



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
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**KENNETH E. KOBLOWSKI**  
*Commissioner*

February 22, 2013

The Honorable Kathleen Sebelius  
Secretary, United States Department of Health and Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

Dear Secretary Sebelius,

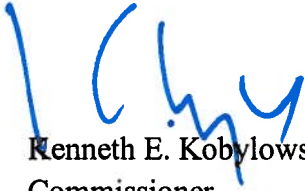
I write to request reconsideration of a directive from your Department that we cease new enrollments into our Pre-Existing Condition Insurance Plan, NJ Protect, as of March 2. From the start, we have managed NJ Protect to remain within our targeted allotment of federal funds through the end of 2013, and we remain on target. I hope that you will allow us to continue enrolling eligible residents in NJ Protect through the end of this year, so that New Jersey residents with pre-existing conditions will have seamless access to insurance coverage either through NJ Protect or the insurance policies that will become effective on January 1, 2014.

As you know, the Pre-Existing Condition Insurance Plan (PCIP) went into effect during the summer of 2010. Although no one in New Jersey can be turned down for individual health insurance because of his health status, people who already have a diagnosed medical condition when they purchase health insurance must wait up to 12 months for such insurance to cover their pre-existing condition. NJ Protect has filled that void, allowing people to purchase health insurance that does not require them to wait for treatment they need.

We have always understood that federal funding for the PCIPs was limited to \$5 billion nationwide. We also understood that your Department retained the legal authority to re-allocate funds among states and that the \$141 million earmarked for New Jersey represented a target rather than a dedicated fund. Nonetheless, we have prudently designed and managed NJ Protect to remain within our \$141 million "budget." Had the PCIP program been run in every state as well as it has been run in New Jersey, it would not be in danger of running out of federal funding on the national level.

Should your Department decline to reconsider, we will, of course, honor our contractual commitments to the federal government, including our obligation to cease new enrollments into NJ Protect in accordance with your directions. Accordingly, our two participating insurance carriers will not accept new applications for NJ Protect beyond the close of business on Friday, March 1, 2013. It is my hope that this might prove to be a temporary suspension and that you will allow us to resume accepting new applications for this life-saving program through the end of 2013, as we envisioned from its start.

Sincerely,



Kenneth E. Kobylowski  
Commissioner