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### State seeks \$1M federal grant to create health insurance exchange

By [Beth Fitzgerald](#)

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New Jersey is seeking a \$1 million federal grant to begin preparing for the creation of the state's health insurance exchange, the new health insurance marketplace set to launch in 2014, when federal health insurance reform requires everyone in the nation to get health coverage.

**Neil Sullivan**, deputy commissioner of the state Department of Banking and Insurance, told a conference of the New Jersey Association of Health Underwriters, in Piscataway, that DOBI expects by next week to hear back from the federal government on its application for the \$1 million federal grant.

Sullivan said Gov. **Chris Christie** is "not a fan" of federal health care reform, "but as long as New Jerseyans are paying federal taxes, we will go for those federal funds that are available for the implementation of reform."

The money will fund a study to determine what the insurance markets are expected to look like in 2014, Sullivan said: "At a minimum, the exchanges will be used for those programs that are subsidized — so for individuals who are accessing government programs like Medicaid or commercial programs for which there is a subsidy, those purchases must be made through the exchange, as a matter of federal law. So what do we expect those populations to look like?"

The study will gather input from health insurance stakeholders to help DOBI design the exchange, and grant money will fund meetings with stakeholders, as well as online forums and polls.

Insurance companies will sell their products through the exchange, Sullivan said; stakeholders will help the state determine “what it will look like ... (it’s) something we all have to decide on together.”

Sullivan told the group of insurance professionals that Insurance Commissioner **Thomas Considine** “is a great booster of agents and insurance producers ... who understands firsthand the value that they add. I don’t think that anyone in the discussions that I’ve taken part in really believes that a computer can replace the value added by individuals helping people navigate the health care reform system.”

During a panel discussion, **Christine Stearns**, vice president for health and legal affairs of the New Jersey Business & Industry Association, said skyrocketing health insurance premiums have driven small employers “to the breaking point,” with more of them forced to drop coverage. Large employers “are spending a tremendous amount of time focusing on compliance and guidance from Washington,” Stearns said; one large employer told her the company has two people working full time on health reform.

“But for the small employers, it’s all about affordability,” she said.

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