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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/CL

P.L. 2020, CHAPTER 61, *approved July 31, 2020*
Assembly, No. 4389 (*Second Reprint*)

1 AN ACT concerning an assessment on ²certain² entities authorized
2 to issue health benefits plans and supplementing Title 17B of the
3 New Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. As used in this act:

9 "Commissioner" means the Commissioner of Banking and
10 Insurance.

11 "Entity subject to this act" or "entity" means ¹**[**an entity that is
12 subject to section 9010 of the Affordable Care Act and that is
13 subject to an assessment by the State, including ¹**]** an insurance
14 company, health service corporation, hospital service corporation,
15 medical service corporation, health maintenance organization,
16 ²**[**dental service corporation,²**]** or dental plan organization
17 authorized to issue health benefits or dental benefits plans in this
18 State. "Entity" shall include a multiple employer welfare
19 arrangement ²that is initially² registered pursuant to the "Self-
20 Funded Multiple Employer Welfare Arrangement Regulation Act,"
21 P.L.2001, c.352 (C.17B:27C-1 et seq.) ²after the date of enactment
22 of this act. "Entity" shall not include a dental service corporation or
23 a multiple employer welfare arrangement that is registered pursuant
24 to the "Self-Funded Multiple Employer Welfare Arrangement
25 Regulation Act," P.L.2001, c.352 (C.17B:27C-1 et seq.) as of the
26 date of enactment of this act².

27 "Health benefits plan" means a benefits plan which pays or
28 provides hospital and medical expense benefits for covered
29 services, and is delivered or issued for delivery in this State by or
30 through an entity subject to this act, including a vision or dental
31 plan as defined pursuant to section 1 of P.L.2014, c.70 (C.26:2S-
32 26). For the purposes of this act, "health benefits plan" shall not
33 include the following plans, policies or contracts: Medicaid,
34 Medicare, Medicare Advantage, ¹Medicare supplement,¹ accident
35 only, credit, disability, long-term care, TRICARE supplement
36 coverage, coverage arising out of a workers' compensation or
37 similar law, automobile medical payment insurance, personal injury

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 thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AFI committee amendments adopted July 23, 2020.

²Assembly AAP committee amendments adopted July 27, 2020.

1 protection insurance issued pursuant to P.L.1972, c.70 (C.39:6A-1
2 et seq.), ²small employer health benefits plans issued pursuant to
3 P.L.1992, c.162 (C.17B:27A-17),² and hospital confinement
4 indemnity coverage.

5 "Net written premiums" means the premiums earned in this State
6 on health benefits plans, less return premiums thereon and
7 dividends paid or credited to policy or contract holders on the
8 health benefits plan business. Net earned premium shall include the
9 aggregate premiums earned on the entity's insured group and
10 individual business, excluding premiums from any Medicaid or NJ
11 FamilyCare contracts.

12

13 2. a. An entity subject to this act shall annually file with the
14 commissioner its net written premiums for the preceding year, no
15 later than April 1 of each year.

16 b. The commissioner shall calculate and issue to the entity a
17 certified assessment, which shall be ²~~2.75%~~ 2.5%² of the entity's
18 net written premiums. ¹~~The commissioner shall calculate the~~
19 assessment without regard to:

20 (1) the threshold limits established in section 9010(b)(2)(A) of
21 the Affordable Care Act; or

22 (2) the partial exclusion of net premiums provided for in section
23 9010(b)(2)(B) of the Affordable Care Act. ¹

24 c. An entity shall annually pay the assessment issued pursuant
25 to subsection b. of this section to the State Treasurer no later than
26 May 1 of each year, as prescribed by the commissioner.

27 d. If the commissioner determines that the amount of the
28 assessment calculated pursuant to this section shall reduce the
29 State's total revenue, the commissioner may reduce the assessment.

30

31 3. a. There is established in the Department of the Treasury a
32 nonlapsing revolving fund to be known as the "Health Insurance
33 Affordability Fund." This fund shall be the repository for all
34 monies collected pursuant to this act. As directed by the
35 commissioner, ¹in consultation with the Commissioners of the
36 Department of Human Services and the Department of Health,¹ the
37 monies in the fund shall be used only for the purposes of increasing
38 affordability in the individual ²~~and small group markets~~ market²
39 and providing greater access to health insurance to the uninsured,
40 including minors, ¹with a primary focus on households with an
41 income below 400 percent of the federal poverty level, expanding
42 eligibility, or modifying the definition of affordability in ²~~those~~
43 ~~markets~~ the individual market^{2, 1} through subsidies, reinsurance,
44 tax policies, outreach and enrollment efforts, buy-in programs, such
45 as the NJ FamilyCare Advantage Program, or any other efforts that
46 can increase affordability for ²~~small employers and~~ ² individual

1 policyholders ²[in those markets]² ¹or that can reduce racial
2 disparities in coverage for the uninsured¹.

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

9 ¹c. The report required pursuant to section 3 of P.L.2019, c.141
10 shall set forth the impacts of the measures taken pursuant to this act
11 on affordability and reductions in racial disparities in health
12 insurance coverage, including impacts by income level, race, and
13 immigration status. The report shall make recommendations to
14 increase affordability and reduce the uninsured rate in New Jersey,
15 as appropriate, based on the data available to the department.

16 d. (1) The assessments collected pursuant to section 2 of this act
17 shall be deposited to the Health Insurance Affordability Fund and
18 shall be used for the purposes set forth in subsection a. of this
19 section. Beginning in State Fiscal Year 2021, and each State fiscal
20 year thereafter, if 100 percent of the money appropriated from the
21 Health Insurance Affordability Fund is not used for the purposes set
22 forth in subsection a. of this section on the effective date of an
23 annual appropriations act for the State fiscal year, or if an
24 amendment or supplement to an annual appropriations act for the
25 State fiscal year appropriates money from the Health Insurance
26 Affordability Fund to a purpose not set forth in subsection a. of this
27 section, the Director of the Division of Budget and Accounting in
28 the Department of the Treasury shall, not later than five days after
29 the enactment of the annual appropriations act, or an amendment or
30 supplement thereto, that appropriates money from the Health
31 Insurance Affordability Fund to a purpose not set forth in
32 subsection a. of this section, certify to the Director of the Division
33 of Taxation and the Commissioner of Banking and Insurance that
34 the requirements of this section have not been met.

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

43
44 4. This act shall take effect on January 1, 2021, except the
45 commissioner may take any anticipatory administrative action in
46 advance as shall be necessary for the implementation of this act.

A4389 [2R]

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4

Requires certain entities authorized to issue health benefits plans
to pay annual assessment.

ASSEMBLY, No. 4389

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JULY 9, 2020

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

SYNOPSIS

Requires certain entities authorized to issue health benefits plans to pay annual assessment.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning an assessment on entities authorized to issue
2 health benefits plans and supplementing Title 17B of the New
3 Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. As used in this act:

9 "Commissioner" means the Commissioner of Banking and
10 Insurance.

11 "Entity subject to this act" or "entity" means an entity that is
12 subject to section 9010 of the Affordable Care Act and that is
13 subject to an assessment by the State, including an insurance
14 company, health service corporation, hospital service corporation,
15 medical service corporation, health maintenance organization,
16 dental service corporation, or dental plan organization authorized to
17 issue health benefits or dental benefits plans in this State. "Entity"
18 shall include a multiple employer welfare arrangement registered
19 pursuant to the "Self-Funded Multiple Employer Welfare
20 Arrangement Regulation Act," P.L.2001, c.352 (C.17B:27C-1 et
21 seq.).

22 "Health benefits plan" means a benefits plan which pays or
23 provides hospital and medical expense benefits for covered
24 services, and is delivered or issued for delivery in this State by or
25 through an entity subject to this act, including a vision or dental
26 plan as defined pursuant to section 1 of P.L.2014, c.70 (C.26:2S-
27 26). For the purposes of this act, "health benefits plan" shall not
28 include the following plans, policies or contracts: Medicaid,
29 Medicare, Medicare Advantage, accident only, credit, disability,
30 long-term care, TRICARE supplement coverage, coverage arising
31 out of a workers' compensation or similar law, automobile medical
32 payment insurance, personal injury protection insurance issued
33 pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), and hospital
34 confinement indemnity coverage.

35 "Net written premiums" means the premiums earned in this State
36 on health benefits plans, less return premiums thereon and
37 dividends paid or credited to policy or contract holders on the
38 health benefits plan business. Net earned premium shall include the
39 aggregate premiums earned on the entity's insured group and
40 individual business, excluding premiums from any Medicaid or NJ
41 FamilyCare contracts.

42
43 2. a. An entity subject to this act shall annually file with the
44 commissioner its net written premiums for the preceding year, no
45 later than April 1 of each year.

46 b. The commissioner shall calculate and issue to the entity a
47 certified assessment, which shall be 2.75% of the entity's net

1 written premiums. The commissioner shall calculate the assessment
2 without regard to:

3 (1) the threshold limits established in section 9010(b)(2)(A) of
4 the Affordable Care Act; or

5 (2) the partial exclusion of net premiums provided for in section
6 9010(b)(2)(B) of the Affordable Care Act.

7 c. An entity shall annually pay the assessment issued pursuant
8 to subsection b. of this section to the State Treasurer no later than
9 May 1 of each year, as prescribed by the commissioner.

10 d. If the commissioner determines that the amount of the
11 assessment calculated pursuant to this section shall reduce the
12 State's total revenue, the commissioner may reduce the assessment.

13
14 3. a. There is established in the Department of the Treasury a
15 nonlapsing revolving fund to be known as the "Health Insurance
16 Affordability Fund." This fund shall be the repository for all
17 monies collected pursuant to this act. As directed by the
18 commissioner, the monies in the fund shall be used only for the
19 purposes of increasing affordability in the individual and small
20 group markets and providing greater access to health insurance to
21 the uninsured, including minors, through subsidies, reinsurance, tax
22 policies, outreach and enrollment efforts, buy-in programs, such as
23 the NJ FamilyCare Advantage Program, or any other efforts that
24 can increase affordability for small employers and individual
25 policyholders in those markets.

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

32
33 4. This act shall take effect on January 1, 2021, except the
34 commissioner may take any anticipatory administrative action in
35 advance as shall be necessary for the implementation of this act.

36

37

38

STATEMENT

39

40 This bill requires certain entities authorized to issue health
41 benefits plans to pay annual assessments based on the entity's net
42 written premiums.

43 The bill requires entities to pay an annual assessment of 2.75%
44 of the entity's net written premiums. Entities are subject to the bill
45 if they are subject to section 9010 of the Affordable Care Act and
46 may be subject to an assessment by the State. Entities include
47 various organizations that are authorized to issue health and dental
48 benefits plans in this State.

1 The bill requires entities to annually file with the Commissioner
2 of Banking and Insurance their net written premiums for the
3 preceding year, no later than April 1 of each year.

4 The bill requires the commissioner to calculate and issue to the
5 entity a certified assessment, which will be 2.75% of the entity's net
6 written premiums. The commissioner is required to calculate the
7 assessment without regard to:

8 (1) the threshold limits established in section 9010(b)(2)(A) of
9 the Affordable Care Act; or

10 (2) the partial exclusion of net premiums provided for in section
11 9010(b)(2)(B) of the Affordable Care Act.

12 The bill requires entities to pay the assessment issued by the
13 commissioner to the State Treasurer no later than May 1 of each
14 year, as prescribed by the commissioner.

15 The bill provides that if the commissioner determines that the
16 amount of the assessment will reduce the State's total revenue, the
17 commissioner may reduce the assessment.

18 The bill establishes in the Department of the Treasury a
19 nonlapsing revolving fund to be known as the "Health Insurance
20 Affordability Fund." This fund is to be the repository for all
21 monies collected pursuant to the bill. As directed by the
22 commissioner, the monies in the fund are to be used only for the
23 purposes of increasing affordability in the individual and small
24 group markets and providing greater access to health insurance to
25 the uninsured, including minors, through subsidies, reinsurance, tax
26 policies, outreach and enrollment efforts, buy-in programs, such as
27 the NJ FamilyCare Advantage Program, or any other efforts that
28 can increase affordability for small employers and individual
29 policyholders in those markets.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4389

with committee amendments

STATE OF NEW JERSEY

DATED: JULY 27, 2020

The Assembly Appropriations Committee reports favorably, and with committee amendments, Assembly Bill No. 4389 (1R).

As amended by the committee, the bill requires certain entities authorized to issue health benefits plans to pay annual assessments based on net written premiums.

The bill requires entities to pay an annual assessment that is 2.5% of the entity's net written premiums as defined by the bill. Entities subject to the assessment include various organizations that are authorized to issue health and dental benefits plans in this State.

The bill requires entities to annually file with the Commissioner of Banking and Insurance their net written premiums for the preceding year, no later than April 1 of each year.

The bill requires the commissioner to calculate and issue to the entity a certified assessment that is 2.5% of the entity's net written premiums.

The bill requires entities to pay the assessment issued by the commissioner to the State Treasurer no later than May 1 of each year, as prescribed by the commissioner.

The bill provides that if the commissioner determines that the amount of the assessment will reduce the State's total revenue, the commissioner may reduce the assessment.

The bill establishes in the Department of the Treasury a nonlapsing revolving fund to be known as the "Health Insurance Affordability Fund." This fund is to be the repository for all monies collected pursuant to the bill. 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 are to 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.

The bill provides that a report currently required to be issued by the Commissioner of Banking and Insurance by June 1, 2022 shall also set forth the impacts of the measures taken pursuant to the bill 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.

The bill also requires that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) remove small employer health benefits plans, dental service corporations, and multiple employer welfare arrangements that are registered as of the date of enactment of the bill from the provisions of the bill;

(2) provide that multiple employer welfare arrangements that are initially registered after the date of enactment of the bill are entities subject to the provisions of the bill;

(3) provide that the assessment on any entity shall be 2.5% of the entity's net written premiums; and

(4) provide that only the individual market, rather than both the individual and small group markets, shall benefit from the purposes of the Health Insurance Affordability Fund to increase affordability and access to health insurance.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will result in annual State revenue increases of about \$390 million starting in calendar year 2021. The revenue increase will be tied to the requirement under the bill that certain entities authorized to issue health benefits plans pay a 2.5% annual assessment based on the entity's net written premiums. The OLS notes that any revenue increase will be fully offset by an equal increase in State expenditure for 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.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4389

with committee amendments

STATE OF NEW JERSEY

DATED: JULY 23, 2020

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 4389.

As amended by the committee, the bill requires certain entities authorized to issue health benefits plans to pay annual assessments based on the entity's net written premiums.

The bill requires entities to pay an annual assessment of 2.75% of the entity's net written premiums. Entities include various organizations that are authorized to issue health and dental benefits plans in this State.

The bill requires entities to annually file with the Commissioner of Banking and Insurance their net written premiums for the preceding year, no later than April 1 of each year.

The bill requires the commissioner to calculate and issue to the entity a certified assessment, which will be 2.75% of the entity's net written premiums.

The bill requires entities to pay the assessment issued by the commissioner to the State Treasurer no later than May 1 of each year, as prescribed by the commissioner.

The bill provides that if the commissioner determines that the amount of the assessment will reduce the State's total revenue, the commissioner may reduce the assessment.

The bill establishes in the Department of the Treasury a nonlapsing revolving fund to be known as the "Health Insurance Affordability Fund." This fund is to be the repository for all monies collected pursuant to the bill. 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 are to be used only for the purposes of increasing affordability in the individual and small group markets 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 those markets, 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 small employers and individual policyholders in those markets or that can reduce racial disparities in coverage for the uninsured.

The bill provides that a report currently required to be issued by the Commissioner of Banking and Insurance by June 1, 2022 shall also set forth the impacts of the measures taken pursuant to the bill 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.

The bill also requires that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

As amended and reported, this bill is identical to Senate Bill No. 2676 (1R).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1) Make clarifications to the definition of “entity subject to this act,” as used in the bill, and provide that the bill does not apply to Medicare supplements plans.

2) Remove references to certain sections of the federal Affordable Care Act that will no longer be in effect in 2021.

3) Provide that the Commissioner of Banking and Insurance must consult with the Commissioners of the Department of Human Services and the Department of Health in using the funds collected pursuant to the bill.

4) Provide that the funds collected pursuant to the bill are to be used to increase affordability and provide greater access to health insurance with a primary focus on households with an income below 400 percent of the federal poverty level, and to expand eligibility, and to modify the definition of affordability in the small employer and individual markets.

5) Provide that the funds collected pursuant to the bill may be used for efforts that can reduce racial disparities in coverage for the uninsured.

6) Provide that a report currently required to be issued by the Commissioner of Banking and Insurance by June 1, 2022 shall also set forth the impacts of the measures taken pursuant to the bill on affordability, 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.

7) Require that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 4389

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: AUGUST 5, 2020

SUMMARY

- Synopsis:** Requires certain entities authorized to issue health benefits plans to pay annual assessment.
- Type of Impact:** Annual State revenue increase, fully offset by annual State expenditure increase.
- Agencies Affected:** Department of Banking and Insurance.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Revenue Increase	Between \$370 and \$410 Million
State Expenditure Increase	Between \$370 and \$410 Million

- The Office of Legislative Services (OLS) estimates that, starting in calendar year 2021, this bill will result in a potential annual State revenue increase that may range between \$370 and \$410 million. The revenue increase will be tied to the requirement under the bill that certain entities authorized to issue health benefits plans pay a 2.5 percent annual assessment based on the entity's net written premiums.
- The OLS notes that any revenue increase will be fully offset by an equal increase in State expenditure for purposes of increasing affordability in the individual market and providing greater access to health insurance to the uninsured.

BILL DESCRIPTION

This bill requires certain entities to pay an annual assessment that is 2.5 percent of the entity's net written premiums as defined by the bill. Entities subject to the assessment include various organizations that are authorized to issue health and dental benefits plans in New Jersey.

The bill requires entities to annually file with the Commissioner of Banking and Insurance their net written premiums for the preceding year, no later than April 1 of each year.

The bill provides that if the commissioner determines that the amount of the assessment will reduce the State's total revenue, the commissioner may reduce the assessment.

The bill establishes in the Department of the Treasury a nonlapsing revolving fund to be known as the "Health Insurance Affordability Fund." This fund is to be the repository for all monies collected pursuant to the bill. 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 are to 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.

The bill requires that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that, starting in calendar year 2021, this bill will result in annual State revenue and expenditure increases.

The revenue increase will be tied to the requirement under the bill that certain entities authorized to issue health benefits plans pay a 2.5 percent annual assessment based on the entity's net written premiums.

The OLS notes that any revenue increase will be fully offset by an equal increase in State expenditure for purposes of increasing affordability in the individual market and providing greater access to health insurance to the uninsured.

Given uncertainty caused by the coronavirus disease 2019 pandemic and that data to which the OLS has access dates to calendar year 2017, this estimate assumes a $\pm 5\%$ variation in the potential increase in the annual revenue. Accordingly, the OLS calculates, using data obtained through the OLS Discussion Point process concerning insurance entities' net written premiums, that the bill will result in annual revenue and expenditure increases that would range from \$370 to \$410 million.

Section: Commerce, Labor and Industry
Analyst: Juan C. Rodriguez
Senior Fiscal Analyst
Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 2676

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JULY 6, 2020

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Requires certain entities authorized to issue health benefits plans to pay annual assessment.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning an assessment on entities authorized to issue
2 health benefits plans and supplementing Title 17B of the New
3 Jersey Statutes.

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13 subject to an assessment by the State, including an insurance
14 company, health service corporation, hospital service corporation,
15 medical service corporation, health maintenance organization,
16 dental service corporation, or dental plan organization authorized to
17 issue health benefits or dental benefits plans in this State. "Entity"
18 shall include a multiple employer welfare arrangement registered
19 pursuant to the "Self-Funded Multiple Employer Welfare
20 Arrangement Regulation Act," P.L.2001, c.352 (C.17B:27C-1 et
21 seq.).

22 "Health benefits plan" means a benefits plan which pays or
23 provides hospital and medical expense benefits for covered
24 services, and is delivered or issued for delivery in this State by or
25 through an entity subject to this act, including a vision or dental
26 plan as defined pursuant to section 1 of P.L.2014, c.70 (C.26:2S-
27 26). For the purposes of this act, "health benefits plan" shall not
28 include the following plans, policies or contracts: Medicaid,
29 Medicare, Medicare Advantage, accident only, credit, disability,
30 long-term care, TRICARE supplement coverage, coverage arising
31 out of a workers' compensation or similar law, automobile medical
32 payment insurance, personal injury protection insurance issued
33 pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), and hospital
34 confinement indemnity coverage.

35 "Net written premiums" means the premiums earned in this State
36 on health benefits plans, less return premiums thereon and
37 dividends paid or credited to policy or contract holders on the
38 health benefits plan business. Net earned premium shall include the
39 aggregate premiums earned on the entity's insured group and
40 individual business, excluding premiums from any Medicaid or NJ
41 FamilyCare contracts.

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43 2. a. An entity subject to this act shall annually file with the
44 commissioner its net written premiums for the preceding year, no
45 later than April 1 of each year.

46 b. The commissioner shall calculate and issue to the entity a
47 certified assessment, which shall be 2.75% of the entity's net

1 written premiums. The commissioner shall calculate the assessment
2 without regard to:

3 (1) the threshold limits established in section 9010(b)(2)(A) of
4 the Affordable Care Act; or

5 (2) the partial exclusion of net premiums provided for in section
6 9010(b)(2)(B) of the Affordable Care Act.

7 c. An entity shall annually pay the assessment issued pursuant
8 to subsection b. of this section to the State Treasurer no later than
9 May 1 of each year, as prescribed by the commissioner.

10 d. If the commissioner determines that the amount of the
11 assessment calculated pursuant to this section shall reduce the
12 State's total revenue, the commissioner may reduce the assessment.

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14 3. a. There is established in the Department of the Treasury a
15 nonlapsing revolving fund to be known as the "Health Insurance
16 Affordability Fund." This fund shall be the repository for all
17 monies collected pursuant to this act. As directed by the
18 commissioner, the monies in the fund shall be used only for the
19 purposes of increasing affordability in the individual and small
20 group markets and providing greater access to health insurance to
21 the uninsured, including minors, through subsidies, reinsurance, tax
22 policies, outreach and enrollment efforts, buy-in programs, such as
23 the NJ FamilyCare Advantage Program, or any other efforts that
24 can increase affordability for small employers and individual
25 policyholders in those markets.

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

32
33 4. This act shall take effect on January 1, 2021, except the
34 commissioner may take any anticipatory administrative action in
35 advance as shall be necessary for the implementation of this act.

36

37

38

STATEMENT

39

40 This bill requires certain entities authorized to issue health
41 benefits plans to pay annual assessments based on the entity's net
42 written premiums.

43 The bill requires entities to pay an annual assessment of 2.75%
44 of the entity's net written premiums. Entities are subject to the bill
45 if they are subject to section 9010 of the Affordable Care Act and
46 may be subject to an assessment by the State. Entities include
47 various organizations that are authorized to issue health and dental
48 benefits plans in this State.

S2676 VITALE

1 The bill requires entities to annually file with the Commissioner
2 of Banking and Insurance their net written premiums for the
3 preceding year, no later than April 1 of each year.

4 The bill requires the commissioner to calculate and issue to the
5 entity a certified assessment, which will be 2.75% of the entity's net
6 written premiums. The commissioner is required to calculate the
7 assessment without regard to:

8 (1) the threshold limits established in section 9010(b)(2)(A) of
9 the Affordable Care Act; or

10 (2) the partial exclusion of net premiums provided for in section
11 9010(b)(2)(B) of the Affordable Care Act.

12 The bill requires entities to pay the assessment issued by the
13 commissioner to the State Treasurer no later than May 1 of each
14 year, as prescribed by the commissioner.

15 The bill provides that if the commissioner determines that the
16 amount of the assessment will reduce the State's total revenue, the
17 commissioner may reduce the assessment.

18 The bill establishes in the Department of the Treasury a
19 nonlapsing revolving fund to be known as the "Health Insurance
20 Affordability Fund." This fund is to be the repository for all
21 monies collected pursuant to the bill. As directed by the
22 commissioner, the monies in the fund are to be used only for the
23 purposes of increasing affordability in the individual and small
24 group markets and providing greater access to health insurance to
25 the uninsured, including minors, through subsidies, reinsurance, tax
26 policies, outreach and enrollment efforts, buy-in programs, such as
27 the NJ FamilyCare Advantage Program, or any other efforts that
28 can increase affordability for small employers and individual
29 policyholders in those markets.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2676

with committee amendments

STATE OF NEW JERSEY

DATED: JULY 23, 2020

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2676.

As amended by the committee, the bill requires certain entities authorized to issue health benefits plans to pay annual assessments based on the entity's net written premiums.

The bill requires entities to pay an annual assessment of 2.75% of the entity's net written premiums. Entities include various organizations that are authorized to issue health and dental benefits plans in this State.

The bill requires entities to annually file with the Commissioner of Banking and Insurance their net written premiums for the preceding year, no later than April 1 of each year.

The bill requires the commissioner to calculate and issue to the entity a certified assessment, which will be 2.75% of the entity's net written premiums.

The bill requires entities to pay the assessment issued by the commissioner to the State Treasurer no later than May 1 of each year, as prescribed by the commissioner.

The bill provides that if the commissioner determines that the amount of the assessment will reduce the State's total revenue, the commissioner may reduce the assessment.

The bill establishes in the Department of the Treasury a nonlapsing revolving fund to be known as the "Health Insurance Affordability Fund." This fund is to be the repository for all monies collected pursuant to the bill. As directed by the commissioner, the monies in the fund are to be used only for the purposes of increasing affordability in the individual and small group markets 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 those markets, 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 small employers and individual policyholders in those markets or that can reduce racial disparities in coverage for the uninsured.

The bill provides that a report currently required to be issued by the Commissioner of Banking and Insurance by June 1, 2022 shall also set forth the impacts of the measures taken pursuant to the bill on affordability, 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.

The bill also requires that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1) Make clarifications to the definition of “entity subject to this act,” as used in the bill, and provide that the bill does not apply to Medicare supplements plans.

2) Remove references to certain sections of the federal Affordable Care Act that will no longer be in effect in 2021.

3) Provide that the Commissioner of Banking and Insurance must consult with the Commissioners of the Department of Human Services and the Department of Health in using the funds collected pursuant to the bill.

4) Provide that the funds collected pursuant to the bill are to be used to increase affordability and provide greater access to health insurance with a primary focus on households with an income below 400 percent of the federal poverty level, and to expand eligibility, and to modify the definition of affordability in the small employer and individual markets.

5) Provide that the funds collected pursuant to the bill may be used for efforts that can reduce racial disparities in coverage for the uninsured.

6) Provide that a report currently required to be issued by the Commissioner of Banking and Insurance by June 1, 2022 shall also set forth the impacts of the measures taken pursuant to the bill on affordability, 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.

7) Require that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2676

with committee amendments

STATE OF NEW JERSEY

DATED: JULY 28, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2676 (1R), with committee amendments.

As amended, the bill requires certain entities authorized to issue health benefits plans to pay annual assessments based on net written premiums.

The bill requires entities to pay an annual assessment that is 2.5% of the entity's net written premiums as defined by the bill. Entities subject to the assessment include various organizations that are authorized to issue health and dental benefits plans in this State.

The bill requires entities to annually file with the Commissioner of Banking and Insurance their net written premiums for the preceding year, no later than April 1 of each year.

The bill requires the commissioner to calculate and issue to the entity a certified assessment that is 2.5% of the entity's net written premiums.

The bill requires entities to pay the assessment issued by the commissioner to the State Treasurer no later than May 1 of each year, as prescribed by the commissioner.

The bill provides that if the commissioner determines that the amount of the assessment will reduce the State's total revenue, the commissioner may reduce the assessment.

The bill establishes in the Department of the Treasury a nonlapsing revolving fund to be known as the "Health Insurance Affordability Fund." This fund is to be the repository for all monies collected pursuant to the bill. 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 are to 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.

The bill provides that a report currently required to be issued by the Commissioner of Banking and Insurance by June 1, 2022 shall also set forth the impacts of the measures taken pursuant to the bill 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.

The bill also requires that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

As amended by the committee, this bill is identical to Assembly Bill No. 4389 (2R).

COMMITTEE AMENDMENTS:

The committee amendments:

(1) remove small employer health benefits plans, dental service corporations, and multiple employer welfare arrangements that are registered as of the date of enactment of the bill from the provisions of the bill;

(2) provide that multiple employer welfare arrangements that are initially registered after the date of enactment of the bill are entities subject to the provisions of the bill;

(3) provide that the assessment on any entity shall be 2.5% of the entity's net written premiums; and

(4) provide that only the individual market, rather than both the individual and small group markets, shall benefit from the purposes of the Health Insurance Affordability Fund to increase affordability and access to health insurance.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will result in annual State revenue increases of about \$390 million starting in calendar year 2021. The revenue increase will be tied to the requirement under the bill that certain entities authorized to issue health benefits plans pay a 2.5% annual assessment based on the entity's net written premiums. The OLS notes that any revenue increase will be fully offset by an equal increase in State expenditure for 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.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2676

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: AUGUST 5, 2020

SUMMARY

- Synopsis:** Requires certain entities authorized to issue health benefits plans to pay annual assessment.
- Type of Impact:** Annual State revenue increase, fully offset by annual State expenditure increase.
- Agencies Affected:** Department of Banking and Insurance.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Revenue Increase	Between \$370 and \$410 Million
State Expenditure Increase	Between \$370 and \$410 Million

- The Office of Legislative Services (OLS) estimates that, starting in calendar year 2021, this bill will result in a potential annual State revenue increase that may range between \$370 and \$410 million. The revenue increase will be tied to the requirement under the bill that certain entities authorized to issue health benefits plans pay a 2.5 percent annual assessment based on the entity's net written premiums.
- The OLS notes that any revenue increase will be fully offset by an equal increase in State expenditure for purposes of increasing affordability in the individual market and providing greater access to health insurance to the uninsured.

BILL DESCRIPTION

This bill requires certain entities to pay an annual assessment that is 2.5 percent of the entity's net written premiums as defined by the bill. Entities subject to the assessment include various organizations that are authorized to issue health and dental benefits plans in New Jersey.

The bill requires entities to annually file with the Commissioner of Banking and Insurance their net written premiums for the preceding year, no later than April 1 of each year.

The bill provides that if the commissioner determines that the amount of the assessment will reduce the State's total revenue, the commissioner may reduce the assessment.

The bill establishes in the Department of the Treasury a nonlapsing revolving fund to be known as the "Health Insurance Affordability Fund." This fund is to be the repository for all monies collected pursuant to the bill. 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 are to 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.

The bill requires that the assessments collected pursuant to the bill be used only for the purposes contained in the bill, with certain provisions to ensure the assessments are used for those purposes in future fiscal years.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that, starting in calendar year 2021, this bill will result in annual State revenue and expenditure increases.

The revenue increase will be tied to the requirement under the bill that certain entities authorized to issue health benefits plans pay a 2.5 percent annual assessment based on the entity's net written premiums.

The OLS notes that any revenue increase will be fully offset by an equal increase in State expenditure for purposes of increasing affordability in the individual market and providing greater access to health insurance to the uninsured.

Given uncertainty caused by the coronavirus disease 2019 pandemic and that data to which the OLS has access dates to calendar year 2017, this estimate assumes a $\pm 5\%$ variation in the potential increase in the annual revenue. Accordingly, the OLS calculates, using data obtained through the OLS Discussion Point process concerning insurance entities' net written premiums, that the bill will result in annual and expenditure increases that would range from \$370 and \$410 million.

Section: Commerce, Labor and Industry
Analyst: Juan C. Rodriguez
Senior Fiscal Analyst
Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Signs Legislation to Restore a Key Provision of the Affordable Care Act and Lower the Cost of Health Care in New Jersey

07/31/2020

TRENTON – Acting on a commitment to restore the Affordable Care Act in New Jersey, Governor Phil Murphy today signed legislation that will increase affordability and expand access to health care by creating state-level subsidies to lower the cost of health insurance for residents purchasing coverage on the Marketplace this fall. The measure was originally included in the Governor's initial FY2021 state budget.

"As the federal government continues to attack critical provisions of the Affordable Care Act, our Administration remains committed to lowering the cost of coverage, expanding access to care, and improving health equity for our most vulnerable," **said Governor Murphy**. "This action could not come at a more critical juncture, and will directly benefit our uninsured and underinsured populations at a time when many New Jerseyans have lost health coverage as a result of the COVID-19 pandemic."

The legislation (S2676/A4389) establishes the New Jersey Health Insurer Assessment (HIA), which is a continuation of a federal assessment on health insurance companies that will sunset at the end of the year. All of the revenue generated will be used to support residents and families purchasing policies on the individual market. It will allow the state to provide state-level subsidies, in addition to federal subsidies that are available, for the majority of consumers purchasing insurance on the State-Based Marketplace when the ACA Open Enrollment Period begins on Nov. 1.

The subsidy program will be available to New Jerseyans with annual income up to 400% of the Federal Poverty Level, which allows an individual earning up to \$51,040, and a family of four earning up to \$104,800, to qualify for the subsidy program. The estimated average subsidy for an individual would be at least \$564 a year, and at least \$2,256 a year for a family of four. Actual subsidy amounts will be based on an actuarial simulation study being conducted by the Department of Banking and Insurance in order to maximize the benefit for New Jerseyans.

The law sets the state HIA rate at 2.5% of net written premiums and applies it to certain fully insured health insurance markets. The assessment is expected to bring in more than \$200 million in revenue starting in calendar year 2021. Under the law, this revenue can only be used to increase affordability in the individual market and providing greater access to the uninsured through a number of means including subsidies, reinsurance, and other efforts. An estimated \$77 million will be dedicated to the reinsurance program to address high cost claims and lower premium costs in the individual market.

"This law builds on the work we are doing to improve access to health insurance and allow more New Jerseyans to obtain affordable quality health coverage," **said Department of Banking and Insurance Commissioner Marlene Caride**. "These are funds that are going to be used exclusively to make health insurance more affordable. Now when the state launches its own Marketplace in the fall, we will be able to offer more financial help to our residents to improve affordability for those already covered on the Marketplace and families newly enrolling in health insurance."

"I cannot think of a more important time to help New Jersey residents and families afford coverage and access critical health care services and treatments," **said Shabnam Salih, Director of the Office of Health Care Affordability and Transparency**. "I want to thank Governor Murphy and Commissioner Caride for their steadfast leadership and our legislative leaders for their continued partnership and commitment to putting health care access for New Jerseyans first."

"This bill will help to ensure that people are able to afford health insurance during this critical time when a global

disease is not only threatening their health, but their financial security in unimaginable ways,” **said Senator Joe Vitale, Chair of the Senate Health, Human Services and Senior Citizens Committee.** “Of the many fissures exposed by COVID-19, the deficiencies in a system that relies on employer-based coverage is one that can’t be ignored. These subsidies could not come at a more critical time, in the midst of a pandemic, when health insurance is more vital than ever.”

“As the Trump administration has worked to dismantle the ACA, in New Jersey we moved to mirror what was available to people at the federal level, largely implementing it within our own state-based exchange,” **said Assemblyman John McKeon.** “By replacing what stood at the federal level, this legislation simply serves as a state level continuation of a soon-to-expire assessment that insurers were already paying. This will allow us to more appropriately and significantly enhance the individual market in New Jersey and provide subsidies to keep rates down so insurance is more affordable for our families and individuals. Ultimately, this bill is a critical piece in our plan to safeguard access to affordable healthcare so that every New Jersey resident is insured.”

“Adopting the Health Insurance Assessment will enable us to create more affordable coverage options for low and moderate income families, help drive down the number of uninsured, and close the racial gaps in coverage that persist in our state,” **said Maura Collingsru, Health Care Program Director of New Jersey Citizen Action.** “Addressing these priorities will move us closer to our shared goal of ensuring all New Jersey residents have access to quality, affordable health care. NJCA and our many NJ For Health Care partners applaud the Governor and members of the Legislature for their support of this important legislation.”

“Access to high-quality, comprehensive health coverage is a necessary building block for strong communities and a robust economy,” **said Brandon McKoy, President of New Jersey Policy Perspective.** “By enacting a state-level health insurance assessment, New Jersey has taken a big step toward expanding health coverage, making health insurance more affordable, and reducing racial disparities in access to care. This is a big win for the state’s uninsured residents, as well as those who struggle to afford coverage – especially now during a global pandemic. We thank Governor Murphy, Senator Joe Vitale, and Assemblyman John McKeon for their leadership on this issue, and to all of the grassroots advocates who helped make this law possible.”

In a joint statement, Brandon McKoy, President of New Jersey Policy Perspective, Elise Boddie, of the The Inclusion Project, Rev. Dr. Charles Boyer, Director of Salvation and Social Justice, Rev. Eric Dobson, Deputy Director of the Fair Share Housing Center Jerome Harris, Managing Director of The Harris Organization, Richard T. Smith, President of NAACP New Jersey State Conference, who are members of United Black Agenda, said:

“With a state-level health insurance assessment in place, New Jersey can get to work dismantling the barriers to care faced by Black residents in every corner of the state. For far too long, Black New Jerseyans have been disproportionately represented among the state’s uninsured. This is a troubling manifestation of white supremacy and the nation’s legacy of slavery. We thank Governor Murphy, Senator Vitale, and Assemblyman McKeon for their leadership on this critical measure to expand health coverage and reduce disparities in the health care system.”

Governor Murphy’s Administration has taken numerous actions to improve access to health coverage, including the creation of a reinsurance program, instituting the shared responsibility requirement, and establishing a State-Based Exchange, among others. These actions have lowered insurance rates in the individual market, and set the foundation for improved health care outcomes in New Jersey.

This Week in NJ: July 31st, 2020

07/31/2020



Governor Murphy Announces Additional \$15 Million in CARES Act Funding to Recovery of Small Businesses

Governor Phil Murphy announced that an additional \$15 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding has been made available to New Jersey small businesses struggling with the pandemic. This funding is in addition to the \$100 million the New Jersey Economic Development Authority (NJEDA) is currently administering through programs to COVID-19-impacted businesses.

“COVID-19 is first and foremost a health crisis, but also a severe economic crisis, and nowhere is that more evident than in the State’s small business community,” **said Governor Murphy**. “Throughout this crisis, small business owners have worked incredibly hard to adapt and protect public health while supporting their employees and families. We are committed to ensuring New Jersey’s vibrant small business community weathers this storm and emerges stronger. The additional funding announced today will support businesses as they continue to adapt to the ‘new normal’ we are living with now and lay the groundwork for a speedy and complete recovery.”

The \$15 million in CARES Act funds announced today will bolster the NJEDA’s Small Business Emergency Assistance Grant Program, which provides grant funding for small businesses struggling with COVID-19-related challenges. Launched in early April with \$10 million of NJEDA funds, the Program initially offered grants of up to \$5,000 to a narrowly-targeted set of small businesses that included restaurants and in-person retail establishments.

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Governor Murphy Signs Legislation to Restore a Key Provision of the Affordable Care Act and Lower the Cost of Health Care in New Jersey

Acting on a commitment to restore the Affordable Care Act in New Jersey, Governor Phil Murphy signed legislation that will increase affordability and expand access to health care by creating state-level subsidies to lower the cost of health insurance for residents purchasing coverage on the Marketplace this fall. The measure was originally included in the Governor's initial FY2021 state budget.



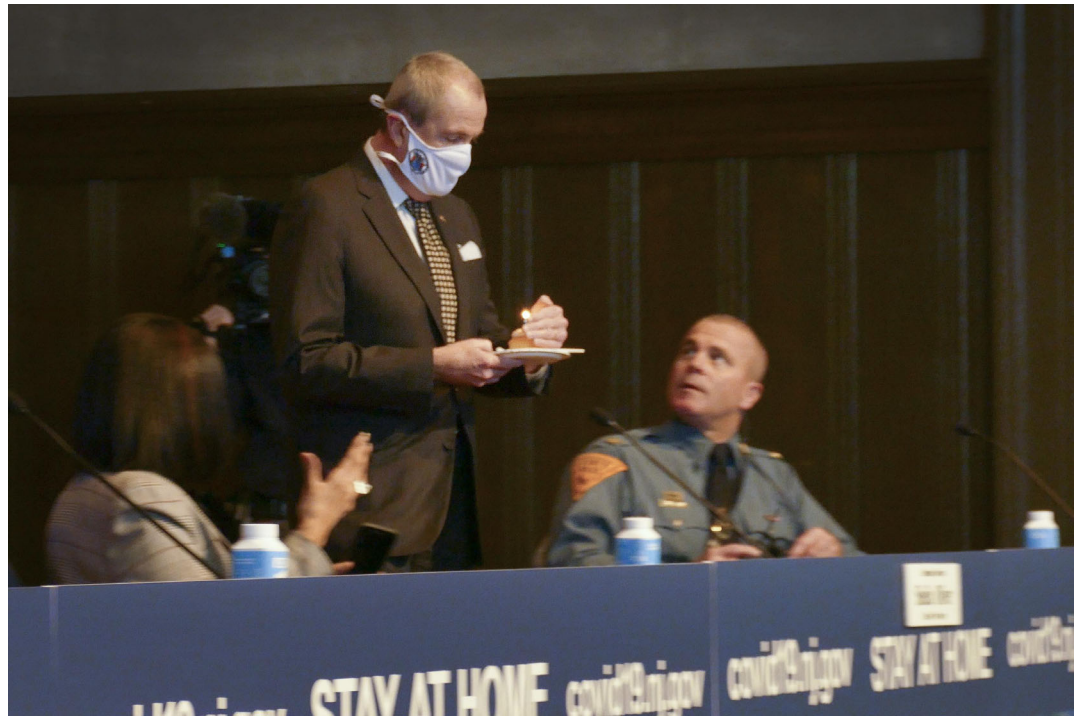
“As the federal government continues to attack critical provisions of the Affordable Care Act, our Administration remains committed to lowering the cost of coverage, expanding access to care, and improving health equity for our most vulnerable,” **said Governor Murphy**. “This action could not come at a more critical juncture, and will directly benefit our uninsured and underinsured populations at a time when many New Jerseyans have lost health coverage as a result of the COVID-19 pandemic.”

The legislation (S2676/A4389) establishes the New Jersey Health Insurer Assessment (HIA), which is a continuation of a federal assessment on health insurance companies that will sunset at the end of the year. All of the revenue generated will be used to support residents and families purchasing policies on the individual market. It will allow the state to provide state-level subsidies, in addition to federal subsidies that are available, for the majority of consumers purchasing insurance on the State-Based Marketplace when the ACA Open Enrollment Period begins on Nov. 1.

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Updated Quarantine Advisory Issued for Individuals Traveling to New Jersey from District of Columbia, Illinois, Kentucky, Minnesota, and Puerto Rico, Bringing New Total to 36 States and Territories

Governor Murphy advised individuals traveling to New Jersey from additional states with significant community spread of COVID-19 to quarantine for a 14-day period from the time of last contact within the identified state. In addition to the District of Columbia and Puerto Rico, the updated advisory includes 3 additional states – Illinois, Kentucky, and Minnesota, bringing the total to 36 states and territories. The travel advisory applies to any person arriving from a state with a positive test rate higher than 10 per 100,000 residents or a state with a 10 percent or higher positivity rate over a 7-day rolling average.



As of Tuesday, July 28, there are currently 36 states and territories that meet the criteria stated above: Alaska; Alabama; Arkansas; Arizona; California; Delaware; District of Columbia, Florida; Georgia; Illinois, Iowa; Idaho; Indiana; Kansas; Kentucky, Louisiana; Maryland; Minnesota, Missouri; Mississippi; Montana; North Carolina; North Dakota; Nebraska; New Mexico; Nevada; Ohio; Oklahoma; Puerto Rico, South Carolina; Tennessee; Texas; Utah; Virginia; Washington; and Wisconsin.

“New Jersey’s restart and recovery process relies on our collective effort and commitment to beating COVID-19 and driving down rates of transmission across our state,” **said Governor Murphy.** “Individuals traveling from these states must remain vigilant in their actions and proactively get a COVID-19 test and self-quarantine to prevent additional outbreaks from spreading throughout New Jersey.”

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Federal District Court Upholds Immigrant Trust Directive

U.S. Chief District Judge Freda L. Wolfson dismissed a lawsuit challenging Attorney General Gurbir S. Grewal's Immigrant Trust Directive.

In a statement, Attorney General Grewal said:

“The court recognized what we have said all along: New Jersey has the authority to draw a clear, bright line between the work of state law enforcement officers and federal civil immigration officers. This line is more important than ever, as we work hard every day to build and restore trust between New Jersey’s police officers and historically marginalized communities.

In November 2018, I issued the Immigrant Trust Directive in the shadow of the Statue of Liberty, flanked by our state's law enforcement leaders. What I said then remains true today: you can be both pro-immigrant and pro-law enforcement. And, indeed, our Directive is pro-law enforcement precisely because it is pro-immigrant. Today's decision reaffirms that principle."

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New Jersey Department of Health Invests \$32.3 Million in Local Public Health Efforts

The New Jersey Department of Health announced \$32.3 million in federal funding will be awarded to county and local health departments to support COVID-19 response initiatives.

"Throughout this pandemic, local health departments have been working around the clock to prepare, respond to and contain the spread of COVID-19 in the state," said **Health Commissioner Judith M. Persichilli**. "These funds will provide health departments with more resources to identify, track and address local outbreaks quickly."

Health departments in each of the 21 counties and the city of Newark, which are responsible for preparedness coordination in their jurisdictions will be allocated \$13.7 million of the federal funding received by the New Jersey Department of Health from the Centers for Disease Control and Prevention (CDC). These 22 health departments are



known as Local Information and Network Communication System (LINCS) agencies. This funding will allow these agencies to hire additional employees to coordinate testing, contact tracing and isolation and quarantine activities in their communities.

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