.  
39 However, with the exception of emergency care, urgent care, or  
40 continuity of care, covered persons will obtain all benefits and  
41 medical services from a specified regional network of health care  
42 providers that provide the most charity care for that region.

42

43 The Commissioner of Banking and Insurance, in consultation  
44 with the Commissioner of Health and Senior Services, shall develop  
45 the benefits plan with the assistance of a health insurance carrier  
46 that will offer it through the New Jersey Individual Health  
47 Coverage and Small Employer Health Benefits Programs.

47

48 The Commissioner of Banking and Insurance shall submit a report  
to the Governor, the leaders of the Legislature, and the chairs of

**A140 RAMOS**

1 certain Senate and General Assembly Committees, five years after  
2 the bill's enactment. The report shall include a detailed summary of  
3 the pilot program and the benefits plan that was developed under  
4 the program and the commissioner's determination whether a  
5 similar benefits plan offered Statewide on the individual and small  
6 employer markets would be an effective way to increase the number  
7 of people with insurance in this State.