



Date: May 18, 2005
To: NJ State NAHU Board
From: Jack Kalosy, HIA, NJ State Legislative Chair

Telephone: 732-353-7340
Facsimile: 732-353-7514

Subject: May Legislative Report

1. Details on the PAC

- We need additional Fundraisers for the PAC.
- Brad Greenbaum has been appointed the new HIAPAC Chairman by Joe Torella
- Brad has set a goal of \$25,000 for our annual PAC Budget!
- The HIAPAC lapel pins are ready for distribution. If you have donated more than \$120 to the PAC you are entitled to a pin.

2. Current Legislative Environment

Sadly, this will be my last Legislative report to the NJAHU. Our new State President, Marilyn Van Sant, has asked me to step down as your NJ State Legislative Chair effective July 1st, 2005. I would like to thank all of the members of the LMT for their hard work and dedication to the NJAHU. I would also like to thank Russ and Paul Bent, our lobbyists for their hard work and vigilant service to our organization during my tenure.

- Assemblyman Douglas Fisher introduced A-4213 "Health Security Act" on June 20, 2005. This bill will establish a brand new state run bureaucracy called the "Health Security Program" and will be run by the NJ DHSS. This would enable the DHSS to allow private employers and their employees to enroll in one or more carriers programs offered through the DHSS. There is no specific mention of Insurance Agents or Brokers being included in the program.
- Assemblyman Herbert Conaway, MD introduced A-4182 this bill amends the Health Care Quality Act by requiring that decisions of medical utilization be made by a specialist in the same field as the doctor who is prescribing the service. There is an internal debate within our LMT over the benefits of having procedures reviewed by physicians within the same specialty versus the increase in cost to the consumer that will result from this new requirement.
- Senator Rice introduced the Senate (S-2574) version of the "get the lead out" bill (A-3440) on May 12th. That is a very good sign. This bill, which we strongly support, provides for establishment of health savings accounts. The Assembly bill sponsor, Assemblyman Cohen indicated that he is looking to make some changes; he is concerned that people will be dropped by their employers from their existing plans into HSA's unwillingly. We will keep you informed of what happens.
- The following 5 bills are due to be voted on before the Assembly this Thursday June 23, 2005:
 - A-2006 (Weinberg) Establishes voluntary Statewide joint purchasing alliance for persons covered by individual health benefits plans. (Oppose)
 - A-3359 (Cohen) The "Health Insurance Affordability and Accessibility Reform Act." (Support)
 - A-3379 (Cohen) / S-1912 (Vitale) Credits coverage under Medicaid and NJ FamilyCare towards employer's minimum participation rate under NJ Small Employer Health Benefits Program. (Support)

- A-3440 (Cohen) Provides for establishment of health savings accounts. (Support)
- A-3759 (Cohen) Requires extension of health benefits coverage for certain dependents up to age 30. (**Oppose**)

The two bills we oppose, A-2006 and A-3759, have not seen any action in the Senate to date. We will still have an opportunity to fight these bills there.

- Please take a moment to take part in the “Adopt a Legislator” program. You can **HELP** you and your clients keep Health Insurance affordable by agreeing to keep a legislator educated on our key issues. Dave Mordo is running the “Adopt a Legislator” Program. Please contact Dave and volunteer to work with your State or Federal Legislator.
- Senator Singer has sponsored a bill (S-1572) the bill will allow 3.5:1 rate ratios in the Individual and SEH markets. We are hopeful that we can push this bill to passage after the legislature returns from elections in the fall of 2005. This bill represents another major contribution by the NJAHU to improving consumers’ access to affordable Health Insurance.

3. Important Legislative Issues to address this Quarter

- **3.5:1-rate ratios for the Individual and Group marketplace. Bill Pending**
- **Change the NJ Statutory Continuation to look like Federal COBRA. DONE**
- Add percentage of eligible employees participating in the group as a rating factor.
- We are looking into language in the NJ Producer Act that allows non-licensed entities to be paid a referral fee (AKA Rebating).
- Find a sponsor for enabling legislation for the Long term Care Partnership program. This bill will allow NJ to enact a LTC Partnership program quickly once the Federal Bill has been approved.
- **Add Medicaid and “Family Care” as valid waivers under the NJ SEH plans. Bill Pending**

4. Events

Respectfully Submitted,

Jack Kalosy

NJ State Legislative Chair