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BULLETIN NO. 15-04

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

FROM: KENNETH E. KOBYSLOWSKI, COMMISSIONER

RE: AMENDMENT TO MINIMUM STANDARDS FOR HEALTH BENEFIT PLANS TO FACILITATE “BRONZE” PLAN DESIGNS CONSISTENT WITH FEDERAL REQUIREMENTS

The 2010 Federal Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) and the Federal rules promulgated thereunder require that health benefit plans issued in the individual and small employer markets satisfy specific actuarial value (AV) standards. The actuarial value calculator proposed by the Federal Government for 2016 produces generally higher actuarial values than the AVs calculated using the current calculator. It is the Department’s understanding that the Federal Government requires that health carriers must utilize the proposed calculator now in designing plans for 2016 as rates are required to be filed no later than May 15, 2015.

The Department has learned that using the Federal 2016 AV calculator will be particularly challenging for “Bronze” plans, or plans that must fall within the 58% to 62% AV requirement given the \$2,500 individual network deductible limit set forth in N.J.A.C. 11:22-5.3(a)2. Such plans feature lower premiums and are thus desirable to many individual consumers and small employers. Health carriers have advised that the resultant plans under the new Federal calculator would be financially unreasonable and confusing to consumers. In order to ensure the continued availability of reasonable and understandable Bronze plans for consumers, the Department will permit health carriers to use an individual network deductible up to \$3,000 for Bronze plans offered in the individual and small employer markets. The Department issues this Bulletin pending the Department’s consideration of amendments to N.J.A.C. 11:22-5.

Any questions regarding this bulletin may be directed to Ellen DeRosa, Executive Director of the Individual and Small Employer Health Benefits Programs at Ellen.DeRosa@dobi.state.nj.us.

5-4-15
Date

Kenneth E. Kobylowski
Commissioner