

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 49 and 3807

STATE OF NEW JERSEY
218th LEGISLATURE

ADOPTED JUNE 3, 2019

Sponsored by:

Senator NELLIE POU
District 35 (Bergen and Passaic)
Senator NIA H. GILL
District 34 (Essex and Passaic)
Senator JOSEPH F. VITALE
District 19 (Middlesex)
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Authorizes DOBI to establish State-based exchange for certain health insurance plans and coordinate with Department of Human Services.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Commerce Committee.



1 AN ACT concerning health insurance and supplementing Title 17B
2 of the New Jersey Statutes.

3

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

6

7 1. a. There is established in the Department of the Treasury a
8 nonlapsing revolving fund to be known as the “Health Insurance
9 Exchange Trust Fund.” This fund shall be the repository for monies
10 collected pursuant to subsection c. of this section, any federal
11 financial participation available, and other monies received as
12 grants or otherwise appropriated for the purposes of supporting
13 health insurance outreach and enrollment efforts through an
14 exchange. The monies in the fund shall be used only for the
15 purpose of supporting the exchange through initial start-up costs
16 associated with establishment of the exchange, exchange
17 operations, outreach, enrollment, and other means of supporting the
18 exchange.

19 b. The State Treasurer shall be the custodian of the fund and all
20 disbursements from the fund shall be made by the State Treasurer
21 upon vouchers signed by the Commissioner of Banking and
22 Insurance. The monies in the fund shall be invested and reinvested
23 by the Director of the Division of Investment in the Department of
24 the Treasury to the same extent that other trust funds that are in the
25 custody of the State Treasurer are invested and reinvested, in the
26 manner provided by law. Interest received on the monies in the
27 fund shall be credited to the fund.

28 c. The commissioner may apply a monthly assessment to each
29 health benefits plan offered by a carrier. The assessment shall be
30 paid by the carrier and deposited into the fund and shall be used
31 only for the purpose of supporting the exchange through initial
32 start-up costs associated with establishment of the exchange,
33 exchange operations, outreach, enrollment, and other means of
34 supporting the exchange. The assessment may be applied at a rate
35 of:

36 (1) .5 percent of the total monthly premium charged by a carrier
37 for each health benefits plan during any period that the State is on a
38 federally-facilitated exchange;

39 (2) 1 percent of the total monthly premium charged by a carrier
40 for each health benefits plan during any period that the State is on a
41 State-based exchange using the federal platform; or

42 (3) 3.5 percent of the total monthly premium charged by a
43 carrier for each health benefits plan during any period that the State
44 is on a State-based exchange. The commissioner shall have the
45 discretion to adjust this rate to ensure that the State-based exchange
46 is fully funded, but in no case shall the assessment be applied at a
47 rate that exceeds 5 percent of the total monthly premium charged by
48 a carrier.

1 The commissioner shall notify carriers of their assessment rate
2 for the subsequent year at least 45 days prior to the date that carriers
3 are required to file their rates with the department.

4 d. Any unexpended balance in the fund at the end of a year
5 shall be available for expenditure by the commissioner in the
6 subsequent year. The commissioner shall consider any unexpended
7 balance from a previous year when calculating the assessment
8 pursuant to subsection c. of this section.

9
10 2. a. Notwithstanding any other law to the contrary, the
11 Department of Banking and Insurance shall have the authority to
12 operate a State-based exchange and coordinate the operations of the
13 exchange with the operations of the New Jersey Individual Health
14 Coverage Program and the New Jersey Small Employer Health
15 Benefits Program, including reorganization of the boards, as the
16 commissioner deems appropriate. The department's authority to
17 regulate the insurance market shall be separate and distinct from the
18 department's duty to oversee exchange operations, to ensure the
19 best interests of and protection for consumers of the State. The
20 department shall also have the authority to coordinate the
21 operations of the exchange with the operations of the State
22 Medicaid program established pursuant to P.L.1968, c.413
23 (C.30:4D-1 et seq.) and the NJ FamilyCare Program established
24 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).

25 b. The Commissioner of Banking and Insurance shall, in
26 consultation with the Commissioner of Human Services, examine
27 whether federal financial participation is available for the exchange
28 as a State administrative expenditure necessary for the proper and
29 efficient administration of the State Medicaid plan. If the
30 commissioner, in consultation with the Commissioner of Human
31 Services, finds that federal financial participation is available and
32 practicable, the commissioners shall, in consultation with one
33 another, secure the maximum federal financial participation
34 available.

35 c. The Commissioner of Banking and Insurance shall have the
36 authority to require that plans offered on the exchange conform
37 with standardized plan designs that provide for standardized cost-
38 sharing for covered health services.

39
40 3. a. The Commissioner of Banking and Insurance shall
41 present a report to the Governor, and to the Legislature pursuant to
42 section 2 of P.L.1991, c.164 (C.52:14-19.1), no later than January 1,
43 2022, which contains the commissioner's findings and
44 recommendations, including such recommendations for
45 administrative or legislative action as the commissioner deems
46 appropriate, and the status of any decisions or efforts pursuant to
47 subsection a. of section 2 of this act to coordinate the operations of
48 the exchange with:

- 1 (1) the New Jersey Individual Health Coverage Program
2 established pursuant to P.L.1992, c.161 (C.17B:27A-2 et seq.) and
3 the New Jersey Small Employer Health Benefits Program
4 established pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.);
5 and
6 (2) the operations of the State Medicaid and NJ FamilyCare
7 programs.
- 8 b. The Commissioner of Banking and Insurance and the
9 Commissioner of Human Services shall present a report to the
10 Governor, and to the Legislature pursuant to section 2 of P.L.1991,
11 c.164 (C.52:14-19.1), no later than January 1, 2022, which contains
12 an evaluation of the actions of those departments in securing federal
13 financial participation pursuant to subsection b. of section 2 of this
14 act, including details on any grants or federal funding matches
15 which were evaluated, any applications for grants or funding that
16 were made, any applications that were denied, and any funding that
17 was or may be received.
18
- 19 4. The Department of Banking and Insurance shall adopt rules
20 and regulations pursuant to the "Administrative Procedure Act,"
21 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of
22 this act.
23
- 24 5. This act shall take effect on January 1, 2020, except the
25 commissioner may take any anticipatory administrative action in
26 advance as shall be necessary for the implementation of this act.