

Investing Now in Affordable Care Lowers Future Health Care Costs



During the COVID-19 pandemic, all policymakers must come together to protect those who lack access to affordable health care. There are a number of ways to address funding for these essential services, including the establishment of a **Health Insurance Assessment (HIA)**, which would bring much needed revenues into the State.

As our community begins down the road of reopening and recovery, we must ensure that the path forward is **inclusive and creates a stronger New Jersey for the future**. The HIA revenues, which are directed exclusively toward health care, will move us toward that goal by helping the State establish insurance coverage for **all New Jersey children**, reduce costs of Marketplace plans for **working families**, and bolster the assistance provided for **those most in need** through the Medicaid system.

The Health Insurance Assessment will give New Jersey the opportunity to:

- **Cover all kids** by utilizing the funds brought in to support **S876**, which expands NJ FamilyCare to ensure all uninsured children under the age of 19 have access to benefits
- **Increase affordability and coverage options** for low- and moderate-income New Jerseyans¹

Leveraging Existing Federal Funds

The Health Insurance Assessment leverages existing structures, allowing it to:

- Replace an existing, recently repealed Health Insurance Assessment at the federal level with a 2.2% state assessment, adding no new burden to health insurers
- Redirect dollars that were going to the federal government before the repeal of the HIA back to the state beginning in 2021

Potential Revenue

- The HIA at the federal level raised **\$567 million** in funds from New Jersey insurers each year
- With a state assessment replacement, the **State saves around \$125 million** that was paid by Medicaid entities
- This leaves **over \$400 million** of funds that the State can invest in programs that support children and working families
- By increasing enrollment and strengthening our Marketplace, New Jersey will **draw greater federal subsidies** into our State-Based Health Exchange, providing more money for the State to work with for guaranteeing coverage in the future

The Health Insurance Assessment would allow New Jersey to **expand access, improve affordability, and support New Jerseyans during a time of critical need**. As New Jerseyans head back to work, ensuring that our children and families are safe is imperative. By **investing now**, New Jersey can **address inequities** that drive long-term healthcare needs, **reducing the costs** for the future.

¹ Data from the affordability options study commissioned by the Department of Banking and Insurance (DOBI) in last year's Appropriations Act should be used to guide these efforts