

# ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

## STATEMENT TO ASSEMBLY, No. 5213

with committee amendments

# STATE OF NEW JERSEY

DATED: MAY 14, 2021

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 5213.

As amended, this bill requires the Department of Banking and Insurance to establish and operate the New Jersey Easy Enrollment Health Insurance Program (the program). The department is required to integrate the program with the State-based health insurance exchange, and may enter into an agreement with a third-party for operation of the program. The purpose of the program is to:

(1) establish a State-based reporting system to provide information about the health insurance status of State residents through the use of State income tax returns to identify individuals and determine whether an individual is interested in obtaining minimum essential coverage;

(2) determine whether an individual who is interested in obtaining minimum essential coverage qualifies for insurance affordability assistance;

(3) proactively contact an individual who is interested in obtaining minimum essential coverage to assist in enrolling the individual in insurance affordability assistance and minimum essential coverage; and

(4) maximize enrollment of eligible individuals in insurance affordability assistance and minimum essential coverage to improve access to care and reduce insurance costs for all residents of the State.

The bill requires the Commissioner of Banking and Insurance, the Commissioner of Human Services, and the State Treasurer to develop and implement systems, policies, and practices that encourage, facilitate, and streamline determination of eligibility for insurance affordability assistance and enrollment in minimum essential coverage to achieve the purposes of the program.

The bill requires the Commissioner of Banking and Insurance to establish a New Jersey Easy Enrollment Health Insurance Program Advisory Workgroup to provide ongoing advice regarding the implementation of the program, which is to include representation from various organizations. The workgroup is required to meet at least once every six months.

The program is required to determine eligibility for insurance affordability assistance as soon as possible after an individual files a State income tax return on which the individual indicates that the individual is seeking health benefits coverage.

To the extent practicable, the program must verify an individual's eligibility for insurance affordability assistance with information on a State income tax return and other data from third-party data sources, without requesting additional information from the individual.

The bill provides that if additional documentation from an individual is required to establish eligibility for insurance affordability assistance, the program must take certain steps to limit the burden on the individual.

Before determining eligibility of an individual for insurance affordability assistance, the program is required to attempt to verify the citizenship status of the individual and each household member listed on the State income tax return, based on the information available from the return and reliable third-party sources of citizenship data. If this process does not confirm that the individual and each household member listed on the State income tax return is a United States citizen, the program may not seek additional verification or take other steps to determine eligibility for or enroll the individual in insurance affordability assistance until the individual provides affirmative consent using forms and procedures approved by the program.

If citizenship is not verified and affirmative consent is not provided in accordance with the bill, the program may not take any further steps to determine an individual's eligibility for or enroll an individual in insurance affordability assistance.

The bill requires the program to make a determination of eligibility for the State Medicaid program or the NJ FamilyCare Program before determining eligibility for any other insurance affordability assistance. If an individual is determined to be eligible for the State Medicaid program or the NJ FamilyCare Program, the procedures described in the bill and the guidelines established by the program to implement the bill apply.

If an individual fails to select a managed care organization plan within a period of time established by the program, the program may assign the individual to and promptly enroll the individual in a managed care organization plan.

Before an individual is assigned to a managed care organization plan, the individual is required to receive advance notice, an opportunity to select another managed care organization plan, and an opportunity to opt out of coverage.

If an individual is determined to not be eligible for the State Medicaid program or the NJ FamilyCare Program, the program is required to determine whether the individual is eligible for premium tax credits or cost-sharing reductions.

The bill provides that a special enrollment period for the New Jersey Individual Health Coverage Program will begin on the date an income tax return is filed by or on behalf of an individual that indicates the individual is seeking insurance coverage. The enrollment period is to last for a period of time, to be determined by the program before the start of the calendar year, that is not to be shorter than 30 days.

Information about the enrollment period described in the bill must be communicated to the public and affected individuals through measures that may include language in the instructions for the State individual income tax return, if inclusion of the language is approved by the State Treasurer.

The bill requires the Department of Banking and Insurance to develop data privacy and data security safeguards to govern the conveyance, storage, and utilization of data under the program.

The bill requires the State Treasurer to include on the individual income tax return form a checkoff box for indicating whether the individual, or each spouse in the case of a joint return, and any individual claimed as a dependent on the tax return is uninsured at the time the tax return is filed.

The bill requires the State Treasurer to include with the income tax return form a separate form that is required only for individuals who file a tax return indicating that an individual is uninsured at the time the tax return is filed.

The form is required to include two checkoff boxes. One checkoff box shall give an individual who files a tax return the choice to have the program determine the individual's eligibility for insurance affordability assistance, and obtain additional data that may be relevant to determine the individual's eligibility for insurance affordability assistance. The other checkoff box shall allow an individual who files a tax return the choice to not have the program make that determination.

The bill requires the State Treasurer to waive the State shared responsibility tax for any taxpayer who chooses the checkoff box indicating the taxpayer wishes the program to determine the individual's eligibility for insurance affordability assistance. If the taxpayer fails to enroll in health benefits coverage and maintain that coverage in each month following the enrollment period, the taxpayer is liable for any payments to which the taxpayer would have otherwise been subject.

The bill takes effect immediately and applies to tax returns filed for taxable years beginning after December 31, 2020, unless the State Treasurer determines, after consultation with the Department of Banking and Insurance, that the implementation of the bill is not administratively feasible for taxable years beginning after December 31, 2020, in which case the Treasurer may delay implementation to taxable years beginning after December 31, 2021.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) provide that federally qualified health centers (FQHC) be included into the proposed New Jersey Easy Enrollment Health Insurance Program Advisory Workgroup;

(2) increase the minimum number of days of the special enrollment period for the New Jersey Individual Health Coverage Program to 30 days; and

(3) make a technical change.