

INSURANCE
DEPARTMENT OF BANKING AND INSURANCE

INDIVIDUAL HEALTH COVERAGE PROGRAM

Changes to the Benefit Levels and Policy Forms to Comply with State and Federal Law

Adopted Amendments: Exhibits A and B of the Appendix to N.J.A.C. 11:20

Proposed: September 7, 2010 (___ N.J.R. _____ citation not yet available)

Adopted: October 4, 2010 by the New Jersey Individual Health Coverage Program Board, Ellen DeRosa, Executive Director.

Filed: _____ as R. 2010 d. ___ **without change**

Authority: N.J.S.A. 17B:27A-2 et seq.

Effective Date: October 4, 2010.

Expiration Date: December 7, 2010.

Summary of Hearing Officer Recommendations and Agency Responses:

The New Jersey Individual Health Coverage (IHC) Program Board held a hearing on Wednesday September 15, 2010 at 9:00 A.M. at the Department of Banking and Insurance, Conference Room 223, 20 West State Street, Trenton, New Jersey to receive testimony with respect to the proposed amendments to the standard health benefits plans set forth in N.J.A.C. 11:20 as Appendix Exhibits A and B. Ellen DeRosa, Executive Director of the IHC Program Board, served as hearing officer. No testimony was provided during the hearing. The hearing officer made no recommendations regarding the proposed amendments. The hearing record may be reviewed by contacting Ellen DeRosa, Executive Director, New Jersey Individual Health Benefits Coverage Board, P.O. Box 325, Trenton, NJ 08625-0325.

Summary of Public Comments and Agency Responses:

No comments were received.

Federal Standards Statement

State agencies that propose to adopt or amend state rules that exceed Federal standards regarding the same subject matter are required to include in the rulemaking document a Federal standards analysis. These adopted amendments are subject to Federal requirements addressing certain benefits and terms of health insurance contracts in PPACA. Although the IHC Board is not actively seeking to exceed the Federal requirements, arguably, the State standards may do so. The Federal PPACA requires that coverage for child dependents be extended up to age 26, based solely on the relationship of the child to the policyholder. Currently, the standard plans limit coverage to age 18 or age 23 if the child continues to be a full-time student and is unmarried. The IHC Board is adopting amendments to the standard plans to change the age of an eligible child to 26, and to remove the requirement for full-time student status and other conditions not applicable to children younger than 19 years old. These changes will bring the standard plans into compliance with PPACA. It may be noted, however, that New Jersey recognizes civil union partnerships and domestic partnerships, and by law must treat civil union partners and domestic partners the same as married spouses for insurance purposes. Accordingly, the children who must be covered until age 26 – including children of a policyholder’s civil union partner or domestic partner – may be somewhat broader in New Jersey than may be required by the Federal law. The Federal law does not preempt more generous State laws in this instance. Thus, the adopted amendment is necessary to assure compliance with both the State and Federal law.

Full text of the adoption follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

