# Pension and Health Benefits Review Commission Vote Results October 31, 2014

# S-2338 (Turner)/A-3675 (Lampitt)

Requires health insurance carriers, SHBP, and SEHBP to provide coverage for telemedicine.

**Motion**: Recommend not to enact.

**Discussion**: The Commission considers the subject of this bill to be an issue within the jurisdiction of the plan design committees created by P.L. 2011, c.78, and does not address questions relating to demand in New Jersey, fees, type and time of usage, limited facilities, and potential increases to State and local employer costs.

### A-1891 (Burzichelli)/S-76 (Stack)

Changes certain eligibility criteria for TPAF, JRS, PERS, PFRS and SPRS disability benefits; requires Attorney General to establish fraud unit; creates temporary committee to recommend accidental disability standard for systems.

Motion: Recommend not to enact.

**Discussion**: The Commission favors disability reform, particularly to address the recent <u>Richardson</u> decision by which eligibility criteria were broadened, and particularly via legislation that narrows eligibility criteria. Rather, this bill proposes a large committee with high administrative costs that the Commission is concerned might not address <u>Richardson</u> or lead to legislation. The Commission favors this bill as to those amendments to current law that would narrow eligibility criteria, and notes that additional amendments might be added that could fix anomalies in current law such as new, unique Tier 4 and Tier 5 disability insurance benefits that become available to employees are after one year while employers are required to remit the employees' pension contributions until their normal retirement age.

#### A-3363 (Cryan/Wisniewski)

Requires State to make pension contribution payments quarterly; provides reduction in State employee contribution rate of 0.1% and penalty for State of 0.1% of payroll for each month State is in arrears for pension payment.

Motion: Recommend not to enact.

**Discussion:** The Commission does not favor penalizing the State or reducing the employee contribution rate, as both the State and the pension funds are not in a financial position to do so, and employee contributions should be based upon actuarial standards instead of an employer delay. The Commission also does not favor quarterly payments, as the Executive Branch is normally of necessity permitted flexibility to manage cash flow, especially while the State relies on each fiscal year's fourth quarter for a significant portion of its annual funds, and may need to bond for the employer pension contribution funds each quarter.

### A-3400 (Mainor/Sumter/Pinkin/Johnson)/S-2157 (Barnes)

Requires certain health benefit plans to provide coverage for behavioral health care services when determined medically necessary by physician or psychologist.

Motion: Recommend not to enact.

**Discussion**: The Commission considers the subject of this bill to be an issue within the jurisdiction of the plan design committees created by P.L. 2011, c.78, and mandates coverage and will increase State and local employer costs without the opportunity for utilization management review.

#### A-3450 (Vainieri-Huttle/Pinkin/Sumter)/S-2180 (Gordon)

Requires certain health benefits plans to provide treatment for behavioral health care services when determined medically necessary.

Motion: Recommend not to enact.

**Discussion**: The Commission considers the subject of this bill to be an issue within the jurisdiction of the plan design committees created by P.L. 2011, c.78, and mandates coverage and will increase State and local employer costs without the opportunity for utilization management review.

### A-3705/3542 Acs (ACS) (McKeon/Kean/Brown/Wolfe/Peterson)

Increases mandatory retirement age for Administrative Law Judges, Workers' Compensation Judges and county prosecutors from 70 to 75.

Motion: Recommend to enact.

**Discussion**: The Commission recommends that the Legislature enact this bill since there is a consensus that judges over the current 70 year age limit can still adequately fulfill the responsibilities of their positions.

# A-3706/528 Acs (ACS) (McKeon/Peterson/Cryan/Diegnan/Eustace)

Increases statutory mandatory retirement age for Superior Court and Tax Court judges from 70 to 75.

**Motion:** Recommend to enact.

**Discussion:** The Commission recommends that the Legislature enact this bill since there is a consensus that judges over the current 70 year age limit can still adequately fulfill the responsibilities of their positions. However, the Legislature should consider deferring action on statutory changes such as proposed by this bill until the Constitution may be amended.

#### A-3762 (Kean)

Permits application for PERS accidental disability benefit for injury sustained after January 2003 while employed at State psychiatric institution or correctional facility immediately prior to PERS membership.

**Motion:** No recommendation, as a motion to enact failed.

**Discussion:** The Commission favors informing new employees of risks associated with the duties at State psychiatric institutions and State correctional facilities, and appreciates the employees undertaking those duties; however, the Commission considers the bill special legislation that may lead other pension systems to seek similar legislation and could increase the unfunded liability of the pension funds.