

NEW JERSEY  
**INDIVIDUAL HEALTH COVERAGE PROGRAM**

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**ADVISORY BULLETIN**  
**02-IHC-01**

December 12, 2002

To: IHC Program Members and Interested Parties

From: Wardell Sanders, Executive Director

**Re: Basic and Essential Health Care Services Plan**

P.L.2001, c.368, codified in part at N.J.S.A. 17B:27A-4.4 through -4.7, sets forth a benefit package that a carrier issuing standard individual health benefits plans is required to offer in the individual market. Pursuant to N.J.S.A. 17B:27A-4.5f, a carrier selling individual health benefits plans is required to file the policy form, the premiums, and the anticipated loss ratio for the plan that the IHC Board is calling the "Basic and Essential Health Care Services Plan," no later than January 9, 2003. The law provides the IHC Board with approval authority over the policy form filings.

On November 14, 2002, the IHC Board proposed regulations to implement the requirements of P.L.2001, c.368. Among other things, these proposed rules set forth the filing instructions for carriers and the Board's standards for reviewing such filings. To assist carriers in the development of the Basic and Essential Health Care Services Plan, and to help ensure that such coverage is available to consumers as soon as possible, the IHC Board proposed a specimen policy form for the Basic and Essential Health Care Services Plan in the regulations. A carrier may simply certify that it will use the specimen policy or may develop a policy form to conform to the law.

The comment period for this rule proposal will close on January 13, 2003,<sup>1</sup> which is several days after the January 9, 2003 deadline in the law for a carrier to submit the filings related to the Basic and Essential Health Care Services Plan. The purpose of this bulletin is to provide guidance regarding the carrier's submission of the filings, the Board's review of the filings, and to clarify when the plans can be available to consumers.

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<sup>1</sup> Notices of the proposal may have used the date January 9, 2003, as the deadline for interested persons to provide written testimony. The date should have been January 13, 2003.

In accordance with the statute, the Board is requiring carriers to submit the filings for the Basic and Essential Health Care Services Plan no later than January 9, 2003. The filings should be consistent with the terms of the Board's proposed regulations. The Board is scheduled to meet on January 16, 2003 and, among other things, will address comments relating to the proposal. It is the IHC Board's intention to adopt the regulations as soon as it able to, and to use the standards set forth in the adopted regulation to review the filings. Further, it is the Board's intention to review all forms filings within 30 days of the Board's adoption of the regulation and to issue a notice either approving or disapproving the forms filing. If the Board adopts the proposed regulation at its January 16, 2003 meeting, and takes action to approve a carrier's policy form and receives an informational rate filing from the carrier, the earliest effective date for a Basic and Essential Health Care Services Plan policy would be January 16, 2003. Carriers shall make the Basic and Essential Health Care Services Plan available within 30 days of the date of the IHC Board's approval letter.

This bulletin can also be found at the Department of Banking and Insurance web site at:  
[www.njdoib.org](http://www.njdoib.org)