

A-2767

Brief Description:

“The NJ Healthcare Choice Act” permits health insurers licensed in other states to provide coverage in NJ without having to adhere to NJ Mandates and underwriting rules.

Sponsor(s):

Assemblymen J.Webber & A. DeCroce (Morris/Passaic)

Reasons to Support:

- Consumer choice.
- May lower cost due to the exclusion of NJ benefits and underwriting protections in out of state plans.

Reasons to Oppose:

- Allows out of state carriers to sell to NJ consumers and groups without the protections such as Dependent to Age 30 coverage, NJ Disability Continuation and NJ Continuation. This will hurt small group with guaranteed issue (no medical underwriting) the most.
- May enable employers to offer both NJ and other state plans. This creates an individual market of the group market with the result of higher costs due to anti-selection.
- Implementing reduced regulation for out of state carriers will undoubtedly penalize the domestic carriers. This could force domestic carriers to withdraw from NJ and come back in as an out of state carrier to avoid insuring higher risk members.
- Much more difficult for NJ producers to assist insureds with questions due to the large number of plans available nationwide.
- Does not mandate that a NJ licensed person countersign the applications which would ensure consumers are made aware of the differences between NJ and other state benefits.

NJAHU Position:

OPPOSE

Status Introduced May 22, 2008



Legislative Briefing

5-30-2008