

## **Reaction to Proposed Taking of Horizon Blue Cross Blue Shield Policyholders’ Safety Net Funds**



“Instead of defending our residents from Donald Trump's cuts to Medicaid and his repeal of the ACA – which would cripple our state budget and hurt hundreds of thousands of New Jerseyans – Governor Christie is instead trying to turn our largest health insurer into a piggy bank for himself and other Trenton politicians. This appears to be just another instance of the governor putting his political interests before what's best for the people of New Jersey. We should be working to lower premiums, not weakening Horizon, one of the pillars of our state's healthcare system.” – Phil Murphy, Democratic candidate for New Jersey Governor



“After analyzing the Governor’s proposal to tap Horizon Blue Cross Blue Shield of New Jersey’s reserves as a funding source, we have concerns that this will impact Horizon and its stakeholders negatively. The reduction this proposal would cause to Horizon’s reserves could make it considerably more challenging for them to meet the needs of policyholders. This in turn could increase the costs to these policyholders. At a time when we need to do all we can to make New Jersey more affordable for everyone, increases in insurance coverage costs would be a step backward. Additionally, we appreciate Horizon’s status as one of our state’s most prominent corporate citizens. We should do all we can to ensure that status continues. The NJ Chamber believes it is in the best interest of all New Jerseyans that Horizon maintains its financial health and its commitment of support to our state.” – New Jersey State Chamber of Commerce



“NJBIA is concerned about the implications of Governor Christie’s proposal that Horizon Blue Cross Blue Shield of New Jersey contribute each year from its reserves to a fund that would support those who access charity care and Medicaid. Further discussion is especially important given the uncertainty in the health insurance market with discussions on the federal level to repeal the Affordable Care Act and to replace it with something else, as well as the ongoing

discussion on out-of-network healthcare costs within the state. We are also concerned about what this market volatility would mean for our members' ability to provide affordable health benefits to their employees." – Michele Siekerka, President and CEO, New Jersey Business & Industry Association



"Likewise, NJEA has deep concerns regarding the governor's proposal to raid the reserve trust of Horizon Blue Cross Blue Shield for one-shot funding. The reserve he proposes to raid exists for a purpose and is maintained according to industry standards. If funding is simply taken out of the reserve and must be replaced, that would likely raise the healthcare premiums on people who get their health insurance through that system. Our members and other New Jersey residents should not be asked to pay even more for health insurance to fund Gov. Christie's other budget priorities." – Wendell Steinhauer, President, New Jersey Education Association



### NAACP NEW JERSEY STATE CONFERENCE

To ensure the political, educational, social, and economic equality of rights of all persons.

"The NJSCNAACP Economic Development Committee is very concerned about the Governor's statement to use Horizon BCBSNJ reserves for a fund to support Medicaid and Charity Care. What the Governor sees as an untapped pot of gold is actually the fundamental underpinning of any insurance company, namely its claim reserves. Without these funds available to meet its commitment to policyholders, Horizon could not function. Unfortunately our governor has a history of utilizing funds not for their assigned purpose.

"With discussions on the federal level to repeal the Affordable Care Act, it is a terrible idea to single out New Jersey's largest health insurer, one of the only two remaining in the health insurance marketplace during this period of uncertainty.

"Governor Christie has not shown in the past to be a stalwart champion of the poor and it is our belief that this is an effort to further belly up to Mr. Trump, not an effort to provide benefit to our low-income families." – Bruce Davis, Sr., NJSCNAACP Economic Development Committee Chair



"New Jersey today responded to Governor Chris Christie's budget address, expressing disappointment at three big problems. While AFP supports the Governor's decision to make a large pension payment, the organization is disappointed that he ignored the need for

comprehensive pension reform. The organization is deeply concerned with the Governor's decision to take \$300 million from Horizon Blue Cross Blue Shield's reserve fund to pay for his opiate reform plan and shore up a budget shortfall. Finally, the organization is disappointed that Governor Christie continues to preside over the largest influx of corporate welfare in New Jersey history." – Americans for Prosperity

# NFIB

The Voice of Small Business®

"The small business community ardently opposes mandates being placed on the private sector by lawmakers, and this proposal is no exception. Our members are already strapped with not only overwhelming healthcare costs but exorbitant taxes thanks to the pension obligation of administrations past. More than half of the state's insured population could be impacted by hikes to premiums that would be a direct result of Horizon Blue Cross Blue Shield being forced to deplete the reserves they are legally obligated to maintain.

"Our members want nothing more than to see the state achieve economic success through strong leadership at the legislative level. Forcing a private company to contribute to a fund, regardless of how well intentioned that fund may be, is a gimmick designed to avoid making the difficult choices that Trenton has been avoiding for decades. We already know from the past that fiscal shell games and band-aid solutions do nothing but delay the inevitable." – Laurie Ehlbeck, New Jersey State Director, National Federation of Independent Business



"As the State's largest non-profit organization serving children and adults with intellectual and developmental disabilities, The Arc of New Jersey has worked with and been supported by Horizon Blue Cross Blue Shield for many years. The grants that Horizon and its Foundation have provided to countless community organizations to further their mission demonstrates their continued commitment to all communities. Taking funds from the reserve funds of Horizon Blue Cross Blue Shield is concerning on several levels and will certainly impact specialized programs for some of the State's most vulnerable citizens." – The Arc of New Jersey



“The New Jersey Alliance of YMCAs has partnered with Horizon to serve over 60,000 children throughout the state through Healthy U promoting healthy nutritional and physical activity policies and behaviors. On behalf of the New Jersey Alliance of YMCAs, I would like to express my clear and unequivocal opposition to the proposal made by Governor Christie to pillage capital reserves held by Horizon Blue Cross Blue Shield. At a time when we have seen so much irresponsibility on a government level, Horizon stands as a very positive example of sustainable and responsible business practices designed to ensure its ability to serve millions of New Jersey adults, children and families.” – William J. Lovett, Executive Director, New Jersey Alliance of YMCAs



*Serving people with disabilities since 1953*

“Cerebral Palsy of North Jersey (CPNJ) has been serving infants, children and adults with severe disabilities and medical challenges for more than 60 years. As an organization dedicated to serving the most vulnerable New Jersey citizens, we are grateful for the ongoing philanthropic leadership demonstrated by Horizon Blue Cross Blue Shield of New Jersey. The company has long been a pillar of the local nonprofit community and has lent its generous support to assisting those most in need. We are hopeful that the company’s resources, upon which so many local nonprofit organizations depend, do not get diverted.” – Cerebral Palsy of North Jersey



“While Governor Christie’s effort to combat drug addiction has good intentions, his plan to raid the reserves used to protect the health of millions of New Jersey citizens for this purpose is not the right approach. When government steps into the marketplace in this fashion, as we have seen in New York, higher taxes and increased consumer costs are sure to follow. Opiate abuse is a serious problem in our country and one sensible approach to addressing it is to engage New Jersey’s pharmaceutical companies. There are also many charitable organizations working to combat drug abuse that can engage. However, imposing a permanent tax increase on the backs of New Jersey residents and patients is not only fiscally reckless, but sets an awful budget precedent.” – Steve Forbes



“For the 7th and final year, Governor Christie has used gimmicks and fantasy numbers to paint a rosier picture than structurally possible due to his fiscal mismanagement. Today’s proposals, including an Un-Fairness formula that hurts needier students and cuts to programs that sustain the very poor are unfortunately part of Christie’s arsenal of undermining New Jersey residents. His newly added shakedown of Horizon - which will undoubtedly leave consumers holding the bag and ultimately paying higher premiums in an already precarious health care environment caused by Christie’s own mentor, President Donald Trump. We call on legislators to reject these gimmicks and ploys and instead look at the true causes of our financial woes - corporate welfare, tax giveaways to the very rich, and missed opportunities that promise to hurt New Jersey well beyond Christie’s pending expiration date.” – Analilia Mejia, Executive Director, New Jersey Working Families Alliance



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**Linda J. Schwimmer**  
President & CEO



“I am concerned about the Governor’s proposal to shift money from Horizon BCBSNJ reserves to create a new undefined fund to support the state budget and annual operating expenses. Insurance reserves are held in trust to ensure that policy holders and the health care providers that care for them are protected. Any proposal to use the resources of a charitable organization for a public purpose should be fully reviewed through a transparent process, as already established in existing law. We know that our health care system is facing unprecedented challenges with the risk of over 800,000 people in NJ losing health care coverage. Now is not the time to abandon the legal mechanisms we have in place to protect these reserves. Any such action must openly consider the long term needs and best interests of health care in NJ.” – Linda Schwimmer, President and CEO, New Jersey Health Care Quality Institute



**Building One America**

Organizing for Inclusion, Sustainability, and Opportunity

“In a new effort to restore his reputation, Governor Christie has proposed treating opioid abuse by raiding the reserves of Horizon Blue Cross Blue Shield, the state’s only not-for-profit health insurer and provider for millions of New Jersey workers and their families. This would essentially seize money used to support and maintain health coverage for working class New Jersey residents to address a crisis caused, at least in part, by bad economic policies, corporate greed and the over prescription of dangerously addictive pharmaceuticals.

“Building One New Jersey supports any policies that can reduce economic inequality and promote racial and economic justice in our state. Providing expanded treatment to combat the expansion and deadly proliferation of drug addiction that has plagued too many of our poor cities as well as middle-class suburbs and struggling rural areas is a good idea, and long overdue.

“There are a numerous approaches, both long-term and structural, to addressing this terrible problem – approaches that Governor Christie is not proposing. And there are many ways to fund meaningful strategies and programs that would not hurt working people or put their health and health coverage at risk. Governor Christie could start by looking to the enormous profits amassed by some of New Jersey's corporations including the 100 billion in profits to the top pharmaceutical companies.” – Paul Scully, Executive Director, Building One America and Building One New Jersey



“The Statewide Hispanic Chamber of Commerce of New Jersey has a firsthand accounting of Horizon Blue Cross Blue Shield of New Jersey's commitment to all New Jerseyans. As a long standing corporate citizen and Chamber member, our work with Horizon has provided invaluable resources to our most vulnerable of populations that effectuate their ability to make informed decisions about their families' health and wellness. The focus should continue to be on providing affordable platforms that are in the best interest for all of New Jersey.

“As such, we simply cannot support any policy that could negatively impact our community's access or ability to afford health insurance.” – Jazlyn L. Carvajal, Executive Director, Statewide Hispanic Chamber of Commerce of NJ



“This is absolutely the worst time for the state to raid funds from Horizon. The likely repeal of the Affordable Care Act would create a health care crisis, and the possible loss of all health coverage for about 800,000 New Jerseyans. Horizon, as the state's largest insurer and the only nonprofit, would have an especially important role in helping the newly uninsured...In these uncertain times, New Jersey must continue to support Horizon, not undermine its solvency. If there are excess surplus funds, Horizon should use them to reduce premiums for their members and make insurance more affordable, which is the single biggest health problem facing the state.” – Ray Castro, Senior Policy Analyst, New Jersey Policy Perspective



“But he’s not finished running the state government in a way that builds his own political career. Now he’s looking to forcibly extract money from a private non-profit health care insurer to further his image as the New Jersey savior of people sick with drug and alcohol addiction. If Christie wants and needs money to fund health care in our state, he would be better off speaking up in support of the Affordable Care Act and the Medicaid funding our state relies on today. Funding for ACA and its Medicaid expansion is raised through taxes on some of the wealthiest people and corporations in America, including health insurers. That is the appropriate way to raise money for healthcare and that is how he can ensure people who are sick, with addiction or anything, can get well again. Health coverage is essential for recovering from any illness and staying healthy.” – Dena Mottola Jaborska, Associate Director, New Jersey Citizen Action



“Governor Christie’s raid on policy holder premiums meant to pay for healthcare is a reckless proposal that will increase taxes, undermine the insurance market and put the healthcare of the citizens of New Jersey at great risk. All of New Jersey and anyone interested in good government and fiscal responsibility should oppose this irresponsible act of government overreach.” – Ken Blackwell, Conservative Columnist, CNN Contributor and former Ohio Secretary of State



“At a time when Washington politics are creating more uncertainty about health care in already unstable markets, New Jersey shouldn’t undermine the security that reserve funds provide to residents. Reserve funds are a critical protection for New Jerseyans that make sure they are covered for risks like a sudden drug price hike or a bad flu season. We’ve seen the importance of maintaining proper reserves in recent years with the collapse of co-ops nationwide. New Jersey residents are the ones who will pay for this proposal through higher premiums in the end.” – Ward Sanders, President, New Jersey Association of Health Plans



“So instead of placing the billions he [Governor Christie] has dedicated to expanding corporate welfare to expand education and meet social needs, he attacks Horizon Blue Cross. It turns out Horizon has worked with the Latino Institute and has been a strong partner of our educational, cultural and social programs. When out state funds were decimated by Governor Christie, Horizon was there to assist us.

“Attacking Horizon and ignoring its identify as one of our top corporate citizens is shameful and wrong. The grants that Horizon and its Foundation have provided to countless community organizations to further their mission demonstrates their continued commitment to all communities.

“I cannot support (or keep silent) an attack on Horizon when they have been a great corporate citizen. The Governor would do better by looking at the hundreds of millions of dollars which has been granted to other corporate entities which are not – and have never been – good New Jersey corporate citizens.” – Bill Colon, President and CEO, The Latino Institute



“. . . while the Governor provided a glimpse of how resources may be used for the public good, greater detail is needed on the amount of money that he would be seeking to abstract from the reserves of Horizon Blue Cross and Blue Shield of NJ (HBCBS). Why, because a significant purge to these reserves could have financial implications for HBCBS in the markets and in the event New Jersey were to experience societal crises; i.e., natural disasters (a major storm), viral outbreak or some other unforeseen catastrophic event, adequate resources may not be available to meet the needs of those covered under the various plans.

“It is my belief that Horizon has served the state of New Jersey well; through its employment of thousands of people, its footprint of corporate citizenship, and as providers of affordable quality healthcare products and services.” – John E. Harmon, Founder, President and CEO, African American Chamber of Commerce of NJ



“As New Jersey’s largest LGBT organization, we are concerned about the Governor’s proposal to raid the reserves of Horizon Blue Cross Blue Shield. Some in the LGBT community keep a savings account to cover their needs when unexpected costs, income loss or emergencies threaten their financial safety. Horizon's reserve protects their policy holders if similar unexpected events occur.” – Christian Fuscarino, Executive Director, Garden State Equality





“Horizon, as the state’s largest health insurer serving more than 900,000 Medicaid members, helps New Jersey’s most vulnerable and financially challenged residents. Taking money from families that Horizon insures, including people who rely on Medicaid, will only make insurance more expensive and less secure in New Jersey.

“The claim that Horizon and its policyholders have an ‘abundant surplus’ is just plain wrong. It is our firm understanding that those reserves have only enough to cover 75 days of claims or just a single day of hospital care for every person Horizon insures. Moreover, the company’s net income was less than 1 percent of revenues in 2016. Despite being structured as a not-for-profit, Horizon paid more than half a billion dollars in federal, state and local taxes last year.

“While other insurance companies have left, Horizon has stayed in the Affordable Care Act marketplace, demonstrating its ongoing commitment to New Jersey.” – Desmond X. Slattery, Legislative Chair, New Jersey Association of Health Underwriters



“Governor Christie’s proposal to raid Horizon Blue Cross Blue Shield’s reserves is misguided in the extreme. Horizon is a not-for-profit that pays taxes and holds reserves to protect their members from the unexpected . . . stripping its reserves could undermine the company’s fiscal integrity and make health insurance more expensive and less secure in the process.

“More fundamentally, Horizon is a private business, not a government agency and the government has no right to simply seize the property entrusted to it by their members. Horizon is not only a large taxpayer, it is also a company that generously gives back to the community. The Gateway Regional Chamber of Commerce hopes Governor Christie will reconsider this bad idea, and if not, that the legislature will forcefully vote it down.” – Jim Coyle, President, Gateway Chamber of Commerce



“Ironbound Community Corporation is shocked and dismayed by this seemingly disingenuous proposal. Appropriating the funds of a nonprofit, no less one that serves nearly a million New Jerseyans, is not only outrageous, but also extremely dangerous. Without commenting on the governor’s management of State finances, we are deeply concerned that this sets a dangerous precedent for all nonprofits. Will all be penalized for pursuing our mission effectively and efficiently?”

“Of course, raiding Horizon BCBSNJ has so many other bad outcomes tied to it, including the potential to raise premiums for Horizon’s participants. These participants include the people we service every day, as well as Ironbound Community Corporation itself. And, of course, if our rates are raised, that diminishes the resources we have to invest in our community and its needs.

“Lastly, Horizon’s NJ history and everyday behavior belie any effort to punish it. Horizon is a proven, valued corporate citizen and generous partner of many nonprofit, community-based organizations, including Ironbound Community Corporation. As a long-time social justice advocacy as well as multi-service and community development organization, we do not heap praise lightly. But Horizon clearly has a long-standing interest in contributing to the well-being of people and communities and demonstrates this by investing its foundation dollars accordingly. Our food justice and urban agriculture programs are stronger and our clients are healthier because of Horizon.

“We stand ready to assist Horizon in resisting this poorly thought-out proposal.” – Joseph Della Fave, Executive Director, Ironbound Community Corporation



“With support from The Horizon Foundation for New Jersey, the Boys & Girls Clubs in New Jersey continues to provide critical asthma education to our Club youth through their signature program Breathe Easier with Asthma Management (BEAM). The BEAM program was created by The Horizon Foundation for New Jersey to raise awareness about asthma and to educate children and their parents or caregivers about the disorder and how best to manage it.

“The program has impacted over 5,000 youth, ages 5-18 years, at 16 Boys & Girls Clubs at 40 locations in 12 counties. The Horizon Foundation has invested \$1.7M in the program since its inception in 2014. Given the program’s success to date, in 2017 BGCNJ will expand the program to serve another 2,800 youth at 20 Boys & Girls Clubs at 50 locations in 14 counties by 2018.

“Horizon BCBSNJ consistently demonstrates its passion and commitment to improving youth’s health, informing their health decisions and inspiring them to lead healthier lives.” – Susan Haspel, State Director, Boys & Girls Clubs in New Jersey



“ . . . I just wanted to thank you for all that Horizon does for us. You’ve been a great community partner of ours for many years in our efforts to help homeless youth across NJ and make Newark and many other cities across the state better places to work and live. From the Horizon grants over the last three years totaling \$50,000, to spare computers for our CHNJ operations, to employee volunteerism directly with our youth, and to employee fundraising engagement via our Sleep Outs in combination with the Red Bulls that raised \$180,000, you’ve been there for us and been a terrific partner.” – James White, Executive Director, Covenant House New Jersey



“For almost a decade, Zufall’s patients have benefited from Horizon’s demonstrated commitment to serving the disadvantaged . . . the Horizon Foundation developed a unique philanthropic initiative that has assisted Zufall and many other Federally Qualified Health Centers throughout the state in their efforts to improve and expand essential community-based services. Given the burgeoning demand for our services and increasingly competitive funding environment, any loss of support impedes our ability to provide services to the disadvantaged. It would be a cause for concern if a plan to reduce Horizon’s resources decreased its ability to engage in philanthropic activities for health centers which could result in less funding for our community and hardship for our patients.” – Zufall Health



“Integrity House has been a proud partner of Horizon Blue Cross Blue Shield of New Jersey for several decades. Our organization was founded in 1968 with the goal of helping individuals rebuild their lives, and over the course of the last 50 years Horizon has played a significant role in helping us achieve this mission.

“More specifically, the Horizon Foundation has helped us develop some of the most fundamental addiction treatment services and programs Integrity House has to offer. Our hope is that the Horizon Foundation will continue its great work in supporting organization like ours that serve the New Jersey communities most urgently in need.” – Robert J. Budsock, President and Chief Executive Officer, Integrity House



Sure, we get it. Gov. Chris Christie needs big bucks for his pet projects, like addressing the opiate crisis. But it makes no sense to go after an estimated \$300 million in reserve accounts at Horizon Blue Cross Blue Shield. It is a not-for-profit entity that covers 3.8 million people in the state. If you raid its reserves - which we assume would then need to be replenished - wouldn't that just make health insurance more expensive in New Jersey? – Jaffe Morning Briefing, March 2, 2017



“The reason Steve Forbes went after [Governor] Christie is because this is tantamount to a new tax on New Jersey residents because these costs are going to be passed on to the consumer. By law, Horizon Blue Cross Blue Shield has to have a reserve. If they have to have a reserve, and the Governor is squeezing them for \$300 million, let me just ask you – who do you think is going to pay the \$300 million?” – Bill Spadea, New Jersey 101.5

## RedState

New Jersey Governor Chris Christie has asked the New Jersey Legislature for permission to go into the reserves of the Horizon Blue Cross Blue Shield of New Jersey to pay for his opiate reform plan.

There is only one problem. Christie is claiming such reserves are part of a government “surplus” but that is not the case. Horizon Blue Cross Blue Shield is a private, non-profit New Jersey healthcare insurance company and these reserves are used to protect the health of millions of New Jersey citizens, particularly in emergency medical situations.

Interestingly enough, his proposal comes on the heels of a meeting he had with President Donald Trump two weeks ago, where apparently there was a discussion about Christie heading up the Office of National Drug Control Policy when his term expires at the end of January, 2018.

Sorry Governor. It's not a good idea. – *Red State*

# POLITICO

Gov. Chris Christie contradicted his longstanding support for free enterprise during his budget speech on Tuesday, singling out Horizon Blue Cross Blue Shield of New Jersey and attempting to pressure the state's largest insurer into establishing a "permanent fund" with money from its surplus to support health care for the state's poorest residents. – Katie Jennings, *POLITICO*

## The Star-Ledger

The governor floated two new ideas that surprised Democrats, and everyone else.

One was to mug Horizon Blue Cross Blue Shield and take its cash . . . .

Christie's plan is to raid its reserves, on the premise that it owes the public something for the favored treatment it has received over the years as a non-profit. Democrats were befuddled, but intrigued by the notion of grabbing free cash, with sources saying the governor was aiming for \$300 million.

Horizon, not surprisingly, reacted with horror. And it seems obvious the firm would increase rates to recoup the loss, so this could be nothing more than a tax increase in disguise. – Tom Moran, *The Star-Ledger*



[Governor] Christie wants to get an opiate reform plan passed through the New Jersey legislature and to pay for it, he wants the New Jersey legislature to let him raid the reserve funds of Horizon Blue Cross Blue Shield of New Jersey. Horizon Blue Cross Blue Shield is a private, non-profit New Jersey healthcare insurance company and these reserves are used to protect the health of millions of New Jersey citizens, especially in emergency medical situations.

Opiate abuse is a serious problem in our country and one sensible approach to addressing it is to engage New Jersey's pharmaceutical companies. There are also many charitable organizations working to combat drug abuse that can engage. However, imposing a permanent tax increase on the back of New Jersey residents and patients is not only fiscally reckless, but sets an awful budget precedent. – *The Resurgent*

# The Record

NORTH JERSEY'S TRUSTED SOURCE

For starters, the governor suggested that Horizon Blue Cross Blue Shield of New Jersey voluntarily take some of its more than \$2.9 billion in profits — according to Christie — and establish a “permanent fund” to support the state’s “most vulnerable population who access Charity Care and Medicaid.”

There was some amusement in the Trenton chamber when he suggested that Horizon would be amenable to such an arrangement. And a key concern here is that Republicans in Congress have vowed to put an end to the Affordable Care Act and there is no clear understanding of what Congress and President Trump will offer as a replacement. If the federal expansion of Medicaid were to disappear in states like New Jersey, Horizon would fast return to being an insurer of last resort. So while the idea of such a fund sounds fine in a speech, it is hard to imagine that such a thing could come to pass. — *The Bergen Record*



Horizon officials shot back within the hour, insisting Christie had overstated the company’s earnings and cash reserves and highlighting ways in which it supports healthcare programs for the state’s most vulnerable residents. In addition, industry regulations require insurance providers to maintain significant reserves in order to cover unexpected claims, the company said, adding that the \$2.4 billion Horizon had in reserve at the end of 2016 is entirely appropriate, given the company’s size and costs. Horizon covers some 3.8 million Garden State residents, including 900,000 Medicaid patients; it is one of two companies that issues Medicaid plans in the state. — Lilo H. Stainton, *New Jersey Spotlight*



The plan to get \$300 million from Horizon Blue Cross Blue Shield of New Jersey to pay for health care funding for the state’s most vulnerable that Gov. Chris Christie unveiled during the budget address Tuesday?

Likely dead in the water, many insiders said.

The reason: Officials know somebody else (namely, their constituents) would eventually be forced to pick up the tab.

Dennis Marco, a former vice president of external affairs at Horizon, said Christie's move could result in higher premiums for almost half of the state's residents.

One insider validated Marco's conjectures, adding this point: Legislators who had taken a stand against Horizon in late 2015 during the OMNIA battle were already coming out in support of the insurer, and against Christie's plan.

"What's interesting is that even those who have been no friend to Horizon in the last year or so because they are in places that don't like where the tiers landed, (said) 'Wait, I'm not dumb, if he takes money that means premiums for my constituents are going to go up to make up for it,' " the insider said.

"So, it's then effectively a tax ... but a tax on half the population. Horizon has a huge market share and covers about one out of every two people, so one out of every two would be paying into this fund that would be for the benefit for all."

Need another reason? Insiders said this isn't the first time the idea has been pitched. And it failed before. – Anjalee Khemlani, *NJBIZ*



Horizon is always willing to partner with New Jersey to drive down health costs and expand health care access to all our residents. As New Jersey's largest health insurer serving over 900,000 Medicaid members, Horizon knows well that more is needed to help New Jersey's most vulnerable and financially challenged residents and agrees with the Governor that more should be done. However, raiding the reserves that protect the families we insure, including our Medicaid members, will only make insurance more expensive and less secure.

The claim that Horizon and our policy holders have an 'abundant surplus' is just plain wrong -- those reserves have only enough to cover 75 days of claims or just a single day of hospital care for every person Horizon insures. Moreover, the company's net income was less than 1% of revenues in 2016. Despite being structured as a not-for-profit, Horizon paid more than half a billion dollars in federal, state and local taxes last year.

While other insurance companies have left, Horizon has stayed in the Affordable Care Act marketplace demonstrating our commitment to New Jersey. Instead of taking our members' reserves, we should partner to create a permanent and stable source of revenue to help New Jersey's less fortunate by tackling, once and for all, the \$1 billion dollar out-of-network billing abuse and surprise medical billing problem.