

[Second Reprint]

ASSEMBLY, No. 5506

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JUNE 6, 2019

Sponsored by:

Assemblyman P. CHRISTOPHER TULLY

District 38 (Bergen and Passaic)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Senator TROY SINGLETON

District 7 (Burlington)

Senator PATRICK J. DIEGNAN, JR.

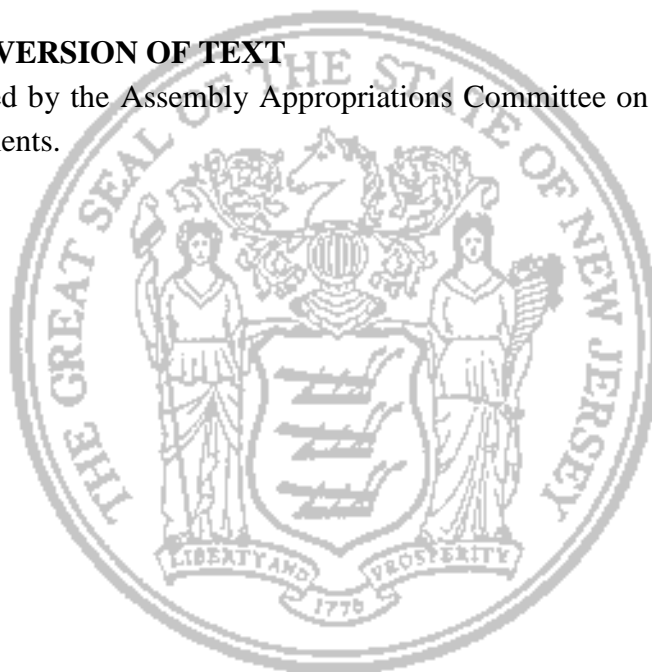
District 18 (Middlesex)

SYNOPSIS

Repeals statute authorizing offering of “Basic and Essential” health benefits plans under individual health benefits plans and other statutes concerning basic health plans; makes conforming amendments.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 13, 2019, with amendments.



(Sponsorship Updated As Of: 1/14/2020)

1 AN ACT concerning certain individual ¹**and small employer**¹
2 health benefits plans, amending P.L.1992, c.161 and repealing
3 parts of statutory law.

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

7
8 1. The following are repealed:

9 P.L.2001, c.368 (C.17B:27A-4.4 through C.17B:27A-4.7 and
10 C.17B:27A-19.11);

11 Section 49 of P.L.1991, c.187 (*not compiled*);

12 Sections 50 and 51 of P.L.1991, c.187 (C.17:48-6.13 and
13 C.17:48-6.14);

14 Sections 52 and 53 of P.L.1991, c.187 (C.17:48A-6.8 and
15 C.17:48A-6.9);

16 Sections 54 and 55 of P.L.1991, c.187 (C.17:48E-22.1 and
17 C.17:48E-22.2);

18 Sections 56 and 57 of P.L.1991, c.187 (C.17B:26B-1 and
19 C.17B:26B-2);

20 Sections 58 and 59 of P.L.1991, c.187 (C.26:2J-4.2 and C.26:2J-
21 4.3).

22

23 2. Section 3 of P.L.1992, c.161 (C.17B:27A-4) is amended to
24 read as follows:

25 3. a. No later than 180 days after the effective date of this
26 section of P.L.2008, c.38, a carrier shall, as a condition of issuing
27 small employer health benefits plans in this State, also offer
28 individual health benefits plans. The plans shall be offered on an
29 open enrollment, modified community rated basis, pursuant to the
30 provisions of this act and P.L.2008, c.38. Every carrier that issues
31 small employer health benefits plans pursuant to P.L.1992, c.162
32 (C.17B:27A-17 et seq.) shall make a good faith effort to market
33 individual health benefits plans.

34 b. A carrier shall offer to an eligible person a choice of at least
35 three individual health benefits plans established by the board
36 pursuant to section 6 of P.L.1992, c.161 (C.17B:27A-7). **One plan**
37 **shall be a basic health benefits plan.** ²**A carrier may elect to**
38 **convert any individual contract or policy forms in force on the**
39 **effective date of P.L.2008, c.38 to any of the benefit plans, except**
40 **that the carrier may not convert more than 25% of existing contracts**
41 **or policies each year, and the replacement plan shall be of no less**
42 **actuarial value than the policy or contract being replaced.**²

43 **Notwithstanding the provisions of this subsection to the**
44 **contrary, a health maintenance organization which is a qualified**

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹**Assembly AFI committee amendments adopted June 6, 2019.**

²**Assembly AAP committee amendments adopted June 13, 2019.**

1 health maintenance organization pursuant to the "Health
2 Maintenance Organization Act of 1973," Pub.L.93-222 (42 U.S.C.
3 s.300e et seq.) shall be permitted to offer a basic health benefits
4 plan in accordance with the provisions of that law in lieu of the
5 plans required pursuant to this subsection.】

6 c. (1) 【A basic health benefits plan shall provide the benefits
7 set forth in section 55 of P.L.1991, c.187 (C.17:48E-22.2), section
8 57 of P.L.1991, c.187 (C.17B:26B-2) or section 59 of P.L.1991,
9 c.187 (C.26:2J-4.3), as the case may be.】 (Deleted by amendment,
10 P. L. , c.)(Pending before the Legislature as this bill).

11 (2) 【Notwithstanding the provisions of this subsection or any
12 other law to the contrary, a carrier may, with the approval of the
13 board, modify the coverage provided for in sections 55, 57, and 59
14 of P.L.1991, c.187 (C.17:48E-22.2, 17B:26B-2 and 26:2J-4.3,
15 respectively) or provide alternative benefits or services from those
16 required by this subsection if they are within the intent of this act or
17 if the board changes the benefits included in the basic health
18 benefits plan.】 (Deleted by amendment, P. L. , c.)(Pending
19 before the Legislature as this bill).

20 (3) 【A contract or policy for a basic health benefits plan
21 provided for in this section may contain or provide for coinsurance
22 or deductibles, or both, except that no deductible shall be payable in
23 excess of a total of \$250 by an individual or \$500 by a family unit
24 during any benefit year; and no coinsurance shall be payable in
25 excess of a total of \$500 by an individual or by a family unit during
26 any benefit year.】 (Deleted by amendment, P. L. , c.)(Pending
27 before the Legislature as this bill).

28 (4) 【Notwithstanding the provisions of paragraph (3) of this
29 subsection or any other law to the contrary, a carrier may provide
30 for increased deductibles or coinsurance for a basic health benefits
31 plan if approved by the board or if the board increases deductibles
32 or coinsurance included in the basic health benefits plan.】 (Deleted
33 by amendment, P. L. , c.)(Pending before the Legislature as
34 this bill).

35 (5) The provisions of section 13 of P.L.1985, c.236 (C.17:48E-
36 13), N.J.S.17B:26-1, and section 8 of P.L.1973, c.337 (C.26:2J-8)
37 with respect to the filing of policy forms shall not apply to health
38 plans issued on or after the effective date of this act.

39 (6) The provisions of section 27 of P.L.1985, c.236 (C.17:48E-
40 27) and section 7 of P.L.1988, c.71 (C.17:48E-27.1) with respect to
41 rate filings shall not apply to individual health plans issued on or
42 after the effective date of this act.

43 d. Every group conversion contract or policy issued after the
44 effective date of this act shall be issued pursuant to this section;
45 except that this requirement shall not apply to any group conversion
46 contract or policy in which a portion of the premium is chargeable

1 to, or subsidized by, the group policy from which the conversion is
2 made.

3 e. (Deleted by amendment, P.L.2008, c.38).

4 f. ²**[**In addition to the rider packages provided for in
5 subsection c. of section 6 of P.L.1992, c.161 (C.17B:27A-7), every
6 carrier may offer, in connection with the health benefits plans
7 required to be offered by this section, any number of riders which
8 may add benefits or increase the actuarial value of any of the plans.
9 Any such rider or amendment thereof shall be filed with the board
10 for informational purposes before the rider may be sold. The added
11 premium for each rider shall be listed separately from the premium
12 for the standard plan.

13 The commissioner shall disapprove any rider filed pursuant to
14 this subsection that is unjust, unfair, inequitable, unreasonably
15 discriminatory, misleading, contrary to law or the public policy of
16 this State. The commissioner's determination shall be in writing and
17 shall be appealable. **]** (Deleted by amendment, P.L. _____,
18 c.)(Pending before the Legislature as this bill)²

19 (cf: P.L.2008, c.38, s.11)

20

21 ¹3. Section 4 of P.L.1992, c.161 (C.17B:27A-5) is amended to
22 read as follows:

23 4. The following provisions shall not apply to **[**basic health
24 benefits plans and**]** managed care health benefits plans issued pursuant
25 to section 3 of this act:

26 Sections 12, 32 through 35, inclusive, of P.L.1985, c.236
27 (C.17:48E-12 and C.17:48E-32 through C.17:48E-35, inclusive);
28 section 2 of P.L.1987, c.62 (C.17:48E-35.1); sections 3, 4 and 6 of
29 P.L.1991, c.279 (C.17:48E-35.4, 17B:26-2.1e and 26:2J-4.4); section 1
30 of P.L.1977, c.118 (C.17B:26-2.1); section 1 of P.L.1983, c.53
31 (C.17B:26-2.1a); section 1 of P.L.1987 c.64 (C.17B:26-2.1c);
32 P.L.1979, c.328 (C.17B:26-2.2 et seq.); and sections 1 and 2 of
33 P.L.1979, c.161 (C.17B:26-44.1 and C.17B:26-44.2).¹

34 (cf: P.L.1992, c.161, s.4)

35

36 ¹**[3.] 4.**¹ This act shall take effect immediately.