

Garden State Plan	House Plan	Key Differences/Comments
<p>Individual Mandate</p> <p>NJ will implement mandate that children have coverage in July 2009.</p> <p>Includes hardship exclusion for specified amount of time and only reduces all or a portion of premium. It does not waive the need for health insurance coverage.</p> <p>NJ gives the Commissioner of the Department of Humans Services the ability to determine hardship.</p>	<p>Individual Mandate</p> <p>Includes hardship exclusion, which allows one to go uncovered.</p>	<p>Key Differences: NJ's hardship waiver does not eliminate one's requirement to have health insurance. It simply reduces the cost of that health insurance for an individual/family experiencing a hardship.</p> <p>Comments: To efficiently implement the hardship exclusion, NJ would treat it as an income disregard. For example, a family with unforeseen costs to care for an ill relative would be able to deduct those costs from their income and receive an increased subsidy.</p>
<p>Enforcement</p> <p>One would need health insurance to work, attend school and otherwise interface with major State entities such as the Motor Vehicles Commission.</p> <p>Verification of insurance coverage and determination of whether correct premium amount was collected would occur annually as part of the individual State tax return.</p> <p>Payment of excess premium due or credit would be made with the individual State tax return.</p>	<p>Enforcement</p> <p>Tax non-compliant individuals, based on income not to exceed the average cost of a health plan, two percent adjusted gross income above specified level.</p>	<p>Key Differences: NJ would make individuals responsible for payment of their premium whether or not they enrolled in coverage.</p> <p>Comments: NJ's plan allows for consideration of what is affordable in it's assessment of a penalty by linking the penalty to the premium, which is already based on one's income.</p>

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<p>Affordability</p> <p>NJ is working to define affordability.</p>	<p>Affordability</p> <p>Those under 133% FPL would be fully subsidized in coverage.</p> <p>Those at incomes between 134 and 400% FPL would receive subsidies so that the cost of health insurance does not exceed 1% of income at lowest level and no more than 10% of income at the highest level.</p>	<p>Key Differences: NJ considering same type of structure.</p> <p>Comments:</p>
<p>Subsidized Coverage</p> <p>Provide subsidies on sliding scale to those over Medicaid rate enrolled in the State-Sponsored plan.</p> <p>Subsidies would not be made available to those receiving coverage through their employer.</p>	<p>Subsidized Coverage</p> <p>Provide subsidies on sliding scale to those over Medicaid rate.</p> <p>Subsidies would function as premium credits.</p>	<p>Key Differences: None that are obvious.</p> <p>Comments:</p>
<p>Insurance Regulation</p> <p>Eliminate individual market and create one large, self-funded pool.</p> <p>Self-funded State-sponsored plan that is community-rated, guaranteed issue, and has no pre-existing condition exclusion.</p> <p>State would maintain regulatory authority.</p>	<p>Insurance Regulation</p> <p>Age rating, guaranteed issue, eliminate pre-existing condition exclusion, eliminate annual and lifetime benefit maximums, cap out-of-pocket costs, eliminate deductibles and co-payments for preventive services.</p> <p>Federal Government maintains regulatory authority, states may supplement.</p>	<p>Key Differences: House bill eliminates annual and lifetime deductibles as well as co-payments for preventive services.</p> <p>Comments: NJ consumers would benefit from these provisions.</p>

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<p data-bbox="191 235 680 264">Connecting Consumers to Coverage</p> <p data-bbox="191 310 701 375">Employers would be nexus of insurance enrollment and premium collection.</p> <p data-bbox="191 418 716 630">Employers will either provide health insurance to the employee, the employee will show proof to the employer that they have it through a family member, or the employer would create a section 125 premium only account for the employee.</p> <p data-bbox="191 673 716 846">Employees with section 125 premium assistance accounts would fill out a wage withholding worksheet to determine the amount of wages their employer should withhold for their section 125 account.</p> <p data-bbox="191 889 737 995">Employers will be responsible to enroll the employee in the State-sponsored plan and submit all premiums that are collected.</p> <p data-bbox="191 1039 701 1211">The intent is to duplicate processes for large payments such as tax collection, unemployment insurance and temporary disability contributions through wage withholdings.</p> <p data-bbox="191 1255 730 1391">Employers would include this information on W-9s and 1099s for Division of Taxation to check against individual returns.</p>	<p data-bbox="770 235 1262 264">Connecting Consumers to Coverage</p> <p data-bbox="770 310 1304 521">A Health Insurance Exchange would be created to add transparency to the marketplace; allowing for comparison shopping, regulation enforcement, enrollment facilitation and administration of affordability credits.</p>	<p data-bbox="1352 272 1881 409">Key Differences: NJ avoids building a new system to serve as a marketplace exchange by eliminating differences between plan options and premium costs.</p> <p data-bbox="1352 453 1887 521">Consumers will base their decision on the plans in which their providers participate.</p> <p data-bbox="1352 565 1902 701">Comments: The NJ Department of Banking and Insurance or another entity in NJ would be able to run its own exchange under the House Bill.</p> <p data-bbox="1352 745 1824 813">The exchange will need to determine eligibility for subsidies.</p> <p data-bbox="1352 857 1906 963">A separate system like the exchange would need to interface with the IRS for checks and balances.</p>

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<p>Self-Funded, State-Sponsored Plan</p> <p>Private companies would compete for contracts to offer plan.</p> <p>The plan would be community-rated and guaranteed issue.</p> <p>Self-funded</p>	<p>Public Health Insurance Plan</p> <p>Public Plan will compete against private insurance companies on an open market.</p> <p>Rating based on age (2:1), geography and family size.</p> <p>Self-sustaining.</p> <p>Provider participation in Public Plan would be voluntary.</p>	<p>Key differences: NJ does not have a public plan competing directly with the private plans. Instead, NJ allows the private plans to compete for a contract to administer the public plan.</p> <p>NJ's model maintains the current government role in regulating and overseeing the health care coverage market. The House Plan has government assume the role of a health insurance plan, including contract negotiations with providers to build a network, charging rates competitive with private plans.</p> <p>Comments: The House Bill gives government a dual role of being regulator and provider. It may be prudent to completely separate the Public Plan from any government entity. Or adapt the public plan in such a way that it provides all a basic level of benefit and then allows the private market to offer supplementary benefit options.</p>
<p>Administration of State-Sponsored Plan</p> <p>Entity similar to the State Health Benefits Plan.</p>	<p>Administration of Public Health Insurance Plan</p> <p>US Department of Health and Human Services.</p>	<p>Key Differences: None that are obvious</p> <p>Comments:</p>

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<p>Minimum Coverage Standards</p> <p>A board will set minimum standards for coverage.</p>	<p>Minimum Coverage Standards</p> <p>Advisory Committee chaired by the Surgeon General will set minimum standards for coverage.</p>	<p>Key Differences: None that are obvious</p> <p>Comments: What happens to mandates that the States already have passed?</p>
<p>Employer Mandate</p> <p>No “play or pay” provision for employers</p> <p>All employers would have to offer Section 125 premium only plans to employees</p> <p>Employers would be responsible to ensure those in their employment have health insurance coverage (similar to UI and TDI)</p> <p>Employee without coverage would opt for employer-sponsored plan or to have “premium” for public plan withheld from paycheck using a Section 125 Account and submitted to State</p>	<p>Employer Mandate</p> <p>Employers must provide coverage (in compliance with minimum benefit and contribution requirements) or pay an 8% fee based on payroll. Certain small employers are exempt from fee.</p> <p>Small Employers will receive tax incentives and may use the exchange to purchase coverage</p>	<p>Key Differences: NJ does not have a “play or pay” provision. Employer still has role in NJ plan, similar to that of the Health Insurance Exchange proposed by the House Bill.</p> <p>Comments: States are limited in their ability to impose an employer mandate for coverage.</p> <p>Using the employer as the nexus for the exchange gives them an important role while building on systems that already are in place and function well.</p>
<p>Medicaid</p> <p>Maximize enrollment in existing programs.</p>	<p>Medicaid</p> <p>Expand Medicaid eligibility to 133% FPL for childless adults.</p> <p>Allows geographic variation in payment structure to providers</p>	<p>Key Differences: Not applicable</p> <p>Comments: The expansion to childless adults is funded entirely with federal funding.</p>

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<p>Seniors and Disabled</p> <p>Continue to support pharmacy assistance programs to make prescriptions affordable for seniors and the disabled.</p>	<p>Seniors and Disabled</p> <p>Expand Medicare RX coverage to eliminate the “donut hole” and reduce out-of-pocket costs.</p>	<p>Key Differences:</p> <p>Comments: This will reduce PAAD and Senior Gold costs for NJ.</p>
<p>Caring for the Remaining Uninsured</p> <p>Create Collaborative Care Systems to provide care to those that remain uninsured in the most cost-efficient way.</p>	<p>Caring for the Remaining Uninsured</p> <p>Increase funding to expand community health centers.</p>	<p>Key Differences: None that are obvious</p> <p>Comments: This would finance your vision of collaborative care systems</p>