



Principles for Establishing a Pro-Consumer NJ Health Insurance Exchange

The Patient Protection and Affordable Care Act (ACA) greatly improves access and affordability in our health care system. State health insurance exchanges are a cornerstone of this law, providing a way to promote competition, transparency and accountability in the insurance market and bring down the cost of insurance premiums for consumers.

The new exchange must meet the following principles:

Public Interest Mission - The New Jersey Exchange should be established in the public interest, for the benefit of the people and businesses who obtain health insurance coverage for themselves, their families and their employees. It should empower consumers by giving them the information and tools they need to make sound insurance choices. The Exchange should work to reduce the number of uninsured, improve health care quality, eliminate health disparities, control costs, and ensure access to affordable, quality, accountable care across the state.

Independent Public Exchange – The Exchange should be a distinct legal public entity that is independent of other units of state government. It should be able to perform inherently governmental functions like determining income eligibility, coordinating with other state agencies and programs, and adopt rules and policies governing health insurance plan participation. The Exchange must be transparent and subject to open meetings and public disclosure laws.

Qualified, Pro-Consumer Governing Board – Consumer representatives should comprise a majority of the board. All board members must have expertise in one or more of the following areas: consumer advocacy, individual health care coverage, small employer health care coverage, health benefits plan administration and health care finance. The governing board may not include members who are affiliated with the health care industry.

Negotiate on Behalf of Consumers – The exchange must be given the authority to act as an “active purchaser.” This means the Exchange should use its large pool of consumers to negotiate, as large groups do, for the best premiums and plans. The Exchange must use this leverage to demand quality, responsiveness to consumer concerns, reasonable rates, efficient plan designs, robust provider networks, and comprehensive benefits.

Full Integration with Medicaid and NJ FamilyCare – To promote seamlessness in the application process and continuity in coverage, the Exchange plans must be fully coordinated and integrated with Medicaid and NJ FamilyCare. Plans that are available in Medicaid and NJ FamilyCare must also be available in the Exchange.

Consumer Friendly – The Exchange must be easily accessible to all consumers and small businesses, use plain, easy-to-understand language, meet established standards for language, literacy and cultural competency. The Exchange must adopt a “no wrong door” approach, meaning people can access insurance through the exchange no matter how they come to seek assistance. It must reduce paperwork for individuals and small businesses, and provide in-person, telephone and online assistance and access.

Effective Outreach and Assistance – The Exchange should contract with independent organizations that will help consumers and small groups “navigate” the various health insurance plans and services offered through the Exchange. Contractors providing these navigator programs should be free of insurer conflicts of interest and have a history of working with diverse communities. The exchange must also provide customer service that understands diverse populations, such as people with disabilities, mental health needs or low-income.

One Insurance Pool – Health insurance markets work best when risk is shared across large numbers of people. The Exchange should explore how best to transition toward a unified insurance pool that combines both the individual and small employer markets. Other opportunities to expand the pool of insured people should be explored.

Improve Health Care Quality & Promote Prevention – The Exchange should only offer plans that provide a comprehensive and high-quality package of health care services. Every plan should prioritize prevention and work to reduce health disparities. Dental and mental health benefits should be included. Health care delivery networks should include essential community providers. Patients should have access to providers who speak their native language.

Community Health - The Exchange itself should promote community health by fostering collaborations between the Exchange insurers and community organizations, such as local public health departments, mental health associations, maternal and child health consortia and disease-specific nonprofits. This will ensure the efficient delivery of health information, health promotion and disease prevention and screening services.

Ensuring Exchange Stability– If insurers and brokers have the power to steer less-healthy patients onto the Exchange, so that they can keep healthier, more profitable enrollees outside of it, premiums in the exchange could become very expensive, threatening its stability. The State must guard against the segregation of people by their health status. The same rules must apply to plans both inside and outside of the Exchange. The Exchange must set market protections to prevent insurers and brokers from cherry-picking healthy enrollees or steering them onto or off the exchange.

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NJ for Health Care Partners include: AARP NJ, Advocates for Children of New Jersey, AFSCME NJ Council 1, Alliance for Disabled in Action, Alliance for Retired Americans, Alliance for the Betterment of Citizens with Disabilities, Archdiocese of Newark, Bergen Peace and Justice, BlueWave NJ, Camden Churches Organized for People, Cathedral CDC Social Services, Catholic Charities – Diocese of Trenton, CDI Head Start Serving Middlesex County, Communications Workers of America District 1, Communications Workers of America Local 1032, Communications Workers of America Local 1034, Communications Workers of America Local 1037, Displaced Homemakers Network of NJ, Inc., Dover Free Public Library, Elder Rights Alliance, Family Voices NJ, First Presbyterian Church – Woodbridge NJ, First United Methodist Church of Beach Have Terrace, Garden State Equality, Gray Panthers of South Jersey, Health Care for All – NJ, Health Professionals and Allied Employees, Heightened Independence and Progress, Hispanic Directors Association of NJ, JClarkMedia.com, Jewish Alliance for Change, La Casa de Don Pedro, Latino Action Network, Legal Services of New Jersey, Lutheran Office of Governmental Ministry of NJ, Mental Health Association of NJ, Mighty Middlesex Advocates, Monmouth County for Change, National Association of Social Workers NJ Chapter, National Organization for Women NJ, Next Step, NJ Appleseed Public Interest Law Center, NJ Association of Mental Health Agencies, Inc., NJ Catholic Conference, NJ Citizen Action, NJ Citizen Action Education Fund, NJ Health Care Quality Institute, NJ Policy Perspective, NJ Public Interest Research Group, NJ Primary Care Association, NJ Public Health Institute, NJ State Association of Jewish Federations, NJ State Conference – NAACP, NJ West Hudson Valley Council Union for Reform Judaism, NJ Working Families Alliance, North Shore Amish & Mennonite Healthcare Alliance, Now-NJ, Rutgers AAUP-AFT, Second Ward Neighborhood Block Club, South Jersey NOW – Alice Paul Chapter, Spanish American Social Cultural Association, St. Mary of the Immaculate Conception Roman Catholic Church, St. Stephan Lutheran Church, Statewide Parent Advocacy Network, Temple Emanu-El, We are Building Open Opportunity Structures Together, The Workman’s Circle/Arbeter Ring Branch 1091, The Workmen’s Circle/Arbeter Ring, Women’s Fund of NJ