

## CHAPTER 182

**AN ACT** requiring study of small employer health insurance and supplementing P.L.2020, c.61 (C.17B:27A-65 et seq.).

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

C.17B:27A-10.14 Study, Department of Banking and Insurance, New Jersey Individual Health Coverage Program, New Jersey Small Employer Health Benefits Program; report, Governor, Legislature.

1. a. The Department of Banking and Insurance shall conduct a study of:

(1) the potential impact on the New Jersey Individual Health Coverage Program and the New Jersey Small Employer Health Benefits Program of pursuing an amendment to the waiver of applicable provisions of the Affordable Care Act granted by the United States Secretary of Health and Human Services, pursuant to 42 U.S.C. s.18052, in order to merge the individual and small group markets and the availability and impact of extending reinsurance to small businesses purchasing health insurance through the pooled market;

(2) the costs and benefits of creating a small employer health insurance subsidy, and other affordability measures as deemed appropriate by the commissioner, and sustainable funding sources for that subsidy and those measures. The examination shall consider the size of an effective and meaningful subsidy, an analysis of available sustainable funding sources, including an examination of the establishment of an assessment on other lines of insurance, the size of any such assessment, and how best to administer both the subsidy and a potential assessment. The department shall examine similar subsidies and assessments in other states, including the New Mexico health care affordability fund and health insurance premium surtax;

(3) the actuarial impact of increasing the age rating ratio in the New Jersey Small Employer Health Benefits Program from 2:1 to various ranges up to 3:1. The department shall specifically examine the impact of any increase of the age rating ratio on consumers and overall premiums in the small group market, as well as any impact on market viability, competitiveness, enrollment, and any other factors that the department finds necessary. The study shall examine and illustrate the impact of the implementation schedule of any age rating ratio changes. Additionally, the study shall examine the effect of geographic region ratings on premiums and whether it would be in the best interests of the small group market's viability and employers and employees to retain or eliminate this factor. The study shall include recommendations to the Legislature to support the health of the small group market and its eligible enrollees; and

(4) other policies that could contribute to stabilizing the small employer health insurance market.

b. The department shall make a report of the study's findings and recommendations and provide a copy of the report to the public through the Internet website of the department. The department shall also provide the report to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), no later than one year following the effective date of this act.

c. The commissioner is authorized to request directly from any other department or agency of State government information or data that may be needed to carry out the requirements of this section; and such department or agency is authorized and shall furnish the requested information or data.

d. The commissioner may request from any carrier participating in the Small Employer Health Benefits Program and Individual Health Coverage Program data necessary to conduct the study pursuant to this section, and carriers shall provide the requested data.

e. The commissioner may engage the services of experts and consultants to assist with the preparation of the study required under this section.

f. There is appropriated from the General Fund to the Department of Banking and Insurance \$500,000 to effectuate the purposes of this act.

2. This act shall take effect immediately.

Approved November 27, 2023.