SYNOPSIS
Requires certain entities authorized to issue health benefits plans to pay annual assessment.

CURRENT VERSION OF TEXT
As reported by the Assembly Appropriations Committee on July 27, 2020, with amendments.

(Sponsorship Updated As Of: 7/30/2020)
AN ACT concerning an assessment on certain entities authorized
to issue health benefits plans and supplementing Title 17B of the
New Jersey Statutes.

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

1. As used in this act:

"Commissioner" means the Commissioner of Banking and
Insurance.

"Entity subject to this act" or "entity" means an entity that is
subject to section 9010 of the Affordable Care Act and that is
subject to an assessment by the State, including an insurance
company, health service corporation, hospital service corporation,
medical service corporation, health maintenance organization,
dental service corporation, or dental plan organization
authorized to issue health benefits or dental benefits plans in this
State. "Entity" shall include a multiple employer welfare
arrangement registered pursuant to the "Self-Funded Multiple Employer Welfare Arrangement Regulation Act."
P.L.2001, c.352 (C.17B:27C-1 et seq.) after the date of enactment
of this act. "Entity" shall not include a dental service corporation or
a multiple employer welfare arrangement that is registered pursuant
to the "Self-Funded Multiple Employer Welfare Arrangement
Regulation Act." P.L.2001, c.352 (C.17B:27C-1 et seq.) as of the
date of enactment of this act.

"Health benefits plan" means a benefits plan which pays or
provides hospital and medical expense benefits for covered
services, and is delivered or issued for delivery in this State by or
through an entity subject to this act, including a vision or dental
plan as defined pursuant to section 1 of P.L.2014, c.70 (C.26:2S-26). For the purposes of this act, "health benefits plan" shall not
include the following plans, policies or contracts: Medicaid,
Medicare, Medicare Advantage, Medicare supplement, accident
only, credit, disability, long-term care, TRICARE supplement
coverage, coverage arising out of a workers' compensation or
similar law, automobile medical payment insurance, personal injury
protection insurance issued pursuant to P.L.1972, c.70 (C.39:6A-1
et seq.), small employer health benefits plans issued pursuant to
P.L.1992, c.162 (C.17B:27A-17), and hospital confinement
indemnity coverage.

"Net written premiums" means the premiums earned in this State
on health benefits plans, less return premiums thereon and
dividends paid or credited to policy or contract holders on the

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 July 23, 2020.
health benefits plan business. Net earned premium shall include the
aggregate premiums earned on the entity’s insured group and
individual business, excluding premiums from any Medicaid or NJ
FamilyCare contracts.

2. a. An entity subject to this act shall annually file with the
commissioner its net written premiums for the preceding year, no
later than April 1 of each year.
b. The commissioner shall calculate and issue to the entity a
certified assessment, which shall be \(2.75\%\) of the entity’s
net written premiums. The commissioner shall calculate the
assessment without regard to:
(1) the threshold limits established in section 9010(b)(2)(A) of
the Affordable Care Act; or
(2) the partial exclusion of net premiums provided for in section
9010(b)(2)(B) of the Affordable Care Act.\(^1\)
c. An entity shall annually pay the assessment issued pursuant
to subsection b. of this section to the State Treasurer no later than
May 1 of each year, as prescribed by the commissioner.
d. If the commissioner determines that the amount of the
assessment calculated pursuant to this section shall reduce the
State’s total revenue, the commissioner may reduce the assessment.

3. a. There is established in the Department of the Treasury a
nonlapsing revolving fund to be known as the “Health Insurance
Affordability Fund.” This fund shall be the repository for all
monies collected pursuant to this act. As directed by the
commissioner, in consultation with the Commissioners of the
Department of Human Services and the Department of Health,\(^1\)
the monies in the fund shall be used only for the purposes of increasing
affordability in the individual and small group markets market\(^2\)
and providing greater access to health insurance to the uninsured,
including minors, with a primary focus on households with an
income below 400 percent of the federal poverty level, expanding
eligibility, or modifying the definition of affordability in those markets the individual market\(^2\) through subsidies, reinsurance,
tax policies, outreach and enrollment efforts, buy-in programs, such
as the NJ FamilyCare Advantage Program, or any other efforts that
can increase affordability for small employers and individual
policyholders or that can reduce racial
disparities in coverage for the uninsured.\(^1\)
b. The monies in the fund shall be invested and reinvested by
the Director of the Division of Investment in the Department of the
Treasury to the same extent that other trust funds that are in the
custody of the State Treasurer are invested and reinvested, in the
manner provided by law. Interest received on the monies in the
fund shall be credited to the fund.
The report required pursuant to section 3 of P.L.2019, c.141 shall set forth the impacts of the measures taken pursuant to this act on affordability and reductions in racial disparities in health insurance coverage, including impacts by income level, race, and immigration status. The report shall make recommendations to increase affordability and reduce the uninsured rate in New Jersey, as appropriate, based on the data available to the department.

d. (1) The assessments collected pursuant to section 2 of this act shall be deposited to the Health Insurance Affordability Fund and shall be used for the purposes set forth in subsection a. of this section. Beginning in State Fiscal Year 2021, and each State fiscal year thereafter, if 100 percent of the money appropriated from the Health Insurance Affordability Fund is not used for the purposes set forth in subsection a. of this section on the effective date of an annual appropriations act for the State fiscal year, or if an amendment or supplement to an annual appropriations act for the State fiscal year appropriates money from the Health Insurance Affordability Fund to a purpose not set forth in subsection a. of this section, the Director of the Division of Budget and Accounting in the Department of the Treasury shall, not later than five days after the enactment of the annual appropriations act, or an amendment or supplement thereto, that appropriates money from the Health Insurance Affordability Fund to a purpose not set forth in subsection a. of this section, certify to the Director of the Division of Taxation and the Commissioner of Banking and Insurance that the requirements of this section have not been met.

(2) The Commissioner of Banking and Insurance shall, no later than five days after certification by the Director of the Division of Budget and Accounting in the Department of the Treasury pursuant to paragraph (1) of this subsection that the requirements of this section have not been met by the annual appropriations act, or an amendment or supplement to the annual appropriations act, notify each entity that the assessment imposed pursuant to section 2 of this act shall no longer be paid or collected.  

4. This act shall take effect on January 1, 2021, except the commissioner may take any anticipatory administrative action in advance as shall be necessary for the implementation of this act.