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

CURRENT VERSION OF TEXT
As introduced.
AN ACT concerning certain individual and small employer 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 The following are repealed: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 52 and 53 of P.L.1991, c.187 (C.17:48A-6.8 and C.17:48A-6.9);
   Sections 56 and 57 of P.L.1991, c.187 (C.17B:26B-1 and C.17B:26B-2);

2. Section 3 of P.L.1992, c.161 (C.17B:27A-4 is amended to read as follows:
   3. 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 pursuant to section 6 of P.L.1992, c.161 (C.17B:27A-7). [One plan shall be a basic health benefits plan.] 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. [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.
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.
(cf: P.L.2008, c.38, s.11)

3. This act shall take effect immediately.

STATEMENT

This bill repeals the statute which authorizes health insurance
carriers to offer “Basic and Essential” health benefits plans in the
individual and small employer health benefits markets.

Under New Jersey law, the Basic and Essential Plan (B&E Plan)
is authorized as an option under both the individual and small
employer health benefits plans. Enacted in 2002, the B&E Plan was
designed as a reduced benefit plan to encourage additional
individuals and small employers to purchase at least an “entry
level” health benefits plan. The B&E Plan fails to meet the
requirements of the federal Affordable Care Act’s (ACA) Essential
Health Benefits in multiple ways. Because of the interaction of the
State and federal law, it was determined that the State requirement
to offer the B&E Plan was preempted, and carriers had to stop
offering B&E plans. Without this repeal, if the ACA is eliminated
at the federal level, carriers would again be required to offer the
B&E Plan in accordance with New Jersey law.

The bill also repeals another statute, enacted prior to the 2002
law, that required the offering of a “basic health benefits plan” and
makes some conforming amendments elsewhere in the statutes, to
eliminate any confusion.