

Pension and Health Benefits Review Commission
Vote Results
April 20, 2012

S-1122 (Beck)/A-2118(O'Scanlon)

Allows SPRS members to purchase SPRS credit for prior military service.

Motion: Recommend against enactment.

Discussion: This bill is unclear as to what the additional pension accrual will be for the service credit allowed to be purchased. The SPRS is unique in that to get full accrual toward a SPRS pension the time must be served exclusively as a State Trooper. Under current pension law, a SPRS member may purchase or transfer service established in any other State-administered retirement system, but the additional pension benefit increase to be derived from such non-State police service is limited to 1 percent of final compensation for each year. For a SPRS member to qualify to retire on a service retirement of 50 percent of final compensation upon attaining twenty years of service, the entire twenty years must be served as a State Trooper. Other creditable service would increase the annual pension by one percent for each year of such other creditable service. It is unclear in this bill whether the service allowed to be purchased will be permitted to meet the service thresholds required for certain retirements in the SPRS (i.e. 20 years for a service retirement or 25 years for a special 65 percent of final compensation pension) or will it be limited to the additional 1 percent provision.

S-292 (Pennacchio)

Requires immediate resumed qualification as dependent covered person under certain health benefits plans after active military duty under certain circumstances.

Motion: Recommend to enact with the condition that eligibility rules are consistent with the SHBP/SEHBP.

Discussion: Since the SHBP/SEHBP currently provides coverage to a participant's dependents up until age 26 regardless of the dependent's marital, student or financial status, the enactment of this bill would have little impact on the plans. The provisions of this bill seem to infer that health benefit coverage under a plan would be extended to a dependent child beyond the age of 18 only if the dependent was a student. However, student status is not a prerequisite for dependent coverage in the SHBP/SEHBP.

Beginning with the plan year 2012, and pursuant to recently enacted federal health care reform, the SHBP/SEHBP is required to cover the dependents of a plan participant up until December 31 of the year the dependent turns 26, regardless of their marital, student or financial status. Prior to this federally required mandate, pursuant to State statute, dependent child coverage under the SHBP/SEHBP was provided to an employee's unmarried children under the age of 23 years who lived with the employee in a regular parent-child relationship, regardless if the child was a student or not. The State law has been pre-empted by the federal mandate.

S-1253 (Vitale)/A-1665(Johnson/Vainieri Huttle)

Revises statutory mental health coverage requirements and requires all health insurers and SHBP to cover treatment for alcoholism and other substance-use disorders under same terms and conditions as for other diseases or illnesses.

Motion: Recommend against enactment.

Discussion: The SHBP/SEHBP already provides coverage for the conditions addressed by this bill. Benefits include treatment for both mental health and alcohol/ substance abuse provided by an eligible behavioral health provider and include —in-patient, partial hospital, residential, intensive out-patient, and group treatment.

Historically, coverage under the SHBP for both biologically and non-biologically based mental illness were at one time limited by annual and lifetime dollar limits (\$10,000 annual limit and \$20,000 lifetime limit under the old Traditional Indemnity Plan, and a \$15,000 annual limit and \$50,000 lifetime limit under NJ PLUS). The enactment of P.L. 1999, c.441 mandated the SHBP to cover biologically based mental illness as it does for all other illnesses. Coverage for non-biologically based illness was however still subject to the annual and lifetime caps. However, as a result of health benefit reforms and plan design changes to the SHBP/SEHBP, these limits no longer apply.

Some non-biologically based mental illness and substance abuse coverage under the SHBP/SEHBP may limit the number of doctor visits or inpatient stays to a specified number per year, but the Division believes the current level of coverage provides plan participants with adequate coverage. Consequently, this bill's provisions in Sections 19 and 21 eliminating any visitation and dollar limits pertaining to coverage for non-biologically based mental illness and substance abuse coverage would create only a moderate increase in plan costs. Consultants to the SHBP/SEHBP have advised the enactment of this bill would increase annual employer SHBP/SEHBP costs by less than 0.1 percent (\$3.4M annually).

The health benefit mandates imposed by this bill would usurp the authority of the SHBP and the SEHBP Plan Design Committees. These committees were created with the enactment of P.L. 2011, c.78 (Pension and Health Benefit Reform) and were provided with the responsibility for plan design.

S-498 (Bucco)

Requires insurers and SHBP to provide coverage for expenses incurred in screening for ovarian cancer.

Motion: Recommend against enactment.

Discussion: The Commission does not support the enactment of this bill since it would increase annual employer SHBP/SEHBP costs. The SHBP/SEHBP already covers pelvic examinations, ultrasounds, and blood testing for cancer markers for women with symptoms of ovarian cancer. The plans also cover additional diagnostic procedures,

including surgery, if indicated by the initial testing. In short, the SHBP/SEHBP already provides a full range of coverage in cases where a woman is symptomatic. The State plans also cover diagnostic testing in asymptomatic women at high risk for ovarian cancer based on genetics and family history. The health plans also cover an annual pelvic exam regardless of whether a woman is symptomatic or asymptomatic.

S-547 (Gill)

Extends certain benefits to veterans of Operation Allied Force in Kosovo.

Motion: Recommend against enactment.

Discussion: The Commission does not oppose this bill from a policy perspective. Its enactment will, however, increase State and local employer pension costs.