

A-3667

Brief Description:

Concerns calculation of certain HMO loss ratios; makes various changes to individual and small employer health benefits programs, charity care and NJ FamilyCare programs.

Sponsor:

- Assemblyman Louis Greenwald (D-Camden)

Reasons to Support:

- Corrects an untenable loss ratio system for the carriers. The prior system may have "forced" carriers out of the market and reduced competition.
- Cleans up the definition of Creditable Coverage.
- Removes non health benefit plan Insurance products from the disclosure form required of licensed agents.

Reasons to Oppose:

- Requires fully insured small groups to disproportionately cover the expenses of the uninsured. Large self insured companies will not be paying their fair share of Charity Care.
- "Crowd out" provision is reduced from 6 months of ineligibility to 3 months under voluntary disenrollment. This may create a larger "Moral Hazard" in the marketplace with government covering more citizens instead of creating more personal responsibility.
- This plan creates an alternative method for children to get coverage. Unfortunately, pulling younger (lower cost) insureds out of the Insured Pool will increase the loss ratio for the commercially insured individuals and groups.

NJAHU Position:

Support

Status

1/15/2009 Introduced, Referred to Assembly Financial Institutions and Insurance Committee



Legislative Briefing

1.27.2009