ASSEMBLY, No. 5732

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED OCTOBER 29, 2026

Sponsored by:
Assemblywoman HEATHER SIMMONS
District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Provides subsidy for purchase of health insurance for certain individuals living with type 1 diabetes.

CURRENT VERSION OF TEXT

As introduced.

AN ACT providing health insurance subsidies to certain individuals and amending P.L.2020, c.61.

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

1. Section 3 of P.L.2020, c.61 (C.17B:27A-67) is amended to read as follows:

3. a. There is established in the Department of the Treasury a nonlapsing revolving fund to be known as the "Health Insurance Affordability Fund." This fund shall be the repository for all monies collected pursuant to this act. As directed by the commissioner, in consultation with the Commissioners of the Department of Human Services and the Department of Health, the monies in the fund shall be used only for the purposes of increasing affordability in the individual market and providing greater access to health insurance to the uninsured, including minors, with a primary focus on households with an income below 400 percent of the federal poverty level, expanding eligibility, or modifying the definition of affordability in the individual market, through subsidies, reinsurance, tax policies, outreach and enrollment efforts, buy-in programs, such as the NJ FamilyCare Advantage Program, or any other efforts that can increase affordability for individual policyholders or that can reduce racial disparities in coverage for the uninsured. <u>The monies in the fund shall be used to provide an additional subsidy for the purchase of health insurance on the exchange for households with an income below 400 percent of the federal poverty level where a member of the household is living with type 1 diabetes.</u>

b. The monies in the fund shall be invested and reinvested by the Director of the Division of Investment in the Department of the Treasury to the same extent that other trust funds that are in the custody of the State Treasurer are invested and reinvested, in the manner provided by law. Interest received on the monies in the fund shall be credited to the fund.

c. The report required pursuant to section 3 of P.L.2019, c.141 shall set forth the impacts of the measures taken pursuant to this act on affordability and reductions in racial disparities in health insurance coverage, including impacts by income level, race, and immigration status. The report shall make recommendations to increase affordability and reduce the uninsured rate in New Jersey, as appropriate, based on the data available to the department.

d. (1) The assessments collected pursuant to section 2 of this act shall be deposited to the Health Insurance Affordability Fund and shall be used for the purposes set forth in subsection a. of this

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 <u>thus</u> is new matter.

section. Beginning in State Fiscal Year 2021, and each State fiscal year thereafter, if 100 percent of the money appropriated from the Health Insurance Affordability Fund is not used for the purposes set forth in subsection a. of this section on the effective date of an annual appropriations act for the State fiscal year, or if an amendment or supplement to an annual appropriations act for the State fiscal year appropriates money from the Health Insurance Affordability Fund to a purpose not set forth in subsection a. of this section, the Director of the Division of Budget and Accounting in the Department of the Treasury shall, not later than five days after the enactment of the annual appropriations act, or an amendment or supplement thereto, that appropriates money from the Health Insurance Affordability Fund to a purpose not set forth in subsection a. of this section, certify to the Director of the Division of Taxation and the Commissioner of Banking and Insurance that the requirements of this section have not been met.

(2) The Commissioner of Banking and Insurance shall, no later than five days after certification by the Director of the Division of Budget and Accounting in the Department of the Treasury pursuant to paragraph (1) of this subsection that the requirements of this section have not been met by the annual appropriations act, or an amendment or supplement to the annual appropriations act, notify each entity that the assessment imposed pursuant to section 2 of this act shall no longer be paid or collected.

(cf: P.L.2020, c.61, s.3.)

2. This act shall take effect immediately.

STATEMENT

This bill provides a subsidy for the purchase of health insurance for certain individuals living with type 1 diabetes.

The bill requires that monies in the "Health Insurance Affordability Fund" be used to provide an additional subsidy for the purchase of health insurance on the individual health insurance exchange for households with an income below 400 percent of the federal poverty level where a member of the household is living with type 1 diabetes.

The "Health Insurance Affordability Fund" was established to increase affordability in the individual health insurance market and provide greater access to health insurance for the uninsured, with a primary focus on households with an income below 400 percent of the federal poverty levels. Fund balances may be used for subsidies, reinsurance, tax policies, outreach and enrollment efforts, buy-in programs, or any other efforts that can increase affordability for individual policyholders or that can reduce racial disparities in coverage for the uninsured.

The monies in the fund come from a dedicated assessment of 2.5 percent on the net written premiums of certain health and dental insurance carriers in the State, along with occasional appropriations out of the State General Fund.