



## Governor Phil Murphy

- Home
- Administration ▾
- Key Initiatives ▾
- News and Events ▾
- Social ▾
- Contact Us ▾

# Newark, N.J.

## Governor Murphy Signs Legislation to Establish State-Based Health Exchange in New Jersey

06/27/2019

**TRENTON** – Acting to improve health care access for New Jersey residents, Governor Phil Murphy today signed legislation to establish a State-Based Health Exchange in New Jersey. The law will allow New Jersey greater control over its health insurance market and the ability to establish stronger protections against the Trump Administration's sabotage of the Affordable Care Act.

"New Jersey has advanced strong policies to protect access to health care for our residents, access which I believe is a human right. With this law, we take another step in securing the access families need to gaining more affordable health coverage. Creating our own exchange will allow us to take actions that protect residents in our state, and will ensure we are in the best position in New Jersey to defend against the Trump Administration's assault on the Affordable Care Act," **said Governor Phil Murphy**. "I want to thank the many tireless advocates that helped get this legislation over the finish line. This bill makes it so that New Jersey can continue its work to ensure that all residents have access to the coverage and care they deserve."

Currently, New Jersey uses the federal exchange, or Marketplace, which provides a platform for consumers to shop for and enroll in coverage. Transitioning to a State-Based Exchange (SBE) will give the state more control over the open enrollment period; access to data that can be used to better regulate the market, conduct targeted outreach and inform policy decisions; and allow user fees to fund exchange operations, consumer assistance, outreach and advertising. By redirecting the assessment on premiums, currently paid to the federal government to utilize a Federally Facilitated Exchange (FFE), New Jersey can operate an exchange that is tailored and efficient for New Jersey residents.

To fund the operation of the SBE, the law will transfer the current federal exchange user fee, which is presently set at 3.5% of premiums, to a 3.5% State-Based Exchange user fee – a rate that currently generates over \$50 million a year. The transfer of the user fee to New Jersey will allow the state to dedicate funding towards outreach and enrollment efforts, which have been reduced at the federal level, as it transitions to an SBE for 2021.

"Establishing a State-Based Exchange is critical to improving access to coverage for New Jersey families. The federal government has cut the enrollment period, and slashed funding for outreach, advertising and navigators that provide critical assistance to residents in our communities," **said Department of Banking and Insurance Commissioner Marlene Caride**. "Funding sent to Washington to utilize the federal exchange will be better utilized right here in New Jersey, where we can establish policies that create greater stability, access and improved protections for residents. This is a milestone for our state, and I am proud to be part of an administration that is taking on the issues that are so important to the lives of our residents."

[Back to top](#)

"As someone whose life's work has focused on getting people affordable, quality health care coverage, I am delighted to be part of an Administration that is leading the way in protecting the Affordable Care Act and that the Governor and Legislature have worked together to protect affordable coverage in our state," **said New Jersey**

**Department of Human Services Commissioner Carole Johnson**, who worked on the Affordable Care Act as a senior health policy advisor in the Obama White House. "This is an important day for hard-working New Jerseyans. Governor Murphy is once again standing up for the health care needs of us all."

"Establishing a state exchange and a single door application portal will streamline the process and work seamlessly for thousands of New Jerseyans," **said Senator Vitale, chair of the Senate Health, Human Services, and Senior Citizens Committee.**

"New Jersey's total Medicaid enrollment increased by 36 percent—nearly 460,000 people—in a little less than four years under the Affordable Care Act. To protect these residents and other who need access to affordable healthcare we must take action to stabilize New Jersey's market," **said Assemblyman Conaway.** "This will help ensure every resident has access to affordable healthcare for themselves and their families."

"Preserving affordability and access residents have come to benefit from under the Affordable Care Act will require these next steps," **said Assemblyman McKeon.** "By doing this, we protect New Jersey families from any erroneous changes the Trump administration continues to make to the federal program. Healthcare and access to it should remain a right and not just privy those who can afford it."

"New Jersey had to take swift action to protect healthcare access under the Affordable Care Act," **said Assemblywoman Pinkin.** "We can protect New Jersey families from any ill-advised changes to the successful federal program. A state-based exchange and a coordinated outreach program are key components to fighting against the discriminatory changes prohibiting residents with preexisting conditions and limiting women's access to contraceptives."

"We applaud the Governor for taking quick action and are excited that New Jersey health care consumers will be protected and have a more seamless and accessible enrolment process," **said Maura Collingsru, Healthcare Programs Director at New Jersey Citizen Action.** "Both NJ Citizen Action and our NJ For Healthcare partners look forward to working with the Governor and the State to ensure the exchanges success."

"With the creation of a state exchange, New Jersey is cementing itself as a national leader in keeping health coverage affordable," **said Ray Castro of NJ Policy Perspective.** "A state exchange will allow New Jersey to cover more residents, reduce premiums, and qualify for more federal funds. This is a huge victory for the thousands of uninsured New Jerseyans and those who are struggling to afford their health insurance. States across the country should look to New Jersey as an example of how to ensure quality, affordable health coverage, regardless of what the Trump administration does to undermine the Affordable Care Act."

The law provides that the Department of Banking and Insurance shall coordinate the operations of the exchange with the operations of the State Medicaid program and the NJ FamilyCare Program to determine eligibility for the programs as soon as practicable. The Commissioner of Human Services, in consultation with the Commissioner of the Department of Banking and Insurance, shall submit a proposal for available federal financial participation funds to CMS for the Medicaid eligibility platform and the exchange to be integrated.

Under the law, the Commissioner of Banking and Insurance shall establish an advisory committee to provide advice to the commissioner concerning the operation of the exchange. The advisory committee shall include at least nine members, as follows: (1) The Commissioner of Banking and Insurance, or a designee, who shall serve ex-officio; (2) The Commissioner of Human Services, or a designee, who shall serve ex-officio; (3) the Commissioner of Health, or a designee, who shall serve ex-officio; and (4) six public members, who shall be residents of the State, appointed by the Commissioner of Banking and Insurance. Each public member shall have demonstrated experience in one or more of the following areas: health insurance consumer advocacy; individual health insurance coverage; small employer health insurance coverage; health benefits plan marketing; the provision of health care services; or academic or professional research relating to health insurance.

The Governor signed a Letter of Declaration in March notifying the Centers for Medicare and Medicaid Services of New Jersey's intent to create a State-Based Exchange for 2021. The letter may be found [here](#).

Primary sponsors of the legislation (A5499) include Assemblyman Herb Conaway Jr., Assemblyman John McKeon, Assemblywoman Nancy Pinkin, Senator Nellie Pou, Senator Nia H. Gill, Senator Joseph Vitale and Senator Vin Gopal.

# Governor Phil Murphy

## Home

## Administration

- Governor Phil Murphy
- Lt. Governor Sheila Oliver
- First Lady Tammy Snyder Murphy
- Cabinet
- Boards, Commissions & Authorities
- Internship Opportunities
- Governor's Residence - Drumthwacket

## Key Initiatives

- Economy & Jobs
- Education
- Environment
- Health
- Law & Justice
- Transportation

## News & Events

- Press Releases
- Public Addresses
- Executive Orders
- Statements on Legislation
- Administration Reports
- Transition Reports
- Press Kits

## Social

- Facebook
- Twitter
- Instagram
- Snapchat
- YouTube

## Contact Us

- Scheduling Requests
- Contact Us

# Statewide

[NJ Home](#)

[Services A to Z](#)

[Departments/Agencies](#)

[FAQs](#)

[Contact Us](#)

[Privacy Notice](#)

[Legal Statement &](#)

[Disclaimers](#)

[Accessibility Statement](#)



Copyright © State of New Jersey, 1996-  
 Office of Governor PO Box 001  
 Trenton, NJ 08625  
 609-292-6000

*powered by njoit*