

Governor Chris Christie Prudently Vetoes Health Care Exchange Legislation While Fundamental Issues Still Unresolved by U.S. Supreme Court

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Governor Calls It Premature to Enact Legislation While the Future of the Affordable Care Act Remains Uncertain

Trenton, NJ – Citing the imprudence of imposing obligations on New Jersey citizens while questions of constitutionality are pending with the Supreme Court of the United States, Governor Chris Christie today vetoed legislation that would have begun to establish a health care exchange in New Jersey in line with the federal Affordable Care Act. The creation of health care exchanges in each state is provided for in the Affordable Care Act as the vehicle for individuals and businesses to access care and comply with the “individual mandate.”

“I am concerned that a hastily created exchange in New Jersey will impose unnecessary obligations upon the State’s taxpayers,” Governor Christie said. “The very constitutionality of the Affordable Care Act is cloaked in uncertainty, as both the individual mandate to procure health insurance as well as the jurisdictional mandate to establish an exchange may not survive scrutiny by the Supreme Court.”

In March of this year – just 10 days following the Assembly’s passage of Assembly Bill 2171 - the Supreme Court of the United States began an unprecedented three days of hearings to examine the arguments and questions concerning the lawfulness of both the individual mandate, and the health care exchanges necessary to deliver that coverage.

Governor Christie has previously cited the importance – both from a fiscal and health care policy perspective – of waiting until these issues can be resolved before the Supreme Court.

“Because it is not known whether the Affordable Care Act will remain, in whole or in part, it would be imprudent for New Jersey to create an exchange at this moment in time before critical threshold issues are decided with finality by the Court,” continued Governor Christie.

The Governor’s veto cites a variety of concerns and uncertainty within the legislation, many of which hinge on the outcome of the Supreme Court’s decision, including but not limited to:

- The bill commits New Jersey to establishing and operating a new Medicaid-like program for individuals between 133% and 200% of the federal poverty level, without any assurance of the level of federal funding that will be available to support such a plan.

- The bill’s mechanism for certifying health plan participation in the exchange limits the pool of plan participants, which will likely reduce options and increase costs.

- The composition of the proposed exchange’s board of directors lacks representation by all stakeholders and impropvidently provides a salary of \$50,000 to each board member, further increasing implementation expense.

Without these and other basic issues regarding the future of the Affordable Care Act decided, it is impossible to know whether A-2171 best suits the interests and needs of all of New Jerseyans who will be required to finance these policy choices.

Primary sponsors of A-2171 include Assemblymembers Herb Conaway, Jr. (D-Burlington, Gloucester), Troy Singleton (D-Burlington, Gloucester), Upendra Chivukula (D-Middlesex, Somerset) and Ruben J. Ramos, Jr. (D-Hudson).

[A copy of the Governor’s veto message \[pdf 30kB\]](#)

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