



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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MARLENE CARIDE
Commissioner

January 27, 2023

The Honorable Janet Yellen
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Xavier Becerra
Secretary of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretaries Yellen and Becerra,

The State of New Jersey, through the New Jersey Department of Banking and Insurance, is pleased to submit this letter of intent to extend the State's existing 1332 State Innovation Waiver for an additional five-year period. Section 1312(c)(1) of the Patient Protection and Affordable Care Act (ACA) is waived for years 2019 through 2023 to allow the state to implement a reinsurance program. The State intends to request that this waiver be extended for an additional five-year period from 2024 through 2028. The waiver will continue to adhere to the guardrails established by Section 1332.

In 2018, the New Jersey State Legislature passed, and Governor Phil Murphy signed, the New Jersey Health Insurance Premium Security Act (the Act) codified as P.L.2018, Chapter 24. The Act established a reinsurance program to stabilize or reduce premiums in the individual health insurance market. Beginning in 2019, and in each year thereafter, the program has succeeded in achieving premiums that are 15 percent lower than they would be without the program. As a result of the reinsurance program, and additional State and Federal programs to increase affordability in the individual market, New Jersey has experienced significant enrollment increases in the individual market.

In 2020, Governor Murphy signed legislation to transfer the repealed annual fee on health insurance carriers to the State to fund a state subsidy called New Jersey Health Plan Savings (NJHPS), which began being delivered in plan year 2021. The NJHPS makes individual health coverage more affordable in New Jersey and are in addition to

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RE: Section 1312(c)(1) of the Patient Protection and Affordable Care Act (ACA)

federal tax credits. These savings are delivered to income-eligible consumers through the State's Health Insurance Marketplace, Get Covered New Jersey.

The New Jersey State Legislature and Governor Murphy also invested \$20 million in the Fiscal Year 2022 State budget and additional funding in the Fiscal Year 2023 budget for Phase 1 of a Cover All Kids campaign aimed at removing barriers to health coverage for children. Phase 2 of that campaign will provide coverage options for children of undocumented status and those whose families' incomes are over NJ Family Care eligibility, but still find coverage unaffordable.

Continuing this progress towards access for coverage for all New Jersey residents, in addition to extending the current waiver of Section 1312(c)(1) to operate the State's reinsurance program, New Jersey also intends to submit an application to amend its waiver to also waive section 1312(f)(3) of the ACA for a five-year period from 2024 through 2028. Consistent with a State Innovation Waiver recently approved by your departments, New Jersey intends to expand access to qualified health plans, stand-alone qualified dental plans, and NJHPS to New Jersey residents regardless of immigration status. Such a waiver of section 1312(f)(3) would allow all qualifying income-eligible residents, regardless of immigration status, to benefit from NJHPS through Get Covered New Jersey.

Thank you for your consideration and we look forward to working with your departments to develop an individual health insurance market that ensures that affordable health coverage is available for New Jersey residents.

Marlene Caride



Commissioner

CC: Justin Zimmerman, Chief of Staff, New Jersey Department of Banking and Insurance

Philip Gennace, Counsel to the Office the Commissioner, New Jersey Department of Banking and Insurance