



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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MARLENE CARIDE
Commissioner

September 22, 2022

Mr. Gary St. Hilaire
President and Chief Executive Officer
Horizon Blue Cross Blue Shield of New Jersey
Horizon BCBSNJ Headquarters
3 Penn Plaza East
Newark, NJ 07105

Re: Application by Horizon Health Care Service, Inc.
to form a mutual holding company pursuant to N.J.S.A. 17:48E-46.1.

Dear Mr. St. Hilaire:

Enclosed please find the Department's Notice of Completeness regarding the above referenced application.

Sincerely,

A handwritten signature in blue ink that reads "M. Caride".

Marlene Caride
Commissioner

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Application by Horizon Healthcare Services, Inc.)	
to form a mutual holding company)	NOTICE OF COMPLETENESS
pursuant to N.J.S.A. 17:48E-46.1)	

The New Jersey Department of Banking and Insurance (“Department”) received the above-referenced application from Horizon Healthcare Services, Inc. (“HHSI”) on August 1, 2022 (the “Application”). The Department has completed its initial review of the Application and hereby determines that the Application is complete pursuant to N.J.S.A. 17:48E-46.1 et seq.

The Application and this Notice will be made available to the public.

Pursuant to N.J.S.A. 17:48E-46.5(b), the Department will hold three (3) public hearings on the Application in October. The Department intends to provide public notice of the dates of the hearings shortly.

The Department is preparing a health impact study of the effects of the proposed reorganization of HHSI on the health of the policyholders of the health service corporation and the general public pursuant to N.J.S.A. 17:48E-46.5(b)(3). In connection with the Department’s further review of the Application and preparation of the health impact study, the Department asks HHSI to be prepared to address the following items at the hearings, specifically noting how the proposed reorganization would impact any management decisions or actions related to each of the items:

1. The Application proposes a \$300 million distribution from one or more regulated insurance entities to Horizon Mutual Holdings, Inc. What purposes will be served

by this distribution? What is the current plan for use of these funds? Will any of those funds be reserved for the investments that are highlighted in the Application?

2. HHSI highlights in the Application that it is the only carrier that has continuously provided health insurance coverage to New Jerseyans in all 21 counties across all product lines, and HHSI commits to continuing to provide individual market coverage in all 21 counties of the State. With respect to HHSI's other lines of business, what is the current plan for continuing to offer coverage with benefits similar to HHSI's current products?
3. In the Application, HHSI makes general statements about providing "more affordable" coverage after the reorganization. Given the recent trend in medical inflation and premiums, what actions does HHSI intend to take to make coverage more affordable?
4. Achieving greater health equity is an overarching goal of the State. What are HHSI's plans to improve health equity and how will they be impacted by this reorganization?
5. Network adequacy, including access to culturally competent care, is a current priority for the Department. HHSI has traditionally been a leader in offering broad network plans. How will this reorganization influence HHSI's network breadth?
6. If the Blue Cross Blue Shield Antitrust Litigation settlement is implemented, it will create new opportunities for HHSI to compete for business in other states and also subject HHSI to more competition in New Jersey. What plans does HHSI have to

ensure it remains competitive within New Jersey? Does HHSI plan to compete for Blue accounts in other states? Does HHSI have other business plans related to the antitrust settlement, if and when it is implemented?

7. Are there additional ways in which the reorganization would help HHSI better serve the health care needs of all New Jerseyans and promote the public interest?

9/22/2022

Date



Marlene Caride

Commissioner