

Pension and Health Benefits Review Commission Vote Results
July 19, 2013

S-1166 (Weinberg)

Requires health insurers SHBP, SEHBP, Medicaid, and NJ FamilyCare to provide coverage for ancillary medical services in connection with outpatient diagnostic screening and surgical intervention services.

Motion: Recommend not to enact.

Discussion: The Commission recommended not to enact this bill because:

- The procedures mandated by this bill are already covered under the SHBP/SEHBP, and
- It continues the questionable practice of mandating health benefit coverage.

The procedures mandated by this bill are already covered under the SHBP/SEHBP by each of the plans offered within the program through both Horizon and Aetna.

Health benefit mandate bills impacting the SHBP/SEHBP 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.

A-779 (Munoz)

Provides that public employee pension benefits are calculated on base salary exclusive of various forms of extra compensation.

Motion: Recommend not to enact.

Discussion: The recommendation not to enact was rendered in order to allow for consideration of Commission and perhaps Treasury comments to address the following issues related to this bill: 1) the proposed legislation serves to emphasize the existing statutory and regulatory prohibitions of lump sum longevity payments and other forms of extra compensation; 2) the proposed legislation serves to emphasize the existing statutory and regulatory authorities of the Division of Pensions and Benefits to investigate extraordinary compensation increases; 3) adding to the proposed legislation the authority of the Division of Pensions and Benefits additionally to investigate annual longevity payments particularly for unusual compensation increases; 4) adding to the proposed legislation the authority of the Division of Pensions and Benefits to investigate unusual compensation increases for those not covered by collective bargaining; 5) adding to the proposed legislation that, if enacted, the law would apply to future collective bargaining agreements; and 6) deleting from the proposed legislation the Consumer Price Index as a basis for an investigation by the Division of Pensions and Benefits.

A-1235 (Moriarty)

Requires that public employees who are married, partners in civil union couples, or with domestic partners receive health care benefits from only one public employer.

Motion: Recommend to enact.

Discussion: The Commission supports this bill because it would expand the prohibition of dual health care coverage currently imposed on SHBP/SEHBP participants to public employees covered outside of the State plan.

As a result of the enactment of P.L. 2010, c.2, participants in the SHBP/SEHBP are already precluded from multiple health benefit coverage. This prohibition, however, is limited to multiple SHBP/SEHBP coverage. Chapter 2's multiple coverage prohibition did not extend to coverage outside of the SHBP/SEHBP i.e. public employees that may also be covered under a plan administered by a municipal or county or a school district. The enactment of this bill would extend the multiple health benefit coverage prohibition to public employee coverage in and out of the SHBP/SEHBP.

The bill applies only to active employee coverage. Chapter 2's prohibition of dual SHBP/SEHBP coverage extended to both active and employer paid post retirement medical coverage also. The Commission recommends an amendment to this bill extending the dual coverage prohibition to retirees as well.

A-1840 (Diegnan/Prieto/Caputo)

Increases from \$15,000 to \$25,000 annual compensation PERS retiree may earn in PERS-covered employment without reenrollment.

Motion: Recommend not to enact.

Discussion: The Commission opposes this bill because, in light of L. 2010, c.1's provision requiring full time status for PERS membership eligibility, this bill, without further amendments, would accomplish little.

With the enactment of the pension reforms included in P.L. 2010, c.1, public employees employed after May 21, 2010 must be full-time to qualify for PERS membership, i.e. a 35 hour work week for State employees, 32 hours per week for local employees. If a PERS member retires under a "bona fide" retirement, upon return to PERS-covered public employment, the public employee will now be subject to the full time rule regarding PERS membership. Consequently, retired PERS members returning to public employment in a less than full-time capacity may now surpass the \$15,000 salary exemption provided for in PERS law without suspending their pension and re-enrolling in PERS. Unless the bill was amended to state that re-enrollment in the PERS is required if the annual salary exceeds \$25,000 regardless of full-time or part-time status of the position, the enactment of this bill, as written, would have no impact.

A-4161 (Rible/Mosquera)

Requires health insurers, SHBP and SEHBP to provide coverage for diagnosis, evaluation and treatment of lymphedema.

Motion: Recommend not to enact.

Discussion: The Commission opposes this bill because:

- The coverage mandated by this bill is already provided under the SHBP/SEHBP, and
- It continues the questionable practice of mandating health benefit coverage.

The coverage mandated by this bill is already provided under the SHBP/SEHBP by each of the plans offered within the program through both Horizon and Aetna.

Health benefit mandate bills impacting the SHBP/SEHBP 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.

Last update: August 27, 2013