



NJ HORIZON WATCH COALITION

Working for Quality and Affordable Health Care for All

STATEMENT OF PRINCIPLES & CALL FOR ACTION Horizon Blue Cross Blue Shield Conversion

We, the undersigned organizations, urge the Governor and all public officials, to review Horizon's August 15, 2008 application to convert from a non-profit to for-profit insurer in accordance with both the spirit and full letter of the law. It is government's obligation to ensure that the public's interest is adequately represented, promoted and served, especially for low and moderate income individuals and families who are likely to have difficulty finding affordable health insurance.

WE CALL FOR THE FOLLOWING ACTIONS TO BE TAKEN:

- The Commissioner of the Department of Banking and Insurance shall retain qualified independent experts to evaluate whether Horizon, even as a non-profit, has adequately met the health insurance needs of low and moderate income individuals and families, and to study the impact of the proposed conversion on the health status of all State residents, the ability of providers to negotiate payments with Horizon and insurance premiums, particularly in certain sub-markets such as Medicaid, small employer and individual health markets and with regard to consumers with special health care needs.
- The process of determining whether the conversion is in the public interest and should be permitted, including Horizon's true value, and the structure of the proposed conversion, must occur with appropriate public participation, including regional public hearings -- not behind closed doors. The public must be given standing to participate in all regulatory and legal decisions and must have access to all the information needed to evaluate the proposed transaction.
- If conversion is determined to promote the public's interest, the Commissioner and the Attorney General shall be required to transfer the full fair market value of Horizon's charitable assets to a nonprofit foundation, as currently provided by law to be used to expand access to affordable quality health care for all New Jerseyans.
- The goals and criteria for grant making of a new charitable foundation shall be developed in a public process, and its governance shall be free from conflicts of interest with Horizon, other for-profit health care companies and, most importantly, the State. Funds can be used to expand current government health programs, but cannot be used to replace current obligations, or obligations that would have been incurred absent the conversion.

NAME _____

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