

Governor Sherrill Launches State Health Benefits Program Reform Working Group

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State, labor, and healthcare stakeholders begin structured process to develop recommendations for improving affordability and long-term sustainability

TRENTON – Governor Mikie Sherrill today announced the launch of the State Health Benefits Program (SHBP) Reform Working Group, fulfilling a commitment made last month as part of the Administration’s agreement with 17 unions representing State employees.

The working group will bring together organizations representing the State, participating unions, and stakeholders with relevant healthcare and program expertise. Participants will undertake a sustained review of the structural challenges facing the SHBP and develop concrete, evidence-backed recommendations for making high-quality health benefits more affordable and sustainable.

“From Day One, I have been focused on making New Jersey more affordable, and that means tackling hard problems instead of kicking them down the road,” **said Governor Sherrill**. “Rising healthcare costs affect public employees and retirees, the local governments and schools that serve our communities, and taxpayers across the state. For too long, New Jersey has responded one rate cycle at a time. We are taking a different approach by bringing stakeholders together, working from shared data, and pursuing long-term changes that preserve high-quality benefits while making these programs more affordable and sustainable. I appreciate everyone’s willingness to come to the table ready to problem solve.”

The working group will develop advisory recommendations for the Governor. Its work will address how the State administers public employee health benefits; how provider networks are structured and paid; plan pricing, premium-contribution structures, and plan and benefit design; how employers and members participate; and whether the programs have the governance, information, and operating capacity necessary to manage costs effectively.

A central feature of the effort will be dedicated subcommittees aligned with these areas. The subcommittees will bring together participants and subject-matter experts to conduct deeper analysis, engage additional stakeholders, and develop concrete recommendations.

“The Sherrill Administration is committed to making government work better by bringing people together to solve tough problems, based on data, expertise, and best practices from across the country,” **said Chief Operating Officer Kellie Doucette**. “The challenges facing public employee health benefits demand that same approach. We look forward to working collaboratively to build a road map for systemic reform, using all of the levers available to us and focusing not just on the what but on the how; understanding that a plan for implementation is as important as the recommendations themselves. It is the only way to get the measurable results that employees, employers, and taxpayers deserve.”

The working group will be led by Chief Operating Officer Kellie Doucette and will include other representatives of State government and the organizations listed below:

Labor and employee organizations

- AFSCME New Jersey Council 63
- AFT New Jersey
- Communications Workers of America District 1
- Council of New Jersey State College Locals
- IBEW Local Union 30
- IBEW Local Union 33
- IFPTE Local 195
- Local 32BJ MVI Division
- New Jersey Division of Criminal Justice PBA Local 383
- New Jersey Investigators Association, FOP Lodge 174
- New Jersey Law Enforcement Supervisors Association
- New Jersey PBA Local 105
- New Jersey State Troopers Fraternal Association
- New Jersey State Troopers Non-Commissioned Officers Association
- New Jersey State Troopers Superior Officers Association
- New Jersey Superior Officers Association
- State Law Enforcement Unit
- Health Professionals and Allied Employees
- New Jersey AFL-CIO
- New Jersey Firefighters’ Mutual Benevolent Association
- New Jersey Fraternal Order of Police
- New Jersey State Policemen’s Benevolent Association
- Professional Firefighters Association of New Jersey
- Rutgers AAUP-AFT
- Teamsters Joint Council 73

Healthcare organizations

- New Jersey Association of Health Plans
- New Jersey Hospital Association
- Hospital Collaborative of New Jersey
- Medical Society of New Jersey
- New Jersey State Nurses Association
- New Jersey Primary Care Association

Current program vendors

- Aetna
- Horizon Blue Cross Blue Shield of New Jersey
- Optum Rx

Public-employer organizations

- New Jersey Association of Counties
- New Jersey Association of School Administrators
- New Jersey Conference of Mayors
- New Jersey Council of County Colleges
- New Jersey State League of Municipalities
- New Jersey School Boards Association
- New Jersey Urban Mayors Association

Legislative offices

- Assembly Majority Office
- Assembly Republican Office
- Senate Majority Office
- Senate Republican Office

The Administration will engage additional stakeholders and subject-matter experts throughout the process, including organizations and individuals not formally represented in the working group, and may add additional members depending on content and expertise. This broader consultation will help ensure that the group’s recommendations reflect relevant expertise, operational experience, and the perspectives of those who provide, administer, fund, and rely on public employee health benefits.

New Jersey administers several distinct health-benefit programs covering State employees, local government employees, and education employees. Each includes different plans, participating groups, governing bodies, and legal requirements. The Administration will therefore coordinate the working group’s recommendations with parallel work addressing the Local Government Group and the School Employees’ Health Benefits Program.

The working group will hold its first meeting on October 16 and will meet regularly thereafter to develop and prioritize recommendations for the Governor. Detailed design and implementation planning will continue in 2027. Any resulting policy changes will proceed through collective negotiations, administrative, procurement, commission, legislative, or other legal processes applicable to each recommendation.