

ASSEMBLY, No. 1692

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblymen KELLY, O'TOOLE, Doria, Assemblywoman Murphy, Assemblymen Bucco, Bateman, Assemblywoman Weinberg, Assemblymen Green, Dalton, Caraballo, Stanley, Cottrell, Lance, Wolfe, Felice, DeCroce, Roma, Assemblywoman Quigley, Assemblyman Impoveduto, Assemblywoman Heck, Assemblymen Malone, Gibson, Asselta, Pascrell, Cohen, Charles, Garcia, Steele, Romano, Assemblywoman J. Smith, Assemblymen T. Smith, Blee, LeFevre, Assemblywoman Gill and Assemblyman Jones

1 AN ACT to provide for the submission to the voters of the State of a
2 nonbinding referendum to ascertain their sentiment as to whether
3 there should be a law that would require a certain percentage of the
4 gross income of health maintenance organizations to be spent for
5 health care services.

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

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10 1. In order to ascertain the sentiment of the people of this State as
11 to whether health maintenance organizations, or HMO's, shall be
12 required to spend a specific percentage of gross income for the
13 provision of health care services to enrollees, the following public
14 question shall be submitted to the people at the general election next
15 occurring at least 70 days following the final action of the Governor
16 or the Legislature, as appropriate, necessary to submit the question, in
17 the manner provided by this act and by Title 19 of the Revised Statutes
18 for the submission to the people of public questions to be voted upon
19 by the voters of the entire State and it shall be the duty of the
20 Secretary of State to arrange for the submission of such public
21 question in accordance with the provisions of this act and of Title 19
22 of the Revised Statutes, of which submission the same notice shall be
23 given, if possible, as is required by law of that election, and the people
24 of the State may at that election vote for or against the question in the
25 following manner.

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27 2. There shall be included on each sample and official ballot the
28 instructions set forth below on voting on the nonbinding referendum:

29 If you approve of the question printed below, make a cross (x), plus

1 (+), or check mark (%) in the square opposite the word "Yes."

2 If you disapprove of the question printed below, make a cross (x),
3 plus (+), or check mark (%) in the square opposite the word "No."

4 If voting machines are used, a vote of "Yes" or "No" shall be the
5 equivalent to the markings, respectively.
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<p>7 8 9 10 11 12 13 14 15 16 17 18</p> <p>YES</p>	<p style="text-align: center;">HMO ENROLLEE HEALTH CARE PROTECTION</p> <p>Should health maintenance organizations, or HMO's, in the State of New Jersey be required by law to spend at least 75 percent of their gross certificate, agreement or contract income in their first year of operation, at least 80 percent of their gross income in the second year of operation and at least 85 percent of their gross income in any subsequent year for the provision of health care services to their enrollees?</p>
<p>19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40</p> <p>NO</p>	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This nonbinding public question would provide the State Legislature with an assessment of the sentiment of the voters of this State as to whether there should be a law that requires health maintenance organizations, or HMO's, to spend at least 75 percent of their gross certificate agreement or contract income in the first year of operation, 80 percent in the second year of operation and 85 percent in any subsequent year, for the provision of health care services to their enrollees.</p> <p>If there were such a law, most of the income derived from enrollee certificates, agreements or contracts would be applied toward the provision of health care services to enrollees and the amount of gross income that an HMO could apply toward administration and other expenses and profit would be limited normally to 15 percent.</p>

41 3. The votes cast "Yes" and "No," by ballot or voting machine,
42 shall be counted and the result thereof returned by the election officer,
43 and a canvass of the election had in the same manner now as is
44 provided for by law in the case of the election of a Governor, and the
45 approval or disapproval of this question so determined shall be

1 declared in the same manner as the result of an election for Governor.

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3 4. The Secretary of State shall direct the clerk of each county of
4 this State to cause this public question to be printed and placed on
5 each of the ballots, together with the summary statement appended to
6 or enclosed with the sample ballot, in a manner which will give
7 prominence to the question and statement.

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9 5. This act shall take effect immediately.

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12 STATEMENT

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14 This bill provides for the submission to the voters of the State of a
15 nonbinding referendum to ascertain their sentiment as to whether
16 health maintenance organizations (HMO's) should be required to spend
17 at least 75 percent of such gross certificate, agreement or contract
18 income in the first year of operation, 80 percent in the second year of
19 operation and 85 percent in any subsequent year, for the provision of
20 health care services to their enrollees.

21 This bill assesses voter sentiment as to whether most of the income
22 derived from enrollee certificates, agreements or contracts should be
23 applied toward the provision of health care services to enrollees and
24 whether the amount of income an HMO may apply toward
25 administration and other expenses and profit should be limited to
26 15 percent.

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31 Nonbinding referendum on requiring percent of HMO gross income to
32 be spent for health care services.