

SENATE, No. 2131

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:
Senator NIA H. GILL
District 34 (Essex and Passaic)

SYNOPSIS

Prohibits offering of health benefit plans in the State that do not meet certain standards; requires Commissioner of Banking and Insurance to take enforcement action against offering of plans not in compliance.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the standards for offering of health benefits
2 plans in the State and supplementing P.L.1997, c.192 (C.26:2S-
3 1 et seq.).

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

7
8 1. a. The Commissioner of Banking and Insurance shall not
9 approve, and shall not allow to be offered or issued for delivery to a
10 resident of this State or to an employer located in this State, a health
11 benefits plan unless the plan complies with all of the requirements
12 of one or more of the following sets of New Jersey statutes, as
13 appropriate:

- 14 (1) P.L.1938, c.366 (C.17:48-1 et seq.);
15 (2) P.L.1940, c.74 (C.17:48A-1 et seq.);
16 (3) P.L.1985, c.236 (C.17:48E-1 et seq.);
17 (4) N.J.S.17B:26-1 et seq.;
18 (5) N.J.S.17B:27-26 et seq.;
19 (6) P.L.1973, c.337 (C.26:2J-1 et seq.);
20 (7) P.L.1992, c.161 (C.17B:27A-2 et seq.); or
21 (8) P.L.1992, c.162 (C.17B:27A-17 et seq.).

22 b. The commissioner shall take all appropriate enforcement
23 action that is within the commissioner's authority and that is
24 necessary to prevent any entity from offering or issuing for delivery
25 a health benefits plan to a resident of this State or an employer in
26 this State if the health benefits plan is not in compliance with
27 subsection a. of this section.

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29 2. This act shall take effect immediately.

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32 STATEMENT

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34 This bill supplements the "Health Care Quality Act" to prohibit
35 the Commissioner of Banking and Insurance from approving or
36 allowing to be offered to residents or employers in this State, a
37 health benefits plan unless the plan complies with all of the
38 requirements contained in one or more of the sets of New Jersey
39 statutes that govern the standards for fully insured health benefit
40 plans offered in New Jersey.

41 The commissioner has the sole authority to license insurers to
42 offer health benefits plans in the State after determining that they
43 meet the standards required by New Jersey law. These standards are
44 set forth in detail in statutes, as listed in the bill, that apply to
45 hospital, medical, and health service corporations, commercial
46 individual and group insurers, and health maintenance
47 organizations. These laws establish significant protections for New

1 Jersey residents, employers, and health care providers concerning
2 their relationships with health insurance carriers.

3 The bill is in response to the Executive Order 13813 issued by
4 the President of the United States on October 12, 2017. That order
5 includes provisions requiring the Secretary of Labor to consider
6 proposing regulations to expand health coverage by allowing more
7 employers to form association health plans, and requiring the
8 Secretaries of the Treasury, Labor, and Health and Human Services,
9 to consider proposing regulations to expand the availability of short
10 term limited-duration insurance. The order also states that the
11 policy of the federal executive branch is to facilitate the purchase of
12 insurance across state lines.

13 Association health plans, short term limited-duration health
14 insurance plans, and other plans that meet the requirements in other
15 states in which they are issued, may not meet the same standards
16 required for health benefits plans offered or sold in New Jersey.
17 This bill prohibits the offering or sale of any plans in this State,
18 including association and short term limited duration health
19 insurance plans, that do not meet the standards required by New
20 Jersey law. Further, the bill requires the commissioner to take all
21 appropriate enforcement action that is within the commissioner's
22 authority and that is necessary to prevent any entity from offering
23 or issuing for delivery a health benefits plan to a resident of this
24 State or an employer in this State if the health benefits plan is not in
25 compliance with the provisions of the bill.