



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
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May 24, 2018

The Honorable Eliana Pintor Marin  
c/o Frank Haines  
Legislative Budget and Finance Officer  
Office of Legislative Services  
State House Annex  
P.O. Box 068  
Trenton, New Jersey 08625-0068

Dear Chairwoman Pintor Marin:

Please accept the following response to your letter of April 19, 2018 which contained questions raised during the Department of Banking and Insurance's budget hearing on April 18, 2018.

**Assemblywoman Munoz:**

Please provide information on any State funding in the FY 2019 budget for the purpose of funding the reinsurance program pursuant to the "New Jersey Health Insurance Premium Security Act," S-1878 (SCS), which has passed both houses and is pending enactment.

**Response:**

*Senate Bill No. 1878, which is known as the New Jersey Health Insurance Premium Security Act, passed both houses of the Legislature. The bill, as currently written does not require funding until Fiscal Year 2020.*

**Assemblyman DiMaio:**

Please provide information and data regarding the department's review of carriers who deny medical claims that the carrier had preauthorized. Please include, for the last five calendar years and thus far for 2018, the number of times that this type of denial is appealed through the processes established by the "Health Care Quality Act," and the percentage of denials of coverage that an independent utilization review organization has overturned or modified through the Independent Health Care Appeals.

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**Response:**

*Attached please find a chart of the Independent Utilization Review Organizations (IURO) reversals for calendar years 2013 to 2017. The charts provide information concerning the number of appeals received by company, as well as the number and percentage of decisions that have been overturned. The Department is unable cannot identify reversals that resulted from a service that was preauthorized. However, the Department can identify the claim denied for lack of preauthorization.*

*The Department has learned of such circumstances in a specific examination performed by Department staff. In that instance, when improperly denied claims were discovered, the carrier was required to reprocess those claims with 12% interest as required by N.J.S.A. 26:2J-8.1d(9).*

*The Department always welcomes the opportunity to assist New Jersey residents. If any member of the Legislature is aware of consumers who have had claims improperly denied for any reason, please do not hesitate to contact the Department.*

**Assemblywoman Murphy**

**Question 1:**

Please provide the department's assessment of the impact on the real estate markets in general and on first-time home buyers in particular, of the federal "Tax Cuts and Jobs Act," specifically the cap on state and local tax deductions and the limits on mortgage interest deductions.

**Response:**

*Current data indicates a strengthening real estate market in New Jersey. Interest rates on home mortgages have risen, but they remain at historically low levels. The Legislature recently passed S1893 to help address the negative effects the federal law will have on New Jersey. Therefore, given the legislature's action the total adverse impact of the "Tax Cuts and Jobs Act" is difficult to gauge at this time. The federal law becomes effective on taxable events occurring this calendar year, and its most important effects will be felt by homeowners during tax season in CY 2019.*

**Question 2:**

Please provide the committee with examples of initiatives that the department believes would help New Jersey families obtain home ownership.

**Response:**

*The Department has robust consumer protections that assist first time homebuyers and any New Jersey resident with any complaints or issues they may have with their realtor, title insurance company or mortgage application. As a financial regulatory agency, this Department is not in a position to endorse or adopt specific homeownership initiatives. But, the State's Home Mortgage Financing Agency ("HMFA") implements several programs designed to assist first-time home-buyers, financially and educationally.*

Very truly yours,



Marlene Caride  
Acting Commissioner