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VAINIERI HUTTLE / WAGNER / CRUZ-PEREZ / VOSS
BILL TO INCREASE PUBLIC PARTICIPATION AND SCRUTINY
OF HEALTH INSURER CONVERSIONS ADVANCES

(TRENTON) – Legislation sponsored by Assemblywomen Valerie Vainieri Huttle, Connie Wagner, Nilsa Cruz-Perez and Joan Voss to require increased public participation and independent analysis when a health insurer moves to convert to a for-profit company was again advanced today by an Assembly panel.

The bill (A-3729) proposes more public hearings and a study by an outside consultant examining the health impact of any proposed conversion. The hearings and independent analysis would be required before the state grants approval for the conversion.

The bill comes as the state's largest insurer, Horizon Blue Cross Blue Shield of New Jersey, seeks to convert into a for-profit company.

"This bill simply ensures sufficient public participation and that every issue has been carefully reviewed before a decision is reached on a conversion application," Vainieri Huttle said. "We need extra caution when moving forward on issues that could, among other things, increase premium costs and influence the health care of so many New Jerseyans."

"Requiring increased public participation in a process as important as this is always a good thing," said Wagner (D-Bergen). "Such conversions can have wide-ranging impacts on all residents, especially when large insurers seek a switch, and everything must be considered and reviewed carefully to ensure consumers are protected."

"This bill doesn't oppose conversions," said Cruz-Perez (D-Camden). "It just seeks to ensure every angle of a conversion has been carefully reviewed and the public is given every opportunity to provide their input on such an important decision so patients are safeguarded."

“Conversions come with many concerns,” said Voss (D-Bergen). “If a conversion is worthy, it should be able to withstand the utmost scrutiny. That’s what this bill seeks.”

The bill would:

- Require the state to hire an independent expert to analyze the impact of the conversion on the health status of all New Jersey residents. The study could include reviews of health insurance markets, provider contracts, networks, compensation, claims processing and payment.
- Increase the required number of public hearings in the conversion process from one to at least three. At least two public hearings would be held before the completion of the health impact study, and at least one held after the receipt and public release of all written reports obtained from the Commissioner of Banking and Insurance advisors and consultants.
- Allow the Public Advocate to apply for intervenor status, which would give them access to material included in the conversion process and authority to subpoena information and witnesses. Still, the Public Advocate would first have to independently review information provided to the Commissioner of Banking and Insurance or the Attorney General before requesting and accessing additional information directly from the health service corporation or other sources.
- Provide that the Public Advocate’s costs related to intervenor activities be reimbursed by the health service corporation applying to convert, though the insurer shall only pay costs directly and solely attributable to the Public Advocate that are not duplicative of costs attributable to the commissioner or Attorney General.
- Limit costs payable to the Public Advocate by the health service corporation to \$350,000.
- Provide more specific language that foundation monies realized from a conversion would be expended on accessible, available, affordable and quality health care, including public health related activities, and not used to replace any current government appropriations and other spending on health care.

The bill was released by the Assembly Budget Committee and now goes to the Assembly Speaker, who decides if and when to post it for a floor vote.

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