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Pension and Health Benefits Review Commission Vote Results
April 28, 2006

A-2163 (Payne)

Provides for enrollment in PERS of certain employees of the City of Newark.

Motion: Bill was tabled and will be reviewed at the June 23, 2006 PHBRC meeting.

S-1416 (Connors)

Allows PERS ordinary disability retiree to earn up to \$3,000 in PERS-covered employment annually before cancellation of disability benefit and reenrollment in PERS.

Motion: To recommend against enactment since it is inconsistent with current pension regulations and would encourage more ordinary disability retirements.

Discussion: Since the prerequisite to be eligible for a disability pension is to become “totally and permanently disabled,” any legislation that encourages disability retirees to return to employment without threat of relinquishing their disability pension is contradictory to the purpose of a disability benefit.

S-1111 (Ciesla)/A-2419 (Wolfe/Holzapfel)

PFRS members to reduce retirement allowance to provide survivor benefit for named beneficiary.

Motion: To recommend enactment since the bill will provide similar benefits to that of the PERS and TPAF and is cost neutral.

Discussion: The bill if enacted would allow a PFRS member an actuarially reduced pension benefit in order to provide a continued benefit to a designated beneficiary. The bill will be cost neutral. Unlike PERS and TPAF the bill will continue to provide the surviving spouse pension provisions, which is 50% of final compensation payable upon the death of a retired PFRS member.

S-1110 (Ciesla)/A-2420 (Wolfe/Holzapfel)

That PFRS definition of widow, widower and spouse will include domestic partners of all PFRS members.

Motion: To recommend against enactment because of State-mandate, State-pay issues.

Discussion: It is estimated that employer pension contributions to the PFRS will increase between .5% and 1% of payroll if this bill is enacted. There are 548 local employers who participate in the PFRS, 27 have adopted the pension provisions of the Domestic Partnership Act. Consequently, 521 local employers will be impacted by this bill. Since local pension costs will be impacted by this bill, State-mandate, State-pay issues may need to be addressed.

A-2727 (Manzo)

Provides for continuation of health insurance coverage in group and SHBP health plans for unlimited period of time for certain former employees and their dependents.

Motion: To recommend against enactment since bill would provide coverage for an unlimited period of time and there are other health care coverage alternatives available.

Discussion: The bill would indefinitely expand the entitlement to the COBRA health benefits under Federal law. The premiums paid by the employees electing the COBRA coverage may not absorb the entire higher costs associated with this bill. Employers participating in the SHBP will partially subsidize the resulting increased costs through increased required premiums. Other alternative health care coverage exist that can provide basic health care coverage and may not be as costly.

A-2534 (Baroni)

Requires health insurance coverage by health insurers and the SHBP for expenses incurred in connection with prophylactic mastectomies and other mastectomy-related procedures.

Motion: To recommend against enactment since most of the SHBP already cover reconstructive breast surgery.

Discussion: Reconstructive breast surgery following a mastectomy is already a covered procedure in all plans in the SHBP. This bill would mandate coverage for prophylactic mastectomy in the Traditional Plan and NJ PLUS out-of-network, which currently do not provide this coverage. Prophylactic mastectomy, which is considered a preventive care procedure, is currently covered under the NJ PLUS in-network plan and the HMO's participating in the SHBP. Preventive care coverage is typically not available in an indemnity plan. SHBP members may elect to participate in either the Traditional plan or one of the managed care plans.

A-2311 (McKeon)

Requires health insurers and State Health Benefits Commission to provide coverage for posttraumatic stress disorder under same conditions as other sickness.

Motion: To recommend against enactment since the bill addresses only one of the non-biological based mental illnesses.

Discussion: Currently, treatment for the symptoms associated with PTSD 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 the person's coverage under the plan. This bill would remove the non-biological based mental illness limitations for PTSD and coverage would be provided under the same terms and conditions as any other illness. It is recommended that the SHBP Commission review all limitations placed on mental illness coverage.

A-2217 (Van Drew)

Extends fully paid SHBP benefits to surviving spouses of school district and county college retirees with 25 or more years of service.

Motion: To recommend against enactment since it would increase the State's annual health benefits expense.

Discussion: The State's total obligation for active and retired employee health benefit coverage is projected to exceed \$2.0 billion in fiscal 2006. To expand the State's obligation to include coverage for surviving spouses of school districts and county colleges with 25 or more years of service will increase the State's annual costs significantly.

A-971 (Stender)

Requires health insurers to provide health benefits coverage for treatment of pathological gambling.

Motion: To recommend against enactment since it would increase the State and local employer health care costs.

Discussion: The diagnosis and treatment of compulsive gambling is very subjective. A large majority of pathological gamblers may suffer from other co-morbid conditions that may be covered by the SHBP. To carve out pathological gambling disorder and treat it as any other medical illness would not be prudent at this time.

A-1936 (Wisniewski)

Concerns coverage for childhood immunizations.

Motion: To recommend against enactment since mostly all the SHBP health plans cover childhood immunizations except the Traditional Plan and the NJ PLUS out-of-network.

Discussion: Any preventive care coverage, including immunizations is typically not available in an indemnity plan. Coverage for preventive care is a feature unique to managed care plans such as NJ PLUS in-network and any of the five HMO's that participates in the SHBP. Members in the SHBP may elect in either the Traditional plan or any of the managed care plans. Mandating preventive care in an indemnity plan is contradictory to the design of the plan. State and local employer SHBP premiums are estimated to increase by \$3.3 million.

NOTE: The Pension and Health Benefits Review Commission's Agenda and Vote Results are available on the Division of Pensions and Benefits web-site – www.state.nj.us/treasury/pensions