

[Second Reprint]

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, No. 2824**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

ADOPTED JANUARY 26, 2023

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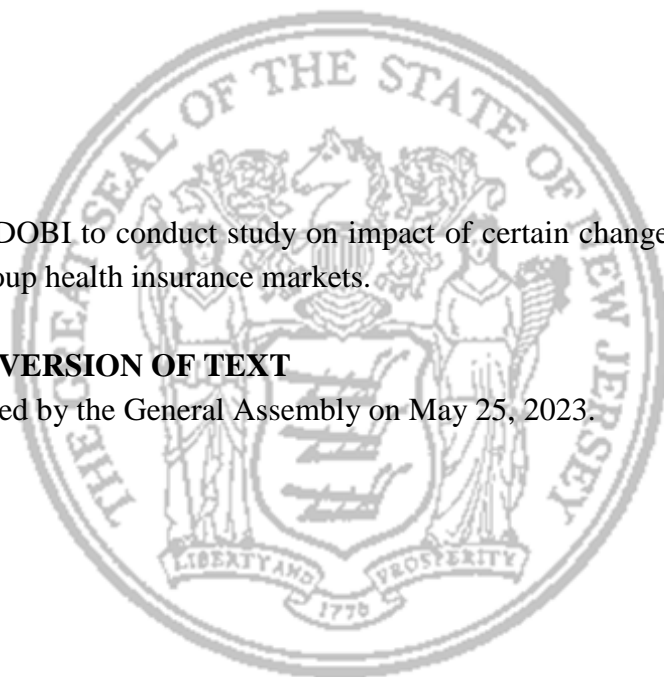
**Assemblywomen Park and Murphy**

**SYNOPSIS**

Requires DOBI to conduct study on impact of certain changes to individual and small group health insurance markets.

**CURRENT VERSION OF TEXT**

As amended by the General Assembly on May 25, 2023.



(Sponsorship Updated As Of: 6/30/2023)

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

3

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

6

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

9 (1) the <sup>1</sup>potential<sup>1</sup> impact on the New Jersey Individual Health  
10 Coverage Program and the New Jersey Small Employer Health  
11 Benefits Program of pursuing an amendment to the waiver of  
12 applicable provisions of the Affordable Care Act granted by the United  
13 States Secretary of Health and Human Services pursuant to 42 U.S.C.  
14 s.18052 in order to merge the individual and small group markets and  
15 <sup>1</sup>**[extend]** the availability and impact of extending<sup>1</sup> reinsurance to  
16 small businesses purchasing health insurance through the pooled  
17 market; <sup>1</sup>**[and]**<sup>1</sup>

18 (2) the <sup>1</sup>**[creation of]** costs and benefits of creating<sup>1</sup> a small  
19 employer health insurance subsidy<sup>1</sup>, and other affordability measures  
20 as deemed appropriate by the commissioner,<sup>1</sup> and sustainable funding  
21 sources for that subsidy <sup>1</sup>and those measures<sup>1</sup>. The examination shall  
22 consider the size of an effective and meaningful subsidy, an analysis of  
23 available sustainable funding sources, including an examination of the  
24 establishment of an assessment on other lines of insurance, the size of  
25 any such assessment, and how best to administer both the subsidy and  
26 a potential assessment. The department shall examine similar  
27 subsidies and assessments in other states, including the New Mexico  
28 health care affordability fund and health insurance premium surtax<sup>1</sup>;

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

43 (4) other policies that could contribute to stabilizing the small  
44 employer health insurance market<sup>1</sup>.

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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted March 16, 2023.

<sup>2</sup>Assembly floor amendments adopted May 25, 2023.

1       b. The department shall make <sup>1</sup>a report of the study's findings and  
2 recommendations and provide a copy of the report to the<sup>1</sup> public  
3 <sup>1</sup>【and】 through the Internet website of the department. The  
4 department shall also provide the<sup>1</sup> report <sup>1</sup>【its findings and  
5 recommendations】<sup>1</sup> to the Governor, and to the Legislature pursuant to  
6 section 2 of P.L.1991, c.164 (C.52:14-19.1), <sup>1</sup>【of the study conducted  
7 pursuant to this section】<sup>1</sup> no later than <sup>1</sup>【120 days】 one year<sup>1</sup>  
8 following the effective date of this act <sup>1</sup>.

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

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

18       e. The commissioner may engage the services of experts and  
19 consultants to assist with the preparation of the study required under  
20 this section<sup>1</sup>.

21       <sup>2</sup>f. There is appropriated from the General Fund to the Department  
22 of Banking and Insurance \$500,000 to effectuate the purposes of this  
23 act.<sup>2</sup>

24  
25       2. This act shall take effect immediately.