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BULLETIN NO. 20-25

TO: ALL CARRIERS THAT ISSUE INDIVIDUAL AND SMALL EMPLOYER HEALTH BENEFITS PLANS IN NEW JERSEY

FROM: MARLENE CARIDE, COMMISSIONER

RE: AMENDMENT TO MINIMUM STANDARDS FOR HEALTH BENEFITS PLANS TO FACILITATE THE AVAILABILITY OF BRONZE HIGH DEDUCTIBLE HEALTH PLANS EFFECTIVE FOR PLAN YEAR 2021

Background

The 2010 Federal Patient Protection and Affordable Care Act, P.L. 111-148, as amended, and the Federal rules promulgated thereunder require that health benefits plans issued in the individual and small employer markets satisfy specific actuarial value (“AV”) standards where the AV is calculated using the AV calculator for the applicable plan year. The AV calculator the Federal Government proposed for 2021 produces generally higher AVs than the AVs calculated using the current calculator for the same plans. Therefore, carriers seeking to offer individual and small employer plans in 2021 must ensure that the AVs for such plans are within the permissible AV ranges for a Bronze, Silver, Gold, or Platinum plan, as determined using the 2021 AV calculator.

High deductible health plans (“HDHPs”) that could be sold in conjunction with a Health Savings Account (“HSA”) must comply with specific deductible and out of pocket requirements. The most current requirements apply to the 2020 plans and specify that the single deductible must be at least \$1,350 and the single out of pocket maximum cannot exceed \$6,900. The requirements applicable to 2021 are expected to be released later in May 2020.

Carriers offering health benefits plans must also comply with New Jersey’s Minimum Standards requirements, which are set forth in N.J.A.C. 11:22-5. N.J.A.C. 11:22-5.3(a)2 addresses the per person network deductible and specifies that it cannot exceed \$2,500. However, as provided in Bulletin No. 15-04, carriers for plan year 2016 to the present were permitted to use a deductible of up to \$3,000 per person with respect to Bronze plans offered in the individual and small employer markets. As provided in Bulletin No. 19-06, carriers for plan year 2020 to the present have been permitted to use a deductible of up to \$3,500 per person with respect to Bronze HDHPs offered in the individual and small employer markets.

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2021 Bronze High Deductible Health Plans

The Department recognizes that when using the maximum permissible deductible under New Jersey rules and Bulletin No. 19-06 (\$3,500 for a Bronze HDHP) and the highest maximum out of pocket permitted for a HDHP (\$6,900), a Bronze HDHP would not be able to satisfy the AV requirements for plan year 2021. Specifically, the AV would exceed the maximum permissible AV for a Bronze plan using the Federal Government’s 2021 calculator. Even if the out of pocket maximum limit is increased for plan year 2021, a Bronze HDHP would not be able to satisfy the AV requirements in 2021.

Therefore, the Department will permit carriers in the individual and small employer markets only to use an individual network deductible of up to \$6,000 for Bronze HDHPs that could be used in conjunction with an HSA.

Other Plans

The \$2,500 individual network deductible limit set forth in N.J.A.C. 11:22-5.3(a)2 will continue to apply to any large group health benefits plans and those Gold, Silver, and Platinum health benefits plans offered in the individual and small employer markets. Bronze plans that are not HDHPs may use an individual network deductible of up to \$3,000, as was previously set forth in Bulletin No. 15-04.



May 14, 2020
Date

Marlene Caride
Commissioner