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

“NJBI A 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

“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

“The Chamber of Commerce Southern New Jersey is very concerned over the Governor’s proposal to use Horizon’s reserves to fund drug addiction services and programs. This proposal to take revenue that has been paid by Horizon’s commercial policyholders and placed in a reserve fund as required by the NJ Department of Banking & Insurance would set a dangerous precedent.

“The prospect of government reaching into a company’s reserves – regardless of industry sector, tax status or the cause that would be funded – is alarming and represents a shift in the paradigm of funding public programs.
“If State government is permitted to draw down on Horizon’s reserves, we believe the Company’s policyholders will ultimately bear the burden.

“Over the past seven years, we have publicly expressed our deep appreciation for the Governor’s business friendly policies; however, this proposal is not consistent with past positions relative to providing predictability and a climate that is favorable to business attraction, retention and expansion.” – Debra P. DiLorenzo, President & CEO, Chamber of Commerce Southern New Jersey

“This action could create unintended consequences for the millions of New Jerseyans who purchase health care insurance from Horizon Blue Cross Blue Shield. While well intentioned, this action could adversely affect the effective pricing mechanism of insurance and create uncertainty in the marketplace.

“The value of insurance is to eliminate or reduce uncertainty in people’s lives. In order to do this, the products offered need to be absolutely reliable. Horizon Blue Cross Blue Shield has a well-deserved reputation for reliability and customer service. Insurance companies must offer their policies in the marketplace at a price that allows them to pay for all the claims for which they are responsible. This requires maintaining a reserve that will allow for the payment of unanticipated claims.” – Anthony Russo, President, Commerce & Industry Association of New Jersey

“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

“BlueWaveNJ opposes Governor Christie’s plan to take $300 million from Horizon BlueCross/Blue Shield’s New Jersey capital reserve funds to support substance abuse initiatives. The funding for this initiative needs to come from other sources rather than raiding badly needed resources. Horizon is currently the only New Jersey Medicaid provider and one of only two providers on the ACA’s NJ exchange. With funding for both Medicaid and the ACA under threat by the federal government and with New Jersey expected to be the hardest hit state, according to the Urban Institute, this is not the time to be taking resources from the state’s
major provider. If Christie really wanted to protect our state’s health care needs, he would be fighting the Republican plan to gut the ACA.” – Marcia Marley, President, BlueWaveNJ

NFIB

“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

“Just this week, the Governor vetoed legislation that would have implemented the best practices of well-funded and professionally managed police and fire pension systems throughout the U.S. Sadly, Governor Christie’s continued efforts to arbitrarily take $300 million in healthcare reserves from Horizon is yet another strong indicator of exactly why we need to take our members’ pension funds out of the hands of Trenton politicians like Chris Christie. The Governor’s latest shameful money grab is consistent with his aggressive mismanagement of our state’s bills and our members’ pensions over the last seven years, and it needs to be stopped. Under Governor Christie’s leadership, our state has seen countless credit downgrades, our investments have yielded minimal returns, and the funding levels for our pension system have continued to dip. Why on Earth would anyone think it’s a good idea to let this governor raid Horizon for another $300 million?” – Patrick Colligan, President, New Jersey State PBA

MEADOWLANDS REGIONAL CHAMBER

“While we absolutely applaud the Governor’s efforts and passion to advance an initiative of such importance to many New Jersey residents, we believe HBCBS’s reserve funds should be left intact as a safety net to protect their members from unexpected increases in health care costs
and to ensure that hospitals and doctors can continue to get paid to provide critical services. Keeping the cost of providing health insurance benefits to small business employees down is of primary concern to business service organizations like the Meadowlands Regional Chamber.

Innovative programs such as the Omnia plans are an example of HBCBS’s focus in establishing new and innovative products for its policy holders.” – Meadowlands Regional Chamber of Commerce

“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

"Horizon Blue Cross Blue Shield has been in the forefront of innovative methods of cutting costs of health care while increasing its effectiveness. Governor Christie has it backwards. Horizon should be commended not publicly rebuked. I stand with Horizon." – Senator Ray Lesniak, Democratic candidate for New Jersey Governor

“As outlined in his recent 2018 budget address, Governor Christie’s proposed plan to create a permanent fund from Horizon BCBSNJ’s capital reserves could potentially harm our organization and the many at-risk people who rely on their generosity for assistance. Mandatory
delegation of these funds could adversely affect the work Horizon BCBSNJ is already doing in the City of Camden and in the state as a whole.

“Cooper’s Ferry Partnership remains a strong advocate for all of our nonprofit partners who help us in making real change in the City of Camden. As such, we proudly support Horizon BCBSNJ and their continued efforts to make Camden and the surrounding region a better place to live, visit and do business.” – Cooper’s Ferry Partnership

NJ BLACK MAYORS
ALLIANCE FOR SOCIAL JUSTICE

“The New Jersey Black Mayors Alliance for Social Justice in keeping with our mission strongly oppose dipping into funds needed to protect New Jersey residents. These reserves are needed to ensure that Horizon will be able to pay claims in unexpected emergencies. Taking funds from these reserves will jeopardize Horizon’s credit rating and drive up costs to the insured. It is a hidden tax on all who depend on Horizon for health care, including municipalities that pay part of their employees’ health care costs.

Horizon is the only company covering Medicaid patients in all of New Jersey counties and is one of only two providers on the New Jersey Obamacare/ Affordable Care Act exchange. With total chaos and confusion in Washington regarding the future of health insurance, this is the very worst time to take a risk that could further jeopardize the health care coverage and costs for New Jersey residents.” – Mayor City of Newark Ras Baraka, Former Mayor of Westampton Township Carolyn Chang, Mayor Logan Township Frank Minor, Mayor City of East Orange Lester Taylor, Mayor City of Plainfield Adrian Mapp

“The proposal to raid the reserves of Horizon Blue Cross Blue Shield of NJ is outrageous, illogical and sets a dangerous precedent. We are all aware of the high cost of medical care for which Horizon must build reserves to pay its insureds’ claims – including those of our employees and thousands of our members’ employees. Given the historical mismanagement of state government finances and debt, we all should be more comfortable with Horizon determining how much it will need to deliver on its promises.

“We don’t need the state to pilfer the assets of not-for-profit organizations. We do need to encourage more innovation to improve health care quality and control costs such as Horizon’s approach to value-based, patient centered care. That’s where state government can lead.” – Chip Hallock, President & CEO, Newark Regional Business Partnership
Governor Chris Christie’s remarks today and proposal to raid the reserve funds of Horizon Blue Cross Blue Shield of New Jersey to fund his political pet project is both appalling and inaccurate.

What the Governor is proposing is essentially a radical and hostile takeover of the largest healthcare insurer in New Jersey. And, no matter how good his new government program may seem to some, the ends do not justify the means.

First, the Governor’s proposal will hurt New Jersey families by endangering the stability of the insurer and putting pressure on health insurance rates. Garden State families cannot afford to pay $1,500-$2,500 more for their health insurance coverage because the state is too expensive already. They don’t deserve this!!

This issue is about FAIRNESS. What Governor Christie is proposing is unfair, unjustified and unwarranted. Plain and simple, his plan is really a hidden tax on the millions who depend on Horizon Blue Cross Blue Shield for their health care coverage.

The Governor’s proposal is also an attack on non-profits. Which group will be next? Salvation Army? Red Cross? American Cancer Society? Horizon Blue Cross Blue Shield pays taxes to the tune of hundreds of millions of dollars. But that’s not enough for Gov. Christie. Will he force Horizon Blue Cross Blue Shield to change to a for-profit thereby endangering healthcare coverage?

We must preserve Horizon Blue Cross Blue Shield in its current state – NOT raid it for State government and Governor Christie’s pet project designed to secure his political legacy.

Enough is enough. We say NO to Governor Christie and call on state legislators to join the bipartisan chorus against this radical plan by Gov. Christie. We say to Gov. Christie and state legislators: Keep your hands off our healthcare!

“Once again this Governor wants to skirt responsibility, even while claiming to do the right thing on the opioid addiction crisis. Asking a non-profit to subsidize this program is yet another budget scheme and it risks setting a dangerous precedent; it’s time for our taxes to be dedicated to public needs, not corporate greed.” – Dan Fatton, Executive Director, New Jersey Work Environment Council
“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

“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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Christie’s opioid crusade would be more credible if he’d stand up for Medicaid, not battle Horizon

“The Governor wants to raid $300 million from Horizon’s reserves. This is the type of reckless thinking that led to the pension crisis. Reserves must be maintained to provide for financial changes that may occur. Economic changes can go both ways, and that is why any prudent management system maintains a reserve as a safety net against any such occurrences. Fundamental business management and principles of accounting cannot be sacrificed for whimsical political expediency.” – Christopher J. Burgos, President, New Jersey State Troopers Fraternal Association
“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

“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

“The exceptional grade Horizon Blue Cross Blue Shield of New Jersey received today from Standard and Poor’s for its sound fiscal management is yet another example of why Governor Christie’s attempt to raid the company’s reserve funds to rehabilitate his political image is nothing but the Governor’s ego and bullying tactics to get what he wants, no matter how it damages the healthcare of New Jersey consumers.

“The Governor knows full well that his stewardship of New Jersey’s finances over the past 7 years has been nothing short of an absolute disaster! The state’s credit rating has been downgraded an historic 11 times! Why the Governor would want to destroy a well-regarded, highly rated healthcare company at the expense of its healthcare policy holders, 3.8 million NJ consumers, makes no sense! It’s just his outrageous ego! He desperately wants to improve his political image! Desperate people do desperate things! He knows he can’t get the state to pay for his pet projects, so the only card he has left is to steal from the policy holders of Horizon Blue Cross Blue Shield!

“The last thing New Jersey needs is the Governor trying to put more politicians in charge of anything. We saw how well his judgment worked out with the Port Authority or should I say Bridgegate and the United Airlines chairman’s flight! Hands Off Governor!
“We hope the state legislature puts an immediate stop to the Governor’s greedy extortion scheme before he puts a great private non-profit healthcare company and their policy holders on a financial path of no return.” – Colin Hanna, President, Let Freedom Ring

“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 identity 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

“Sadly, it’s not surprising to us that the Governor is arrogant enough to think he has a right to raid $300 million from Horizon’s much needed reserves to fund an undefined program he hopes
will repair his image and build a legacy. The Governor has put the pension system in peril, and now he’s threatening the solvency of a taxpaying company that insures 3.8 million New Jersey residents, many of which are state employees who have been paying their fair share of medical coverage out of their own pocket. We can all agree the opioid crisis needs to be addressed, but why is the Governor singling out Horizon and no one else to pay for his plan?” – Pete J. Stilianessis, President, State Troopers NCO Association

“Nonprofit healthcare organizations play a critical role in meeting the healthcare needs of New Jersey citizens. As an organization with a track record of ensuring that healthcare organizations diligently work to achieve their charitable healthcare mission, we are skeptical of Governor’s Christie’s proposal to divert significant funds from the reserves of Horizon Blue Cross Blue Shield.” – New Jersey Appleseed

“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 our 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

“Governor Christie’s scheme to grab $300 million from the reserve funding of Horizon Blue Cross Blue Shield is wrong. It is the very essence of government overreach. It would hike premiums, create more risk for the New Jersey health insurance market, and undermine healthcare for all New Jersey tax payers. This scheme appears to be nothing but a PR stunt and a power grab by the Governor to rehabilitate his tattered political image. The people of New Jersey deserve better from the Governor, not a too cute by half political scheme that grabs the critical financial resources of a non-profit private healthcare company and harms the very policy holders who paid those healthcare premiums. This effort is a short sighted, half-baked power grab that has to be stopped. The legislature has to stop the Governor from taking this money from the healthcare policy holders of Horizon Blue Cross Blue Shield.” – Jenny Beth Martin, President & Co-Founder, Tea Party Patriots
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

“Through the years, Horizon BCBSNJ has been generous with providing Parker Family Health Center (PFHC) with grant funding. PFHC was founded in 2000 to serve the health needs of a vulnerable population-Monmouth County's residents who were both uninsured and economically disadvantaged. PFHC has become a center for uninsured patients with chronic illness, largely because diabetes, asthma and other chronic diseases affect the poor disproportionately. The Horizon Foundation for New Jersey grant supported the staffing necessary to maintain
continuity of care and care coordination for diabetes and asthma patients, who represent between 30 and 40 percent of the center's patient population.

“The Horizon Foundation has supported our being able to medical care to low income, uninsured patients who have diabetes and asthma. If Horizon Foundation is mandated to use their capital reserves for purposes other than providing funding to organizations such as PFHC, it will greatly impact our ability to serve Monmouth County's vulnerable population.” – Parker Family Health Center

“Combating the ravages drug abuse has inflicted upon our communities is a goal that we all share. But we as a society need to come together to find a solution. Forcing one non-profit company to use its reserves as the sole means of funding is the wrong way to solve this problem.” – Rev. Charles Boyer, Bethel African Methodist Episcopal Church, Woodbury NJ

“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 addition 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

"The Governor’s plan to plunder Horizon’s reserves will result in a $300 million tax hike that our members will be forced to help pay. This Governor’s fiscally reckless policies have severely weakened our pension system and now he’s looking to extort money from a private company that provides health insurance to more than half of all New Jerseyans, and more than 75% of the career Firefighters, EMT’s and Dispatcher’s the NJ FMBA represents.
“Firefighters never know when the alarm may ring, and we must be prepared, and have the resources, to respond to any emergency incident. For Horizon, the resources needed to respond to a natural disaster, pandemic or worse are within the reserves they have built through sound financial practices.

“While Governor Christie, as evidenced by his continued efforts to destroy our State’s pensions, and this reckless attempt to steal these dollars, may not care about this, we do, and we will do everything in our power to stop this bullying Governor from raiding the reserves Horizon needs to protect its policyholders.” – Eddie Donnelly, President, New Jersey State Firefighters Mutual Benevolent Association

“Governor Christie’s health reserve raid would be another huge hidden tax increase on millions of New Jersey residents, just like his transit fare increases and fee increases that have hurt working families. It fits the Governor’s history of diverting funding from vital programs and using it to support initiatives that should be funded by the state budget, and it’s bad policies like this that have helped our state get into the dire financial situation we now find ourselves in. We stand against Governor Christie’s disastrous plan and call on the state legislature to join us in fighting back against the Governor.” – Ray Greaves, Chairman, ATU NJ State Council

“Governor Christie's misguided plan to raid $300 million from Horizon’s health reserves is just the latest in the many serious threats he has made to our state's healthcare system and must be stopped. Just like his cuts to charity care, refusal to fund the state pension system and the ten credit rating downgrades he has caused, this new plan from the Governor would also hurt patients and taxpayers. HPAE is proud to stand with the many organizations that have come out against this plan and we will fight to make sure it does not happen.” – Ann Twomey, President, Health Professionals and Allied Employees

“Horizon’s generosity, passion, and commitment to its neighbors extends far beyond bringing theatre and the other arts to disadvantaged populations; it also aids and sustains hundreds of community organizations that promote and foster good health among children and adults through health literacy, screening, disease prevention, and treatment.

This is why I was dismayed to learn that Governor Christie might propose seizing $300 million of Horizon BCBSNJ’s reserves. This would no doubt affect Horizon’s philanthropic giving and its impact on the communities of our state.

In this environment of ever-increasing uncertainty surrounding arts funding, I am extremely concerned that we and the professional non-profit theatres that benefit from Horizon’s
generosity and vision will lose yet another source of corporate funding. I urge Governor Christie and his staff to refrain from withdrawing cash from Horizon’s reserves, so that it can continue to support programs that effectively make a difference to the quality of life of the most vulnerable and disadvantaged citizens of New Jersey.” – John McEwen, Executive Director, New Jersey Theatre Alliance

“We should not be asking customers of only one company to fund a solution to a problem we all face. This solution contradicts the role that all of us will have to play in coming together to help solve the problems of opioid addiction.” – Rev. Dr. James Kuykendall, Senior Pastor, AGAPE Christian Ministries Church, Paterson, NJ

“HBCBSNJ’s financial support has allowed the NFF to provide tens of thousands of students with free books and supplemental materials. This program is especially important, as reaching students at a young age is the most-effective form of prevention and, often, intervention. Without their continued support, our work would be severely limited, reaching only a fraction of the individuals currently impacted. As a fiscally sound, not-for-profit organization their commitment to New Jersey is beyond reproach. Funding state priorities by diverting Horizon BCBSNJ’s reserve trust will have a substantial, negative impact on the important work they do to promote the health and wellness of children throughout New Jersey.” – Lisa F. Willever, Executive Director, Nicky Fifth Foundation

“Horizon Blue Cross Blue Shield of New Jersey has been a corporate leader championing important health care education initiatives that positively impact the lives of New Jersey children and families. Horizon reflects how it values children and educational equity by designating the majority of the resources it provides George Street Playhouse toward the most disadvantaged and financially vulnerable schools in New Jersey that could not otherwise afford this program.

The decision to fund state budget priorities by tapping into Horizon Blue Cross Blue Shield’s reserve trust will have a significant, negative impact on the important work they do to promote
the health and wellness of children throughout New Jersey.” – Jim Jack, Director of Education and Outreach, George Street Playhouse

“Horizon Blue Cross Blue Shield has been a mainstay in New Jersey for many years. Together, Skylands Medical Group and Horizon have formed a successful collaboration working towards higher quality, more affordable health care for the citizens of New Jersey. They have used a local, community based approach allowing the evolution of useful, high quality, pragmatic options for the people of New Jersey. Horizon has been responsive to our issues concerning community outreach programs and quality care.” – Skylands Medical Group

“Governor Christie’s health reserve raid would mean higher premiums and out of pocket health costs for police officers and other first responders all over the state. This is not the first time the Governor has come after law enforcement and his targeting of the men and women who put on a uniform and keep our communities safe every day is tiresome. NCLO is proud to join the many organizations who are standing up against Governor Christie’s plan and we will continue to speak out on behalf of our member officers.” – Antonio Hernandez, President, National Coalition of Latino Officers

“Raiding Horizon’s reserves to help fund a broken healthcare system is not only a misplaced priority but merely a short-term solution. Horizon should be rewarded and encouraged (along with its competitors) to invest in transparent quality and cost information and on supporting independent primary care physicians who are rejecting business and usual and building a more accountable care delivery network that will serve all the citizens of this great state.

“This proposal is misguided. It penalizes the one non-for-profit company that has taken a leadership position in attempting to redefine the direction of health care in New Jersey. The ramifications of this action will be negative for the citizens of New Jersey who are already seeing some of the highest costs and lowest quality of health care in this country.” – Nicholas Bonvicino, M.D., MBA, FACS, Chief Medical Officer, Osler Health
“But as you may know, during Governor Christie’s 2018 budget address he talked about raiding millions from their capital reserves and called for the creation of a permanent fund whereby Horizon BCBSNJ would be required to contribute annually in order to ‘support their most vulnerable population who access charity care and Medicaid.’

“Despite this situation, Blue Cross Blue Shield continues to uphold its values and demonstrate its integrity as a stable and financially secure nonprofit organization that cares about New Jersey.

“We are glad to have our voice heard and glad to support the work and tireless efforts of BCBSNJ. With all hopes that you will understand the valuable role they continue to play in New Jersey.” – Sally Glick, Principal, Sobel & Co., LLC

TRENTON — Assembly Democrats peppered insurance commissioner Richard Badolato with questions about Gov. Chris Christie’s plan to “reform” the state’s largest insurer, but received few answers during a budget hearing on Wednesday.

Christie has made combatting the opioid epidemic the cornerstone of his final year in office and has repeatedly called on Horizon Blue Cross Blue Shield of New Jersey to tap into its $2.4 billion in capital reserves to fund these efforts.

Assemblyman Gary Schaer, chairman of the budget committee, spent the first 20 minutes of Wednesday’s hearing asking targeted questions about the Horizon plan, which were later taken up by Assemblymen Troy Singleton and John McKeon.

Why, Schaer asked, would the governor want to single out Horizon when there are many health insurers operating in the state.

“To be honest with you, I don’t know the answer to that,” Badolato responded.

Christie’s proposal calls for authorizing the state to assess Horizon’s reserves for “excess surplus,” adding four more public board members appointed by the Legislature and requiring the insurer to post executive compensation online.

“I speak to the governor on a variety of things, but I have not spoken to him about this precise topic,” Badolato said.
At recent events, Christie has said the “excess surplus” would be set at 550 percent of what’s known as the risk-based capital ratio — the level of reserves insurers are required to maintain as a way to hedge against unexpected future claims, expenses and other market risks.

The minimum risk-based capital ratio required by the state Department of Banking and Insurance is 200 percent, whereas the minimum level for the Blue Cross Blue Shield Association to which Horizon belongs is 500 percent.

Schaer repeatedly questioned how the department evaluated the financial health of an insurer and what the appropriate “surplus” would be, but Badolato continually demurred, saying he couldn’t comment on the “financial conditions” of any of the entities regulated by the department.

“The way we go into looking at financial stability is all regulatory work that we do that we can’t reveal,” he said.

Horizon Blue Cross Blue Shield of New Jersey’s “stable” credit outlook could be undermined by Gov. Chris Christie’s plan to force the insurance carrier to share its capital reserves, according to a new ratings agency report.

Standard & Poor’s sees many reasons why Horizon should maintain its “A” rating and stable outlook. The not-for-profit is the state’s dominant insurance provider that has held its own against national players. Horizon serves 3.8 million members and reported $12.2 billion in total revenue according to the report released Friday.

But the credit rating agency also identified some areas for concern. By only operating in New Jersey, Horizon is exposed to volatile “regulatory and legal conditions” created by the governor and legislature, according to the report.

"Horizon BCBSNJ is in a dispute over a request for funds by Gov. Chris Christie from the group's capital reserves," according to the report. "Specifically, the governor has proposed..."
establishing a permanent fund that Horizon would pay into every year to cover drug treatment for the poor and uninsured."

"The company has not agreed to this proposal and believes the state does not have the legal authority to extract funds without legislation," S&P wrote. Should that happen, the rating agency said it would "view any such event as a source of potential capital volatility," according to the report.

Senate Majority Leader Loretta Weinberg (D-Bergen) was one of more than a half-dozen Democrats who issued statements saying the S&P report made them less likely to support the governor's proposal.

"We can certainly talk about how much would be 'more than enough' in terms of reserves at some point in the future, but I'm convinced by the latest S&P report that Horizon is where they should be," she said.

The reserves are needed not only to pay out potential claims and offset unexpected costs that could otherwise be passed on to consumers, but also for the company to maintain a strong credit rating, they note, and setting such a precedent could discourage other insurance companies from doing business in New Jersey.

In addition to providers and insurance-industry groups, the list includes diverse voices ranging from the Boys and Girls Clubs in New Jersey, to the state NAACP chapter, to the Ironbound Community Corporation, to Steve Forbes. Even the sponsor of the event at which Christie chose to unveil his plan on Thursday, the Commerce and Industry Association of New Jersey, objected to his plan.

Christie’s actions have also sparked a coordinated opposition campaign, Hands Off Healthcare NJ, which was formally launched Wednesday by the Latino Consumer Alliance, with support from Horizon. The campaign launched a website last weekend with a page with dozens of “testimonials,” several culled from news coverage of the debate.
“What the Governor is proposing is essentially a radical and hostile takeover of the largest healthcare insurer in New Jersey,” said Douglas Johnston, the campaign manager, noting that it could snowball into raids on other nonprofit organizations in the future. “And, no matter how good his new government program may seem to some, the ends do not justify the means.”

S&P described Horizon’s business as “strong,” benefiting from its leading market share in New Jersey, and its financial profile as “very strong,” despite tightening reserve ratios caused by declining profitability.

The ratings agency was measured in its comment about Gov. Christie’s effort to tap Horizon for money to help pay for drug treatment for the poor and uninsured, saying it would “view any such event as source of potential capital volatility.”

Christie announced on Thursday that his administration had submitted “draft legislation that will provide more protections and transparency for taxpayers and consumers who are being fleeced and underserved by health service corporations, including Horizon Healthcare of New Jersey, a nonprofit organization whose most-profitable line of business is the Medicaid program.”

Horizon is a nonprofit corporation, but not a 501(c)(3) charitable organization. Instead, it is organized under 501(m) under IRS rules, a type of entity created by Congress in 1986. Horizon pays most state and federal taxes.

Horizon had net income of $85 million last year on revenue of $12.18 billion, down from net income of $214 million on revenue of $9.49 billion in 2013, the S&P report said. The company insures 3.8 million people and has a 61 percent market share on the state’s ACA exchange.

Christie has largely fallen out of the national news, so Cannon had not heard of that plan to raid the Horizon surplus to fund drug treatment.

The idea of the government ordering a private company to fund a drug-rehab program sounded as nutty to him as it does to me.

"Why doesn't he raise taxes to do it?” he asked. “That's fairer than picking an unpopular industry and shaking them down.”

He doesn't raise taxes because he purports to be a tax-cutter. But this is just a way of accomplishing the same goal - at the expense of rate-payers instead of taxpayers.

But where does a governor gets the legal authority to tell a private, not-for-profit corporation how to spend its money? Cannon said he's never heard of such a maneuver in any other state.

Perhaps that's because insurance companies by their very nature need healthy surpluses to hedge against future losses.
Horizon certainly does, at least according to one of the top ratings agencies on Wall Street. Standard and Poor’s put out a release stating that the current surplus represents a reasonable cushion against calamitous events. In the event of some sort of raid on the surplus, “we could lower our ratings in the next 12-24 months,” the agency stated. – Paul Mulshine

In the statement of the proposed bill by Christie, a copy of which was obtained by NJBIZ, the governor resurrects some of the ideas that were put to bed nearly a decade ago by then-legislators and the insurer itself.

But some insiders say that rather than address or question the large reserves Horizon has, it is clear the governor is going after Horizon for political reasons, and that the whole situation is “rich, considering the taxpayer money Christie has spent.”

The governor can publicly say what he wants but Horizon doesn’t have to do it. It’s just the PR aspect they’ll have to deal with. If I was Horizon, I would consider that if I open up once, when the state needs money, they become a piñata.

Gov. Christie has been relentlessly pummeling Horizon, the state’s largest insurer, for resisting his demand that it pay into a permanent state fund for drug treatment.

We’re all for funding drug treatment. But Christie's attack strikes us as bizarre. Why is he picking on this one company? He has no right to its money, and it seems obvious that this would only force the insurer to increase rates.

The $2.4 billion is not a surplus, as Christie implies. The reserve is a safety net that protects policy holders from unforeseen costs like a pandemic, major health reform or pricey new drug. If Christie were allowed to plunder that reserve, Horizon says it would be forced to increase its rates to replenish it - which means this is yet another tax hike in disguise, like his toll and fare hikes.
Maybe he will get some money out of that. But unfairly blaming one company, and trying to bully it into handing over millions, feels more like a shakedown than a solution. – The Star-Ledger Editorial Board

But for [Tea Party Patriots co-founder Jenny Beth] Martin, Christie's new post as chairman of Trump's new opioid addiction commission apparently signaled that his public shaming of private companies might soon be going national.

"Gov. Christie must not be allowed to use his new position and expanded government power to try to extort money from private companies to pay for government programs," wrote Martin.

And even though the GOP's much ballyhooed repeal of Obamacare seems to be on hold for the foreseeable future, Martin was clearly jittery about policy holders becoming piggy-banks.

"The last thing we need is the governor stealing money from the pockets of healthcare policy holders," she warned, adding that "this financially reckless, self-serving behavior must be stopped before it causes more consumer and economic harm." – The Auditor, NJ Advance Media for NJ.com

[Speaker] Prieto said after the event that he has been in talks with the Christie administration over the Horizon plan and that he will look “at both sides of the equation.” But he added that insurers need certainty to operate, especially as the prospect of an overhaul of the Affordable Care Act continues to loom in Washington.

“Just because you see something it doesn’t make it the right thing to do,” Prieto told reporters when asked about Christie’s plan. “We need to be making sure that they [Horizon] have the tools and resources to be able to survive.”

Ciattarelli after the event on Tuesday said “reserves are there for a reason.”

“They serve a critically important function in anticipation of a crisis,” he said. “The question of whether or not they are in excess, to me, is a private conversation between the regulators and the insurance carrier." – PolitickerNJ

Gov. Chris Christie's nutty charge that Horizon is "lying" about his plan to grab the company's $300 million is even more bizarre than the plan itself.
When pressed, the governor’s office could not even name the lie. And it seems pretty clear to us that Christie is the one playing fast and loose with the facts.

Funding drug treatment is a worthy cause, but his "solution" - snatching hundreds of millions annually from Horizon's coffers - is more like a shakedown.

This money isn't a surplus, as Christie claims. It is from Horizon's reserve fund, which protects policy holders from unexpected costs like a pandemic or pricey new drug. The amount Horizon holds in reserve is smaller than what's held by nonprofit insurers in virtually every other state.

And if Christie raided that money, Horizon would be forced to increase its rates to cover it - making this another tax hike in disguise, like Christie's toll increases, fare increases, and fee increases.

The governor rants about Horizon's big salaries and chauffeur-driven cars, but that's typical for top executives at New Jersey's nonprofit hospitals, too. Why pick on this one company?

And isn't this the same guy who just dropped $1,200 night at a Trump hotel, paid for by the N.J. GOP? And took a State Police helicopter to his kid's baseball game?

And if we're talking about lying, he is the king. At the top of the list is his Big Bridgegate Lie, when he said he was "blindsided" to learn that the lane closures were political in nature. Five witnesses swore under oath that was not true.

Attacking Horizon could be Christie's latest attempt to rehabilitate his populist, pugilist image - a Herculean endeavor, given the way he's polling these days.

But maybe he shouldn't be throwing so many stones.

The Philadelphia Inquirer

Christie got blowback for his proposal to tap the reserves of Horizon Blue Cross Blue Shield of New Jersey, calling on the nonprofit insurer during his budget address to establish a fund that would help pay for addiction services for “our most vulnerable population who access Charity Care and Medicaid.”

In addition to Horizon — which said raiding its reserves “will only make insurance more expensive and less secure” — the business lobby and groups on both ends of the political spectrum opposed Christie’s proposal. A leader of the national Tea Party Patriots group called it "the very essence of government overreach."

Sen. Joseph Vitale (D., Middlesex), who has been a lead sponsor of legislation combating addiction, said the proposal was “not sustainable.”

Asked Friday about the status of the proposal, Christie spokesman Brian Murray said: “We’ll say more when we have more information we need to share.” – The Philadelphia Inquirer
By the time it was through, it had the support of, among others, Steve Forbes, Americans for Prosperity, the State Chamber, the NFIB, the Boys and Girls Clubs, Covenant House, Integrity House, Citizen Action, Garden State Equality, the NAACP, the NJEA, and Phil Murphy. You're unlikely ever again to see that list of people and organizations on the same side of any other issue. – *Politifax*

“I think we already saw Horizon push back on it and . . . the business community, you know, may be thinking, who else is this guy going to try and raid to fill budget gaps?” – David Cruz, *NJTV News*

He [Governor Christie] also intimated that if the funds were not voluntarily given, they might be taken by the state. That he would suggest taking these funds — paid by New Jersey policyholders to protect policyholders — for some other purpose, even such a laudable one, is problematic.

It is also important to understand Horizon’s financial position in considering Christie’s proposal. It is a not-for-profit corporation, with a net income of less than 1 percent after paying claims and administrative costs and setting reserves, according to its latest annual report. Despite that, it paid more than half a billion dollars in federal, state and local taxes in 2016. Finally, and most importantly, Horizon’s only source of income is from its members, the very people who would be on the hook to replace the funds sought by the governor.

Further, what is the risk that Horizon policyholders at some point will have to pay higher premiums to replace the funds taken? In short, is it fair for this governor or any governor to arbitrarily take premiums paid to Horizon to supplement his or her budget? In 2005, such a move was proposed by the Legislature and the state treasurer declared it illegal. – Holly Bakke, Commissioner of the New Jersey Department of Banking and Insurance under Governors James McGreevey and Richard Codey


In his latest installment, he [Governor Chris Christie] has set his sights on shaking down our state’s largest insurer – Horizon Blue Cross Blue Shield – for $300 million to address state budget deficits he created through his disastrous fiscal policies.
Someone should tell the governor that budgeting around reckless tax breaks for the wealthy hasn't worked for the past seven years. For example, if he hadn't eliminated the New Jersey estate tax, he'd surely have the $300 million he's trying bully from Horizon.

If he hadn't vetoed a 2015 surtax on millionaires, he'd have more than $1 billion to work with. Instead, he would rather rob Peter to pay Paul – or, in this instance, rob insurance reserves that protect insurance for low-income New Jerseyans to pay for addiction treatment for those same low-income New Jerseyans.

It would be laughable if it weren't so offensive and dangerous.

In these very tenuous fiscal times when the future of health care on a national level is uncertain, ensuring that reserves are in place to pay for the health care of New Jersey's most vulnerable citizens is not only responsible, it is paramount. Horizon's reserves are designed to protect the poor and vulnerable in the face of extreme economic conditions – the very conditions that are exacerbated by the governor's stubborn adherence to failed trickle-down orthodoxy.

The governor would be better-served in his waning months reversing his failed policies to get our fiscal house in order instead of waging budget fights to distract from his poor record. – The Star-Ledger

The governor is trying anything to move his abysmal poll numbers. The latest stunt was to paint a negative picture of the state’s largest health insurance company, Horizon Blue Cross Blue Shield.

Horizon was accused in the governor’s budget address of having an abundance of money and should be paying more to the state even though they’re a nonprofit. Problem is the Gov failed to mention that according to Horizon's spokesman Kevin McArdle, they already paid $200 million in state taxes last year. Combine that with the outrageous no bid $300 million for the state house and you have a half a billion back into the budget! – New Jersey 101.5

“My sense is Horizon is rising up in revolt against this, and fighting back as hard as they can. They put out an e-mail in the last 24 hours listing all of the groups that have come out in opposition to this, including Steve Forbes, Americans for Prosperity, New Jersey Working Families – their point being that opposition is across the board, across the spectrum, and that
the argument that you alluded to with the Affordable Care Act totally up in the air at the moment, this is a terrible time to be jiggering with the finances of the insurer that insures half the state population.” – Michael Aron, NJTV News

Christie’s approach to rising levels of opioid abuse in his home state has blended two of his signature characteristics: visible passion for the issues he cares about, and his tendency to browbeat—and some say bully—political interests that stand in his way.

But the governor’s tactics of late have upset a number of free market-oriented Republicans who bristle at his combative efforts to enlist the state’s largest health insurer as a financial backer of his anti-addiction policies.

Conservative activists such as Tea Party Patriots president Jenny Beth Martin are already warning the administration against elevating the types of policies Christie has recently pushed in New Jersey.

“Governor Christie must not be allowed to use his new position and expanded government power to try to extort money from private companies to pay for government programs,” Martin said in a statement on his appointment to the commission.

The alleged extortion referred to Christie’s recent populist fusillades directed at Horizon Blue Cross Blue Shield of New Jersey over its failure to put up sufficient financial support for the governor’s proposed drug abuse prevention programs.

Christie’s recent attacks on the insurer have drifted into anti-corporate language rarely seen from high-profile Republicans. – The Daily Beast

“Look, the state under a Democratic governor tried this in the past where they tried to squeeze some money out of the insurance industry and it got batted down then. I mean it seems slippery slope in how do you have a governor approaching this sort of industry to say, ‘It’s up to you now to help fill some of that budget gap,’ and I think that the real cynics would say, ‘Hold on a minute now, if we’re going to be losing federal dollars, Medicaid dollars, which is what some of this would be going to, because of things that are happening under a President Trump Administration, why aren’t you lobbying President Trump to scale back some of the rhetoric
about how those changes will affect New Jersey?’ – instead of going to this industry and saying, ‘Okay, now it’s your job to make up that shortfall’” – Matt Arco, NJ Advance Media

Tapping into the capital reserves of Horizon Blue Cross Blue Shield for an undisclosed amount (widely reported, however, to be $300 million) to help fund treatment and rehabilitation programs for those addicted to opioids. The insurer’s opposition is solid and its clients do not look favorably upon diverting money from their coverage to treat addicts. The Legislature will heed the wishes of both the insurer and the insured — an easy call. – Carl Golden, The Press of Atlantic City

“I know some folks I’ve spoken with in the business community. They’re worried about the precedent that something like this would set. You know, there are – it’s not just Horizon – there are similarly sized non-profit status organizations throughout New Jersey that are thinking, ‘Who could be next?’ Yeah, it’s exactly that – a slippery slope to go down.” – Andrew George, NJBIZ

We will want to keep an eye out on two quasi-budget gimmicks, however: The first is his so Jersey “offer you can’t refuse” to Horizon Blue Cross/Blue Shield of New Jersey.

Christie suggested that Horizon, the largest nonprofit insurance provider in the state, and one whose business is heavily focused on providing insurance to the poorest residents, is really a money-sucking cash cow that he wants to tap.

Horizon currently has a reported $2.9 billion in reserves, and Christie wants to take a $ 300 million piece of it to help fund his good work combating opioid addiction.

Christie was very careful to frame this as voluntary and something that would be a regular source of funding. (Not a one-shot.) Even so, this “deal” deserves watching as it unfolds. If nothing else, it shows that Christie may have finally run out of government programs and employees to cut. – Op-ed by Matthew Hale, Associate Professor and Director, Masters in Public Administration Program, Department of Political Science and Public Affairs, Seton Hall University
The New Jersey Association of Health Underwriters, representing health insurance brokers statewide, believes state lawmakers should not raid the reserves of Horizon Blue Cross Blue Shield as part of efforts to plug the proposed fiscal 2018 state budget.

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

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

“I think this one, you saw the business community, the two main lobbying groups – the Chamber of Commerce and the Business and Industry Association – both sort of throw out some cautionary statements on this. It’s interesting that the governor who’s sort of been questioned for not maintaining large enough budget reserves himself on the state budget is now eyeing these reserves that Horizon has. I think it’s apples and oranges when you compare a state finance to a company like Horizon, but listening to the business community, they sort of threw out a
cautionary statement, and that leads me to believe the support might not be as strong as maybe it was earlier in the week.” – John Reitmeyer, *NJ Spotlight*

First of all, the reserves cited by Christie are not an “abundant surplus” for the government to play with. Horizon is a private, non-profit company; its reserves are held IN RESERVE for payouts in emergent medical circumstances (e.g. mass casualties following a natural disaster like Superstorm Sandy). Horizon maintains this 75-day claim reserve not for CEO bonuses . . . Taking cash from the reserves is taking cash away from people who might need it most when the need is the greatest. Horizon paid out $10 billion in claims in 2016. Its projected payouts for 2017 are slightly higher at $11.5 billion. The $2.4 billion held in reserve at the end of 2016 work out to approximately $628 for each of the New Jersey insurance giant’s roughly 3.8 million members. Not exactly “abundant,” right?

Secondly, don’t lose sight of the fact that this proposal IS a new tax from a Governor who explicitly promised NOT to raise taxes prior to last year’s TTF shell game. Plain and simple. Horizon paid $213 million in state and local taxes last year. Horizon’s sole source of revenue is premiums. Higher premiums will follow to close the gap between reserves and premiums. “Raiding those reserves will raise the cost of health insurance as if it were a tax increase,” Assemblyman Erik Peterson explained in a statement criticizing the plan. “How much more can taxpayers afford? You would think that at some point the state would learn from past mistakes. What better example of New Jersey’s inability to provide services at a reasonable price than road construction costs, and NJ Transit. When government gets involved the problem gets worse.”

That’s point #3 . . . whether or not you think the motivation behind all of this stuff is sincere, what kind of “conservative” Republican DEMANDS that a non-profit tax itself to pay for a government program? And expects costs, and expenses, to do anything but spiral out of control? Who wants Obamacare repealed in D.C. and yet supports the same type of cost-driving nonsense here at home? I guess the same type of Republican who coaxes unions to take out members of his own party who oppose tax increases.

Fourthly, it’s not simply an ideological thing; the Governor is once again sounding a lot different than the guy we elected back in 2009. He loudly and correctly denounced the Democrat legislature’s raids on the UI Trust Fund and the pension/benefits system. Why is THIS any different than those times? Regardless of what you or I believe? – *Save Jersey*
“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.

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

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.