

ASSEMBLY, No. 1966

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:

Assemblywoman CARIDAD RODRIGUEZ

District 33 (Hudson)

SYNOPSIS

“Expanding Access to Health Care Act”; requires certain large employers to either provide specified level of health benefits to employees or pay assessment to State.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/23/2008)

1 AN ACT concerning provision of employee health benefits coverage
2 and supplementing Title 34 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. This act shall be known and may be cited as the “Expanding
8 Access to Health Care Act.”

9

10 2. As used in this act:

11 “Commissioner” means the Commissioner of Labor and
12 Workforce Development.

13 “Employee” means any person engaged in service at a location in
14 the State by a large employer on a full or part-time basis for wages,
15 salary or other compensation.

16 “Fund” means the Expanding Access to Health Care Fund
17 established pursuant to this act.

18 “Health care expenditures” means the amount paid by a large
19 employer to provide health care benefits or reimburse employees
20 for their health care costs, to the extent the expenditures may be
21 deductible by the employer under federal tax law. Health care
22 expenditures may include, but are limited to, payments for medical
23 care, prescription drugs, vision care and medical savings accounts.

24 “Large employer” means any person or corporation, partnership,
25 individual proprietorship, joint venture, firm, company or other
26 similar legal entity that employs 10,000 or more persons in New
27 Jersey and pays their wages.

28 “Wages” means the direct monetary compensation due an
29 employee from an employer for services rendered by the employee,
30 whether determined on the basis of time, task, piece, commission,
31 or other method of calculation. “Wages” does not include any form
32 of supplementary incentives and bonuses that are calculated
33 independently of regular wages and paid in addition thereto.

34

35 3. There is established the Expanding Access to Health Care
36 Fund in the Department of the Treasury. The purpose of the fund is
37 to help finance health care coverage for uninsured and underinsured
38 workers and their families in this State.

39 a. The fund shall be a nonlapsing fund dedicated for use by the
40 State to provide health care coverage for uninsured and
41 underinsured employed persons and their families who meet the
42 eligibility requirements for NJ FamilyCare as established pursuant
43 to P.L.2005, c.156, including the Medicaid expansion for parents
44 and other adults established pursuant to that law.

45 b. The fund shall be comprised of revenues received from
46 payments made by large employers under section 4 of this act and
47 such other sources as the Legislature shall determine. Interest
48 earned on the monies in the fund shall be credited to the fund.

1 The monies in the fund shall be invested and reinvested by the
2 Director of the Division of Investment in the Department of the
3 Treasury as are other trust funds in the custody of the State
4 Treasurer in the manner provided by law.

5 c. The fund shall be administered by the Commissioner of Labor
6 and Workforce Development, in consultation with the State
7 Treasurer and the Commissioner of Human Services.

8

9 4. a. Beginning January 1, 2009 and annually thereafter, a large
10 employer shall submit to the commissioner, on a form and in a
11 manner prescribed by the commissioner, the following information:

12 (1) the number of employees in the State as of January 1 of the
13 previous calendar year, or such other date as established by the
14 commissioner;

15 (2) the employer's definition of full-time and part-time
16 employee;

17 (3) the number of full-time and part-time employees in the State
18 eligible to receive health care expenditures from the employer as of
19 January 1 of the previous calendar year and the number of full-time
20 and part-time employees who received health care expenditures
21 from the employer as of January 1 of the previous calendar year;

22 (4) the amount spent by the employer in the previous calendar
23 year on health care expenditures for employees in the State; and

24 (5) the percentage of payroll that was spent by the employer in
25 the previous calendar year on health care expenditures for
26 employees in the State, except that the employer may exempt from
27 the calculation: (a) wages paid to an employee in excess of the
28 median household income in the State as published by the U.S.
29 Census Bureau and (b) wages paid to an employee who is a
30 beneficiary of, or eligible for benefits under, the Medicare program
31 (42 U.S.C.s.1395 et seq.).

32 The principal executive officer of the employer, or other person
33 performing a similar function for the employer, shall include a
34 signed affidavit with the report, under penalty of perjury, that the
35 information provided was reviewed by the signing officer and is
36 true to the best of the signing officer's knowledge, information and
37 belief.

38 b. A large employer organized as a nonprofit organization,
39 which does not spend at least 6% of the total wages paid to
40 employees in the State on health care expenditures, shall pay to the
41 commissioner for deposit in the fund an amount equal to the
42 difference between what the employer spends for health care
43 expenditures and 6% of the total wages paid to its employees in the
44 State.

45 c. A large employer organized as a for-profit organization,
46 which does not spend at least 8% of the total wages paid to
47 employees in the State on health care expenditures, shall pay to the
48 commissioner for deposit in the fund an amount equal to the

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1 difference between what the employer spends for health care
2 expenditures and 8% of the total wages paid to its employees in the
3 State.

4 d. A large employer shall not deduct any payment made
5 pursuant to this section from the wages of an employee.

6 e. A large employer shall make the payment required under this
7 section on a periodic basis, as determined by the commissioner.

8 f. The commissioner shall deposit any funds received from large
9 employers pursuant to this section in the Expanding Access to
10 Health Care Fund established pursuant to section 3 of this act.

11

12 5. a. A large employer that fails to report to the commissioner
13 pursuant to section 4 of this act shall be subject to a civil penalty of
14 \$250 for each day that the report is not timely filed.

15 b. A large employer that fails to make the required payment
16 pursuant to section 4 of this act shall be subject to a civil penalty of
17 \$250,000.

18 c. The penalty shall be sued for and collected by the
19 commissioner in a summary proceeding before the Superior Court
20 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
21 c.274 (C.2A:58-10 et seq.).

22

23 6. On or before March 15 of each year, the commissioner shall
24 report to the Governor and Senate and Assembly standing reference
25 committees on labor and health on the implementation of this act.

26 The report shall include the names of each nonprofit and for
27 profit large employer in the State, and for each such employer:

28 a. the employer's definition of full-time and part-time
29 employees;

30 b. the number of its full-time and part-time employees;

31 c. the number of its full-time and part-time employees,
32 respectively, eligible to receive health care expenditures;

33 d. the number of its full-time and part-time employees,
34 respectively, receiving health care expenditures from the employer;
35 and

36 e. the source of health insurance benefits for those eligible full-
37 time and part-time employees, respectively, not receiving health
38 care expenditures through the employer.

39

40 7. The commissioner shall adopt rules and regulations pursuant
41 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
42 1 et seq.) necessary to carry out the provisions of this act.

43

44 8. This act shall take effect on January 1, 2009.

STATEMENT

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3 This bill, the “Expanding Access to Health Care Act,” would
4 require employers in the State with 10,000 or more employees to
5 spend a percentage of their payroll on health care expenditures for
6 each of their employees, or make a payment to the State’s to benefit
7 the NJ FamilyCare Program, which provides health care coverage to
8 low income workers and their families.

9 A for-profit organization would be required to expend at least
10 8% of total wages paid to its employees in the State on health care
11 expenditures, and a nonprofit would be required to expend at least
12 6% of total wages. In the event the employer expends a lower
13 amount, the employer would be required to pay to the State the
14 difference between what the employer expends and 8% or 6%, as
15 applicable to the organization. The monies paid by employers
16 would be deposited in the Expanding Access to Health Care Fund
17 which shall be dedicated for use by the State to provide health care
18 coverage for uninsured and underinsured employed persons and
19 their families who meet the eligibility requirements for NJ
20 FamilyCare as established pursuant to N.J.S.A.30:4J-8 et seq.,
21 including the Medicaid expansion for parents and other adults
22 established in that 2005 law.

23 Specifically, the bill provides that:

- 24 • Beginning January 1, 2009 and annually thereafter, a large
25 employer shall submit to the Commissioner of Labor and
26 Workforce Development the following information:
- 27 -- the number of employees of the employer in the State as
28 of January 1 of the previous calendar year, or such other date as
29 established by the commissioner;
 - 30 -- the employer’s definition of full-time and part-time
31 employee;
 - 32 -- the number of full-time and part-time employees eligible
33 to receive health care expenditures from the employer as of
34 January 1 of the previous calendar year and the number of full-
35 time and part-time employees who received health care
36 expenditures from the employer as of January 1 of the previous
37 calendar year;
 - 38 -- the amount spent by the employer in the previous calendar
39 year on health care expenditures for employees in the State; and
 - 40 -- the percentage of payroll that was spent by the employer
41 in the previous calendar year on health care expenditures for
42 employees in the State, except that the employer may exempt
43 from the calculation (a) wages paid to an employee in excess of
44 the median household income in the State as published by the
45 U.S. Census Bureau and (b) wages paid to an employee who is
46 beneficiary of, or eligible for benefits under, the Medicare
47 program.

- 1 • “Health care expenditure” means the amount paid by a large
2 employer to provide health care benefits or reimburse
3 employees for their health care costs, to the extent the
4 expenditures may be deductible by the employer under federal
5 tax law. Health care expenditures may include, but are not
6 limited to, payments for medical care, prescription drugs, vision
7 care and medical savings accounts.
- 8 • A large employer shall not deduct any payment made pursuant to
9 this bill from the wages of an employee.
- 10 • A large employer that fails to report to the commissioner as
11 required in this bill shall be subject to a civil penalty of \$250 for
12 each day that the report is not timely filed.
- 13 • A large employer that fails to make the required payment shall
14 be subject to a civil penalty of \$250,000.
- 15 • On or before March 15 of each year, the Commissioner of Labor
16 and Workforce Development shall report to the Governor and
17 Senate and Assembly standing reference committees on labor
18 and health on the implementation of this bill. The report shall
19 include the names of each nonprofit and for profit large
20 employer in the State, and for each such employer:
- 21 -- the employer’s definition of full-time and part-time
22 employees;
- 23 -- the number of its full-time and part-time employees;
- 24 -- the number of its full-time and part-time employees,
25 respectively, eligible to receive health care expenditures;
- 26 -- the number of its full-time and part-time employees,
27 respectively, receiving health care expenditures from the
28 employer; and
- 29 -- the source of health insurance benefits for those eligible
30 full-time and part-time employees, respectively, not receiving
31 health care expenditures through the employer.
- 32 • The bill takes effect on January 1, 2009.