

Pension and Health Benefits Review Commission
Vote Results
December 8, 2006

S-2205 (Vitale)

Requires health insurers and SHBP to provide certain mental health benefits for eating disorders under same terms and conditions as for other illnesses and diseases.

Motion: Recommend not to enact since the bill would increase State and local employer SHBP costs.

Discussion: Treatment for the symptoms associated with eating disorders is covered by the SHBP under the rules regarding coverage for non-biologically based mental illness. Coverage is limited to maximums of \$10,000 per calendar year and \$20,000 for the entire period of coverage under the plan. The enactment of P.L. 1999, c.441 removed the caps on biologically based mental illnesses and provided that the same terms and conditions as other illnesses under the SHBP would apply. This bill if enacted would remove the non-biological based mental illness caps for eating disorders and would increase SHBP costs to \$25 million annually.

S-2163 (Lesniak)

Permits local employers in SHBP to negotiate benefits and cost sharing with employees; permits local employers to offer incentives to employees for waivers of SHBP coverage; requires annual independent review of SHBP.

Motion: Recommend to enact with modifications.

Discussion: Recommendation to support the provision that would allow for the closure of the Traditional Plan for new employees of a local employer based on a collectively negotiated agreement

Recommendation to support the provision that would provide local employers the ability to modify through collective bargaining agreements with their active employees the benefits provided to those employees through the SHBP.

Recommendation to support the provision that would allow for the payment obligation of local employer premiums for active employee coverage to be collectively negotiated.

Recommendation to support the provision that would extend the waiver of health benefits coverage incentive to all local employers.

Recommendation not to support the Division of Pensions and Benefits refunding an employee of a local employer when the employee enrolls a spouse that is already covered by the SHBP as an employee of a local employer as a dependent and is required to pay the full cost of the dependent coverage. The State Health Benefits Commission approved

the publication of a proposed regulation concerning elimination of duplicate coverage for members.

Recommendation to support the provision that would permit part-time local employees to participate at their own expense in the NJ PLUS plan of the SHBP.

Recommendation to oppose the provision that would require the State Health Benefits Commission to initiate an annual independent review to assess the structure of the SHBP. A five year review would be supported.

A-3431 (Cohen)

Establishes maximum premium rate for certain dependent health benefits coverage at 45% of single coverage.

Motion: Recommend not to enact since the bill would set an unrealistically low premium for over age dependents in the SHBP.

Discussion: The SHBP consultant recommended that the premium rates be set at 27% higher than the SHBP rates for single coverage. The State Health Benefits Commission approved rates at 110%, therefore to establish a premium rate of 45% of single coverage for overage dependents would result in increase costs to both State and local employers of the SHBP.

S-2192 (Singer)

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

Motion: Bill is tabled until the decision of the Appellate Court is released

S-2180 (Lance)

Creates defined contribution program for elected officials and certain appointed public officials.

Motion: Recommend to enact with modifications.

Discussion: The Commission fully supports the sponsor's intention of the bill in creating a defined contribution plan for elected and appointed officials. The proposed bill only impacts members of PERS and does not address the issue of part-time employment. Also, there are no provisions for the funding of the Divisions of Pensions and Benefits administrative costs. If enacted, there are administrative and technical issues that would need to be addressed.

S-2125 (Lance)

Increases statutory mandatory retirement age for justices, judges, administrative law judges, county prosecutors, and workers' compensation judges from 70 to 75.

Motion: Commission is neutral on the proposed bill since it is a public policy bill and will not result in increased pension benefit costs.