

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 5499

STATE OF NEW JERSEY
218th LEGISLATURE

ADOPTED JUNE 6, 2019

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

Co-Sponsored by:

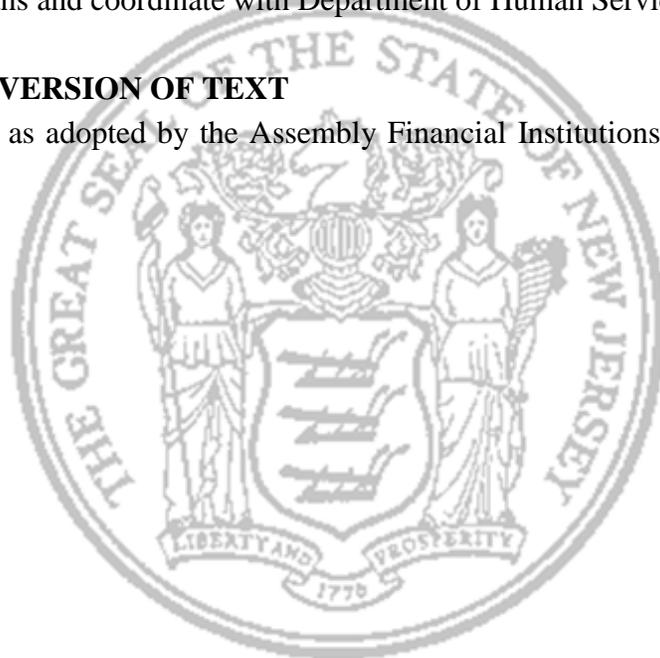
**Assemblyman Caputo, Assemblywomen Lampitt, Vainieri Huttle and
Assemblyman Benson**

SYNOPSIS

Authorizes DOBI to establish State-based exchange for certain health insurance plans and coordinate with Department of Human Services.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Financial Institutions and Insurance Committee.



(Sponsorship Updated As Of: 6/11/2019)

1 AN ACT concerning health insurance and supplementing Title 17B
2 of the New Jersey Statutes.

3

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

6

7 1. a. There is established in the Department of the Treasury a
8 nonlapsing revolving fund to be known as the “Health Insurance
9 Exchange Trust Fund.” This fund shall be the repository for monies
10 collected pursuant to subsection c. of this section, any federal
11 financial participation available, and other monies received as
12 grants or otherwise appropriated for the purposes of supporting
13 health insurance outreach and enrollment efforts through an
14 exchange. The monies in the fund shall be used only for the
15 purpose of supporting the exchange through initial start-up costs
16 associated with establishment of the exchange, exchange
17 operations, outreach, enrollment, and other means of supporting the
18 exchange.

19 b. The State Treasurer shall be the custodian of the fund and all
20 disbursements from the fund shall be made by the State Treasurer
21 upon vouchers signed by the Commissioner of Banking and
22 Insurance. The monies in the fund shall be invested and reinvested
23 by the Director of the Division of Investment in the Department of
24 the Treasury to the same extent that other trust funds that are in the
25 custody of the State Treasurer are invested and reinvested, in the
26 manner provided by law. Interest received on the monies in the
27 fund shall be credited to the fund.

28 c. The commissioner may apply a monthly assessment to each
29 health benefits plan offered by a carrier. The assessment shall be
30 paid by the carrier and deposited into the fund and shall be used
31 only for the purpose of supporting the exchange through initial
32 start-up costs associated with establishment of the exchange,
33 exchange operations, outreach, enrollment, and other means of
34 supporting the exchange. The assessment may be applied at a rate
35 of:

36 (1) .5 percent of the total monthly premium charged by a carrier
37 for each health benefits plan during any period that the State is on a
38 federally-facilitated exchange;

39 (2) 1 percent of the total monthly premium charged by a carrier
40 for each health benefits plan during any period that the State is on a
41 State-based exchange using the federal platform; or

42 (3) 3.5 percent of the total monthly premium charged by a
43 carrier for each health benefits plan during any period that the State
44 is on a State-based exchange. The commissioner shall have the
45 discretion to adjust this rate to ensure that the State-based exchange

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 is fully funded, but in no case shall the assessment be applied at a
2 rate that exceeds 5 percent of the total monthly premium charged by
3 a carrier.

4 Beginning on January 1, 2020, the commissioner shall provide a
5 carrier with adequate notice of its assessment rate for the
6 subsequent year to allow the carrier to adjust its rate filing based on
7 the assessment rate.

8 d. Any unexpended balance in the fund at the end of a year
9 shall be available for expenditure by the commissioner in the
10 subsequent year. The commissioner shall consider any unexpended
11 balance from a previous year when calculating the assessment
12 pursuant to subsection c. of this section.

13

14 2. a. Notwithstanding any other law to the contrary, the
15 Department of Banking and Insurance shall have the authority to
16 operate a State-based exchange and coordinate the operations of the
17 exchange with the operations of the New Jersey Individual Health
18 Coverage Program and the New Jersey Small Employer Health
19 Benefits Program, including reorganization of the boards, as the
20 commissioner deems appropriate. The department's authority to
21 regulate the insurance market shall be separate and distinct from the
22 department's duty to oversee exchange operations, to ensure the
23 best interests of and protection for consumers of the State. The
24 department shall also have the authority to coordinate the
25 operations of the exchange with the operations of the State
26 Medicaid program established pursuant to P.L.1968, c.413
27 (C.30:4D-1 et seq.) and the NJ FamilyCare Program established
28 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).

29 b. The Commissioner of Banking and Insurance shall, in
30 consultation with the Commissioner of Human Services, examine
31 whether federal financial participation is available for the exchange
32 as a State administrative expenditure necessary for the proper and
33 efficient administration of the State Medicaid plan. If the
34 commissioner, in consultation with the Commissioner of Human
35 Services, finds that federal financial participation is available and
36 practicable, the commissioners shall, in consultation with one
37 another, secure the maximum federal financial participation
38 available.

39 c. The Commissioner of Banking and Insurance shall have the
40 authority to require that plans offered on the exchange conform
41 with standardized plan designs that provide for standardized cost-
42 sharing for covered health services.

43

44 3. a. The Commissioner of Banking and Insurance shall
45 present a report to the Governor, and to the Legislature pursuant to
46 section 2 of P.L.1991, c.164 (C.52:14-19.1), no later than June 1,
47 2022, which contains the commissioner's findings and
48 recommendations, including such recommendations for

1 administrative or legislative action as the commissioner deems
2 appropriate, and the status of any decisions or efforts pursuant to
3 subsection a. of section 2 of this act to coordinate the operations of
4 the exchange with:

5 (1) the New Jersey Individual Health Coverage Program
6 established pursuant to P.L.1992, c.161 (C.17B:27A-2 et seq.) and
7 the New Jersey Small Employer Health Benefits Program
8 established pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.);
9 and

10 (2) the operations of the State Medicaid and NJ FamilyCare
11 programs.

12 b. The Commissioner of Banking and Insurance and the
13 Commissioner of Human Services shall present a report to the
14 Governor, and to the Legislature pursuant to section 2 of P.L.1991,
15 c.164 (C.52:14-19.1), no later than June 1, 2022, which contains an
16 evaluation of the actions of those departments in securing federal
17 financial participation pursuant to subsection b. of section 2 of this
18 act, including details on any grants or federal funding matches
19 which were evaluated, any applications for grants or funding that
20 were made, any applications that were denied, and any funding that
21 was or may be received.

22
23 4. The Department of Banking and Insurance shall adopt rules
24 and regulations pursuant to the "Administrative Procedure Act,"
25 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of
26 this act.

27
28 5. This act shall take effect on January 1, 2020, except the
29 commissioner may take any anticipatory administrative action in
30 advance as shall be necessary for the implementation of this act.