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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.
AN ACT concerning certain individual 1[(and small employer)]1
health benefits plans, amending P.L.1992, c.161 and repealing
parts of statutory law.

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

1. The following are repealed:
P.L.2001, c.368 (C.17B:27A-4.4 through C.17B:27A-4.7 and
C.17B:27A-19.11);
   Section 49 of P.L.1991, c.187 (not compiled);
   Sections 50 and 51 of P.L.1991, c.187 (C.17:48-6.13 and
C.17:48-6.14);
   Sections 52 and 53 of P.L.1991, c.187 (C.17:48A-6.8 and
C.17:48A-6.9);
   Sections 54 and 55 of P.L.1991, c.187 (C.17:48E-22.1 and
C.17:48E-22.2);
   Sections 56 and 57 of P.L.1991, c.187 (C.17B:26B-1 and
C.17B:26B-2);
   Sections 58 and 59 of P.L.1991, c.187 (C.26:2J-4.2 and C.26:2J-
4.3).

2. Section 3 of P.L.1992, c.161 (C.17B:27A-4) is amended to
read as follows:
   a. No later than 180 days after the effective date of this
   section of P.L.2008, c.38, a carrier shall, as a condition of issuing
   small employer health benefits plans in this State, also offer
   individual health benefits plans. The plans shall be offered on an
   open enrollment, modified community rated basis, pursuant to the
   provisions of this act and P.L.2008, c.38. Every carrier that issues
   small employer health benefits plans pursuant to P.L.1992, c.162
   (C.17B:27A-17 et seq.) shall make a good faith effort to market
   individual health benefits plans.
   b. A carrier shall offer to an eligible person a choice of at least
   three individual health benefits plans established by the board
   shall be a basic health benefits plan.] 2[A carrier may elect to
   convert any individual contract or policy forms in force on the
   effective date of P.L.2008, c.38 to any of the benefit plans, except
   that the carrier may not convert more than 25% of existing contracts
   or policies each year, and the replacement plan shall be of no less
   actuarial value than the policy or contract being replaced.] 3
      [Notwithstanding the provisions of this subsection to the
   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:
1Assembly AFI committee amendments adopted June 6, 2019.
2Assembly AAP committee amendments adopted June 13, 2019.
health maintenance organization pursuant to the "Health Maintenance Organization Act of 1973," Pub.L.93-222 (42 U.S.C. s.300e et seq.) shall be permitted to offer a basic health benefits plan in accordance with the provisions of that law in lieu of the plans required pursuant to this subsection.]


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

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

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

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

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

d. Every group conversion contract or policy issued after the effective date of this act shall be issued pursuant to this section; except that this requirement shall not apply to any group conversion contract or policy in which a portion of the premium is chargeable
to, or subsidized by, the group policy from which the conversion is
made.

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

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

The commissioner shall disapprove any rider filed pursuant to this subsection that is unjust, unfair, inequitable, unreasonably discriminatory, misleading, contrary to law or the public policy of this State. The commissioner’s determination shall be in writing and shall be appealable.] (Deleted by amendment, P.L. , c. )

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

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

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


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

¹[3.] ² This act shall take effect immediately.