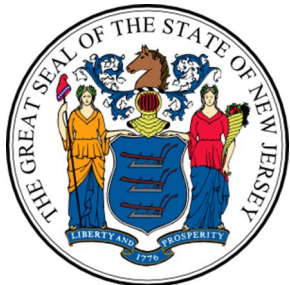


New Jersey Section 1332 Waiver Public Forum

Public Forum Presentation
December 9, 2025

20 West State Street
Trenton, New Jersey



NJ Department of Banking and Insurance

Justin Zimmerman, Commissioner

Michael Fahncke
Assistant Commissioner, Department of Banking and Insurance

“New Jersey Health Insurance Premium Security Act”

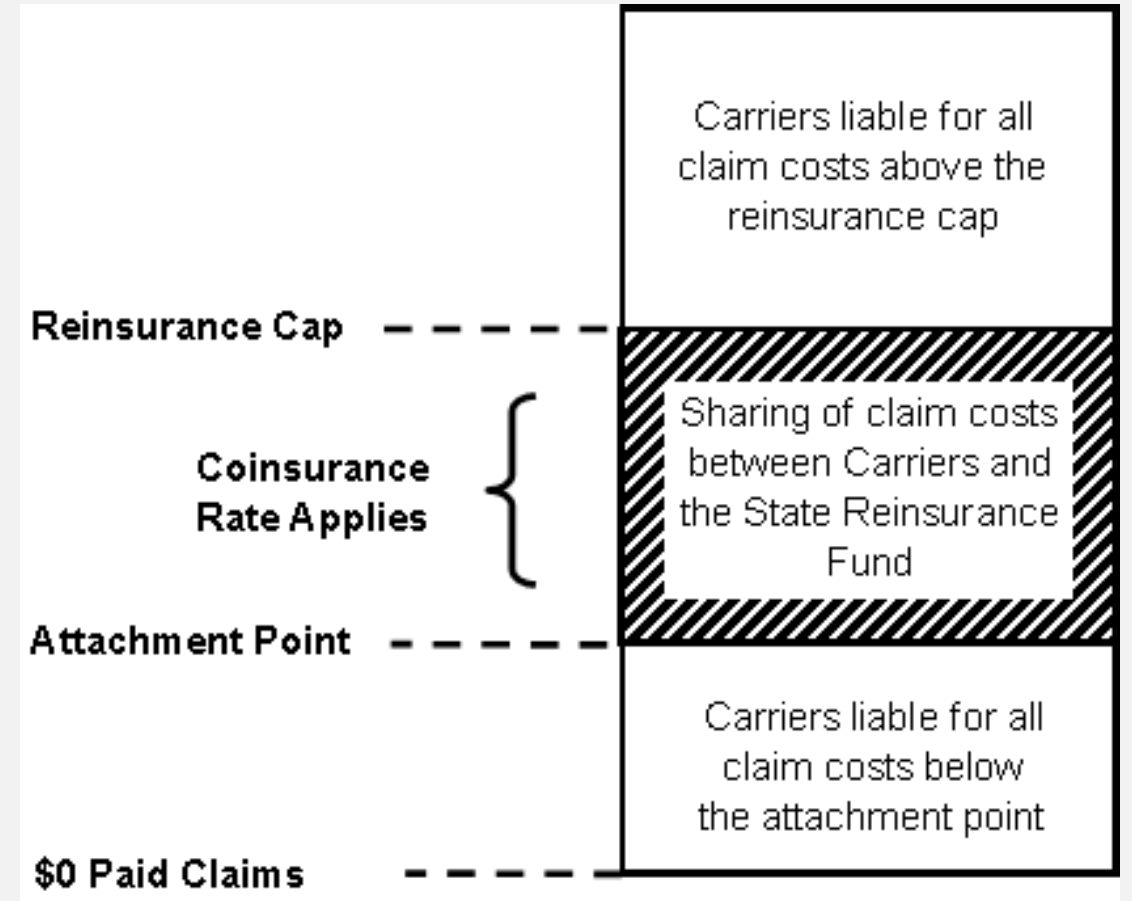
- P.L.2018, c.24 directed the Commissioner to apply for a waiver from the United States Secretary of Health and Human Services with respect to health insurance coverage in the state for a plan year beginning on or after January 1, 2019.
- This law contemplated the creation of a reinsurance plan to reimburse health insurance carriers for certain high-cost claims in the individual health insurance market.
- The law provides that the plan would use a mix of federal and state funds to produce individual health insurance premiums that are 10% to 20% lower than they would be without the plan. The plan achieved 15% lower rates.
- The law requires quarterly reporting of reinsurance requests. Quarterly reports have been submitted and compiled for every quarter since inception.
- The law requires funding of reinsurance payments through pass-through funding, the shared responsibility payments and the general fund, if necessary.
- The law requires that reinsurance payments be made to carriers no later than November 1. Payments for every plan year have been made, as required.

How Does the Reinsurance Program Work?

PROGRAM DESCRIPTION

- The program reimburses qualifying carriers in the individual health insurance market for a percentage of an enrollee's claims (coinsurance rate) between an attachment point and a reinsurance cap - known as payment parameters.
- The Individual Health Coverage Board (IHC), in consultation with the Commissioner of NJDOBI, sets the payment parameters.
- To achieve a reduction in rates of 15%, the Board set the parameters as follows:
 - Plan Years **2019** and **2020**: attachment point **\$40,000**/coinsurance **60%**/reinsurance cap **\$215,000**
 - Plan Years **2021** through **2023**: attachment point **\$35,000**/coinsurance **50%**/reinsurance cap **\$245,000**
 - Plan Years **2024** and **2025**: attachment point **\$35,000**/coinsurance **50%**/reinsurance cap **\$270,000**

HOW PARAMETERS WORK



Reinsurance Program Data Collection

P.L. 2018, c. 24 requires reporting.

On a quarterly basis, the IHC Board must notify the Commissioner and carriers of the total reinsurance payment requests.

Accordingly, carriers are required to report on a quarterly basis the total of all New Jersey individual health benefits plan claims that meet the reinsurance parameters for unique enrollees that were paid during the applicable quarter.

Recognizing that claims for all services received in in a given year could be paid after the 4th Quarter reporting, carriers are directed to estimate reinsurance-eligible run-out claims, with those estimates later replaced with paid reinsurance eligible run-out claims.

For plan year 2024, the total reinsurance payment requests were \$608,943,697.31.

Reinsurance Program Data Collection

For plan year 2020, the total reinsurance payment requests, by quarter, were:

1Q	\$20,496,959.54
2Q	\$60,949,018.96
3Q	\$84,905,703.50
4Q	\$89,492,399.04

The total reinsurance-eligible run out-claims for 2020 was \$43,757,156.36.

For plan year 2021, the total reinsurance payment requests, by quarter, were:

1Q	\$24,912,972.11
2Q	\$80,159,580.68
3Q	\$106,254,397.07
4Q	\$117,237,346.33

The total reinsurance-eligible run out-claims for 2021 was \$52,181,896.23.

For plan year 2022, the total reinsurance payment requests, by quarter, were:

1Q	\$32,165,752.40
2Q	\$95,264,830.31
3Q	\$118,107,687.40
4Q	\$131,532,364.56

The total reinsurance-eligible run out-claims for 2022 was \$51,684,607.27.

For plan year 2023, the total reinsurance payment requests, by quarter, were:

1Q	\$43,498,984.91
2Q	\$100,771,730.18
3Q	\$130,471,671.03
4Q	\$141,901,705.92

The total reinsurance-eligible run out-claims for 2023 was \$55,768,673.29.

Prior Year Reinsurance Program Payments

P.L. 2018, c. 24 requires payments to be made no later than November 1

Payments for Plan Year 2019 were made to the following carriers on October 30, 2020:

- AmeriHealth Insurance Company
- AmeriHealth HMO, Inc
- Horizon Healthcare Services, Inc.
- Oscar Garden State Insurance Corporation
- Oxford Health Insurance Inc.

The total amount paid was \$267,724,523.38, with \$180,201,687.00 in federal pass-through funds.

Payments for Plan Year 2020 were made to the following carriers on November 1, 2021:

- AmeriHealth Insurance Company
- AmeriHealth HMO, Inc
- Horizon Healthcare Services, Inc.
- Oscar Garden State Insurance Corporation
- Oxford Health Insurance Inc.

The total amount paid was \$294,701,145.25, with \$190,015,727 in federal pass-through funds.

Payments for Plan Year 2021 were made to the following carriers by November 1, 2022:

- AmeriHealth Insurance Company
- AmeriHealth HMO, Inc
- Horizon Healthcare Services, Inc.
- Horizon HMO
- Oscar Garden State Insurance Corporation
- Oxford Health Insurance Inc.

The total amount paid was \$376,341,444.60, with \$282,051,806.00 in federal pass-through funds.

Prior Year Reinsurance Program Payments (Cont'd)

P.L. 2018, c. 24 requires payments to be made no later than November 1

Payments for Plan Year 2022 were made to the following carriers by November 1, 2023:

- AmeriHealth Insurance Company
- AmeriHealth HMO, Inc
- Horizon Healthcare Services, Inc.
- Horizon HMO
- Oscar Garden State Insurance Corporation
- Oxford Health Insurance Inc.
- Ambetter from WellCare of New Jersey

The total amount paid was \$428,868,830, with \$322,987,495 in federal pass-through funds.

Payments for Plan Year 2023 were made to the following carriers by November 1, 2024:

- Aetna Life Insurance Company
- AmeriHealth Insurance Company
- AmeriHealth HMO, Inc
- Horizon Healthcare Services, Inc.
- Oscar Garden State Insurance Corporation
- Oxford Health Insurance Inc.
- Ambetter from WellCare of New Jersey

The total amount paid was \$472,412,280, with \$375,257,388 in federal pass-through funds.

Payments for Plan Year 2024 were made to the following carriers by November 1, 2025:

- Aetna Life Insurance Company
- AmeriHealth Insurance Company
- AmeriHealth HMO, Inc
- Horizon Healthcare Services, Inc.
- Oscar Garden State Insurance Corporation
- Oxford Health Insurance Inc.
- UnitedHealthcare Insurance Company
- Ambetter from WellCare of New Jersey

The total amount paid was \$608,943,697, with \$608,873,232 in federal pass-through funds.

Reinsurance Program for Plan Year 2024

For Plan Year 2024, the quarterly reinsurance payment requests received were:

1Q	\$45,388,597.66
2Q	\$122,216,432.26
3Q	\$171,420,967.31
4Q	\$183,575,218.65
RO	\$86,342,481.43
Total	\$608,943,697.31

Due to increased enrollment in the market, the continuance of the American Rescue Plan and New Jersey state subsidies, called the New Jersey Health Plan Savings, the 2024 final pass-through amount for New Jersey was \$608,873,232. For the first time in the history of New Jersey’s program, 2024 federal pass-through funding exceeded claims, by \$70,465. This amount will be carried forward and applied to 2025 reinsurance program claims.

Processes established for Plan Year 2019 have been continued for subsequent plan years.

Reinsurance Program Data Validation

P.L. 2018, c. 24 requires auditing

To ensure that the requested reinsurance payments are appropriate, following a competitive bidding process, the department engaged Mercadien, P.C., Certified Public Accountants to perform agreed-upon procedures for the reinsurance program for Plan Year 2024. The costs incurred under the engagement have been paid using federal pass-through funds.

Based on the agreed-upon procedures reports some adjustments to the reinsurance payments as requested by some carriers were necessary for plan years 2019, 2020, 2021, 2022, and 2024. No adjustments were necessary for plan year 2023.

Comments

Oral Comments

- Please state your name and organization.
- If you have a written copy of your comments, please send by email to Michael.Fahncke@dobi.nj.gov.
- For additional information and updates, visit the following website:
www.state.nj.us/dobi/division_insurance/section1332/

Thank you for your participation!