

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 3733

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 3733.

As amended, this bill requires health insurance carriers to offer a clear cost share plan for individual health benefits plans.

A clear cost share plan is a plan design that includes a set of annual copayments, coinsurance, and deductibles for all or a designated subset of benefits within a health benefits plan. Under this bill, the commissioner of the Department of Banking and Insurance, in consultation with the board of directors of the Individual Health Coverage Program, will be required to develop a clear cost share plan for individual health benefits plans that provide for standardized benefits and cost-sharing for covered health services. When creating the share plan, the commissioner is to take into consideration the following:

- (1) the ability of a health plan to conform to actuarial value ranges;
- (2) focusing consumer choice to make the process of selecting a health plan more transparent and quality-based;
- (3) limiting out-of-pocket costs that serve as a financial barrier to accessing high-value care; and
- (4) fostering quality improvement through the promotion of benefits with a high value and a focus on the consumer.

The commissioner will also be required to develop at least one clear cost share plan for each tier of a health insurance plan designated as bronze, silver, and gold in accordance with the federal Patient Protection and Affordable Care Act. A carrier is to make available any clear cost share plan developed pursuant to the bill from each metal tier in order to participate in the individual market.

Once created, the commissioner will evaluate annually whether to revise, discontinue, or add any clear cost share plan for use by a carrier, which includes, but is not limited to, considering whether a deductible or copayment level should be changed to reflect medical inflation and actuarial values. A 60-day public comment period will be permitted as part of the evaluation process.

Additionally, a carrier will be able to offer up to three health benefits plans that modify one or more parameters in a clear cost share plan created by the commissioner if the carrier submits, and the commissioner approves, an actuarial certification stating that the

alternative share plan offers significant consumer benefits and will not result in an adverse selection for the consumer. The commissioner will also ensure that the exchange's website prioritizes unmodified clear cost share plans and that a comparison be available to display the similarities and differences in coverage between modified and unmodified clear cost share plans. Finally, the commissioner will require that plans offered on the exchange conform with standardized plan designs that provide for standardized cost-sharing for covered health services.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) remove language requiring the commissioner to consult with the advisory committee on the development and evaluation of clear cost share plans;

(2) clarify that the cost share plans may also modify current benefits;

(3) confirm that a carrier is to make available any clear cost share plan developed pursuant to the bill in order to participate in the individual market rather than being required to offer at least one such plan; and

(4) remove language requiring an annual report be submitted by the commissioner to the Governor and Legislature on the enrollment of consumers in cost share plans compared to other health plans.