SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1646

STATE OF NEW JERSEY

DATED: MARCH 14, 2022

The Senate Commerce Committee reports favorably Senate Bill No. 1646.

This bill requires the Department of Banking and Insurance (the department) to establish and operate the New Jersey Easy Enrollment Health Insurance Program (the program). The department is required to integrate the program with the State-based health insurance exchange, and may enter into an agreement with a third-party for operation of the program. The purpose of the program is to:

(1) establish a State-based reporting system to provide information about the health insurance status of State residents through the use of State income tax returns and approved eFile vendors to identify individuals and determine whether an individual is interested in obtaining minimum essential coverage;

(2) determine or assess, as feasible, whether an individual who is interested in obtaining minimum essential coverage qualifies for insurance affordability assistance;

(3) proactively contact an individual who is interested in obtaining minimum essential coverage to assist in enrolling the individual in insurance affordability assistance and minimum essential coverage; and

(4) maximize enrollment of eligible individuals in insurance affordability assistance and minimum essential coverage to improve access to care and reduce insurance costs for all residents of the State.

The bill requires the Commissioner of Banking and Insurance, in coordination with the Commissioner of Human Services, the Commissioner of Labor and Workforce Development, and the State Treasurer to develop and implement systems, policies, and practices that encourage, facilitate, and streamline determination of eligibility for insurance affordability assistance and enrollment in minimum essential coverage to achieve the purposes of the program.

The department is required to assess or determine, as appropriate, eligibility for insurance affordability assistance as soon as possible after an individual files a State income tax return on which the individual indicates that the individual or another individual indicated on the tax return is seeking health benefits coverage.

To the extent practicable, the department may verify an individual's eligibility for insurance affordability assistance with information on a State income tax return and other data from third-party data sources, without requesting additional information from the individual.

The bill provides that, if additional documentation from an individual is required to establish eligibility for insurance affordability assistance, the department must take certain steps to obtain the information while limiting the burden on the individual.

Under the bill, the department is permitted to make, or refer to the Department of Human Services to make, an assessment or determination, as appropriate, of eligibility for the State Medicaid program or the NJ FamilyCare Program. The department may utilize and share with the Department of Human Services any information provided to the department in making assessments or determinations.

The bill provides that the department is to establish a special enrollment period for the New Jersey individual health insurance market to facilitate the objectives of the program. The enrollment period is to last for a period of time, to be determined by the department, that is not to be shorter than 30 days.

Information about the enrollment period described in the bill is to be communicated to the public and affected individuals through measures that may include language in the instructions for the State individual income tax return, if inclusion of the language is approved by the State Treasurer.

The bill requires the department to develop data privacy and data security safeguards to govern the conveyance, storage, and utilization of data under the program.

The bill requires the State Treasurer to include on the individual income tax return form a checkoff box for indicating whether the individual, and any individual claimed as a dependent on the tax return, is not covered under minimum essential coverage at the time the tax return is filed.

The bill requires the State Treasurer to include with the income tax return form a separate form that is required only for individuals who file a tax return indicating that an individual is not covered under minimum essential coverage at the time the tax return is filed.

The separate form is required to include two checkoff boxes. One checkoff box is to give an individual who files a tax return the choice to have the department determine eligibility for insurance affordability assistance for the individual filing the tax return and any other individual included in that tax return who does not have minimum essential coverage, and obtain additional data that may be relevant to that determination. The other checkoff box is to allow an individual who files a tax return the choice to not have the department make that determination for the individual filing the tax

return and any other individual included in the tax return who does not have minimum essential coverage.

The bill requires the State Treasurer to waive the State shared responsibility tax applicable to months of the year that the tax return is filed for any taxpayer who chooses the checkoff box indicating the taxpayer wishes the department to determine the individual's eligibility for insurance affordability assistance. If the taxpayer fails to enroll in minimum essential coverage and maintain that coverage in each month following the enrollment period, the taxpayer is liable for any payments to which the taxpayer would have otherwise been subject.

The bill requires the Department of Labor and Workforce Development to implement a system through which an individual who has filed a claim for unemployment insurance benefits may, as part of the claim filing application, indicate that the individual is interested in obtaining minimum essential coverage and consent to participate to the sharing of relevant information collected by the Department of Labor and Workforce Development with the Department of Banking and Insurance, and the Department of Human Services to determine whether the individual qualifies for the State Medicaid program or the NJ FamilyCare Program, or any other insurance affordability assistance and to support minimum essential coverage outreach and enrollment efforts.

The bill takes effect immediately and applies to tax returns filed for taxable years beginning after December 31, 2022, unless the State Treasurer determines, after consultation with the Department of Banking and Insurance, that the implementation of the certain provisions of the bill is not administratively feasible for taxable years beginning after December 31, 2022, in which case the Treasurer may delay implementation to begin as soon as feasible thereafter.

As reported, this bill is identical to Assembly Bill No. 674 (1R) as amended and reported by the Assembly Financial Institutions and Insurance Committee on February 3, 2022.