

**SENATE CONCURRENT  
RESOLUTION No. 108**

**STATE OF NEW JERSEY  
214th LEGISLATURE**

INTRODUCED JUNE 10, 2010

**Sponsored by:**

**Senator RAYMOND J. LESNIAK**

**District 20 (Union)**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Co-Sponsored by:**

**Senators Sweeney, Buono, Gill, Gordon, Weinberg, Cunningham,  
Norcross, Whelan, Ruiz and Rice**

**SYNOPSIS**

Urges Governor not to join lawsuit against enforcement of new federal health reforms.

**CURRENT VERSION OF TEXT**

As introduced.



1   **A CONCURRENT RESOLUTION** urging the Governor not to join any  
2   lawsuit that seeks to enjoin enforcement of the federal “Patient  
3   Protection and Affordable Care Act” and related provisions of  
4   law.  
5

6   **WHEREAS**, The federal “Patient Protection and Affordable Care Act,”  
7   Pub.L.111-148, was enacted into law on March 23, 2010, and was  
8   amended by the federal “Health Care and Education Affordability  
9   Reconciliation Act of 2010,” Pub.L.111-152, enacted into law on  
10   March 30, 2010; and

11   **WHEREAS**, A number of states have undertaken legal action to enjoin  
12   enforcement of the provisions of Pub.L.111-148, most notably the  
13   State of Florida, through its attorney general, which has filed a  
14   lawsuit, joined by several other states, against agencies and officials  
15   of the federal government, *State of Florida et al. v. United States*  
16   *Department of Health and Human Services et al.* (Case No.  
17   3:2010cv00091), which seeks declaratory and injunctive relief  
18   against enforcement of the provisions of Pub.L.111-148; and

19   **WHEREAS**, The newly passed health reform legislation, embodied in  
20   Pub.L.111-148 and the amendments to that law contained in  
21   Pub.L.111-152, will have a profound effect on the health and  
22   economic well-being of American families, businesses, and the  
23   economy by making health care coverage more affordable for  
24   businesses and families, enabling millions of the uninsured to gain  
25   coverage, and helping to control the relentless rise in health care  
26   costs, thereby improving the lives of millions of Americans and  
27   giving them the peace of mind that comes with knowing that they  
28   have health care coverage; and

29   **WHEREAS**, The many significant improvements that this historic  
30   package of health reforms will make to America’s health care  
31   system include: a prohibition on health insurance companies  
32   denying health care coverage based on pre-existing conditions and a  
33   guarantee that every American will have access to high-quality  
34   health care coverage, regardless of age, gender, or health status; a  
35   new, regulated marketplace to promote competition among health  
36   insurance companies and provide consumers with the opportunity  
37   to purchase the best plan at the best price; the assurance that all  
38   Americans will have access to stable, high-quality health care  
39   coverage, no matter where they work; a limit on out-of-pocket  
40   health care costs so that all Americans will have real health security  
41   and peace of mind; sliding-scale subsidies to make health insurance  
42   premiums affordable for hard-working, middle-class families; a  
43   requirement that health insurance companies be accountable for  
44   how premium dollars are spent, and that a majority of the premium  
45   dollars they collect be spent on patient care; tighter regulation of  
46   insurance company practices to prevent the abuses that deprive  
47   consumers of their coverage when they need it most; much-needed  
48   financial relief to small businesses through tax credits that will

1 enable them to afford coverage for their employees; assistance for  
2 young adults by requiring that health insurers allow all dependents  
3 to remain on their parents' plan to age 26; an expansion of  
4 Medicaid to millions of low-income working families who  
5 currently fall through the health care coverage "cracks";  
6 improvements to Medicare that will assist senior citizens and  
7 persons with disabilities to afford their drugs and preventive care,  
8 and make Medicare fiscally secure; investments in preventive care;  
9 and actions to improve the quality of health care overall and curb  
10 unnecessary health care spending; and

11 **WHEREAS**, These health reforms will dramatically improve the state of  
12 health care across the whole of America and no less so than in our  
13 own State; and

14 **WHEREAS**, From 2000 through 2009, the increase in the cost of family  
15 health care coverage premiums for New Jersey workers outpaced  
16 the increase in their median earnings by four-to-one; however,  
17 under the new health reforms, New Jerseyans with moderate  
18 incomes, including those up to \$88,200 for a family of four in 2009,  
19 will receive sliding-scale subsidies to help them purchase high-  
20 quality health care coverage, which will protect New Jersey  
21 families from having to spend too great a share of their incomes on  
22 health care premiums; and, as more people throughout our State and  
23 nation gain coverage, the "hidden health tax" that amounted, on  
24 average, to \$1,017 for each family in America with coverage in  
25 2008 - representing the extra cost that families with insurance pay  
26 to make up for the care that physicians and hospitals provide to the  
27 uninsured - will diminish and thereby make health care premiums  
28 more affordable for those who have health care coverage today; and

29 **WHEREAS**, Almost one-third of New Jerseyans under 65 years of age  
30 were without health care coverage for one month or more during  
31 2007-2008, and people with low incomes or those who are self-  
32 employed or work for small businesses are especially at risk of  
33 being uninsured; however, it is estimated that, under the new health  
34 reforms, some 888,000 New Jersey residents will gain health care  
35 coverage by 2019 through a variety of means, depending upon each  
36 resident's situation; some will enroll in coverage provided by their  
37 employers, some will obtain coverage through a new marketplace  
38 called an exchange, in which insurers must play by new rules to  
39 make sure that consumers receive quality coverage, and some will  
40 gain coverage through an expanded Medicaid program that covers  
41 more low-income, uninsured residents who currently lack access to  
42 care; and

43 **WHEREAS**, Health care coverage for small businesses is often more  
44 expensive than coverage for larger firms, which is why, in 2008,  
45 only 53% of New Jersey businesses with fewer than 10 employees  
46 provided coverage, as compared with 99% of all New Jersey  
47 businesses with 50 or more employees; however, under the new  
48 health reforms, small businesses in New Jersey will receive tax

1 credits to help them meet the costs of covering their employees, and  
 2 new exchanges will provide a marketplace where small businesses  
 3 can shop for comprehensive, affordable coverage and will make  
 4 health care premiums more reasonable and predictable for small  
 5 businesses; and

6 **WHEREAS**, Under the new health reforms, health insurance companies  
 7 will be prohibited from placing annual or lifetime caps on the  
 8 coverage provided under New Jerseyans' health insurance policies,  
 9 thereby protecting our residents against being left without health  
 10 care coverage when they need significant medical care; and

11 **WHEREAS**, In 2009, some 260,000 non-elderly New Jerseyans with  
 12 health care coverage were in families that spent more than 25% of  
 13 their pretax income on health care, and such high out-of-pocket  
 14 costs have driven many American families into debt, and even  
 15 bankruptcy; however, under the new health reforms, health insurers  
 16 will have to place caps on how much New Jerseyans are required to  
 17 spend out of their own pockets for care; and these caps will be set  
 18 on a sliding scale so that lower-income people will have greater  
 19 protection from out-of-pocket costs, and our residents will also  
 20 receive income-based help for paying copayments and other cost-  
 21 sharing; and

22 **WHEREAS**, Currently, New Jersey senior citizens and persons with  
 23 disabilities who are enrolled in the Medicare Part D prescription  
 24 drug program face a gap in prescription drug coverage known as the  
 25 "doughnut hole," under which they may have to pay up to \$3,610  
 26 out-of-pocket in 2010 for prescription drugs, in addition to their  
 27 annual Part D premiums; however, the new health reforms will  
 28 gradually eliminate the Part D "doughnut hole" by providing drug  
 29 discounts that will increase each year until the "doughnut hole"  
 30 closes entirely in 2020; and

31 **WHEREAS**, The 1.2 million Medicare beneficiaries residing in New  
 32 Jersey are required to pay out-of-pocket copayments, co-insurance,  
 33 and deductibles for many Medicare-covered preventive services,  
 34 but the new health reforms will make preventive care more  
 35 affordable for these senior citizens and persons with disabilities by  
 36 eliminating all copayments, co-insurance, and deductibles for  
 37 preventive care under Medicare; and by 2018, Medicare  
 38 beneficiaries nationwide can expect to save an average of almost  
 39 \$200 annually in premiums and over \$200 annually in co-insurance  
 40 compared to what they would have paid without the new health  
 41 reforms; and

42 **WHEREAS**, The new health reforms will extend, by nearly a decade,  
 43 the Medicare hospital trust fund, which is projected to be  
 44 insufficient to pay full benefits by as soon as 2017, and will provide  
 45 more assistance to low-income Medicare beneficiaries, which will  
 46 make it easier for Medicare beneficiaries in New Jersey and  
 47 nationwide to obtain needed health care, both now and in the future;  
 48 and

1 **WHEREAS**, The current State Administration has already announced  
 2 that the receipt of federal monies allocated to New Jersey under the  
 3 new health reforms will, in addition to other anticipated fiscal  
 4 developments, enable the Governor to forgo the proposal in his  
 5 recommended budget for Fiscal Year 2011 to impose a \$310  
 6 deductible and increased copayment requirements under the  
 7 “Pharmaceutical Assistance to the Aged and Disabled” program  
 8 and the “Senior Gold Prescription Discount Program” on the low-  
 9 income senior citizens and persons with disabilities who receive  
 10 critical assistance from these programs in paying for their vitally-  
 11 needed medications; and

12 **WHEREAS**, The increase in the number of New Jerseyans with health  
 13 care coverage as a result of the new health reforms will provide  
 14 significant financial relief to hospitals in our State by reducing their  
 15 charity care caseloads, and thereby help these facilities to better  
 16 cope with the financial challenges they face and continue to provide  
 17 essential health care services to the people of New Jersey and jobs  
 18 for hospital employees throughout the State; and

19 **WHEREAS**, Given the many and important benefits that will accrue to  
 20 the people of New Jersey as a result of the new health reforms, as  
 21 well as to millions of other Americans, the Governor should  
 22 publicly renounce any suggestion that this State join any lawsuit  
 23 which seeks to enjoin the federal government from enforcing the  
 24 provisions of these health reforms; and

25 **WHEREAS**, In further recognition of the significant benefits to New  
 26 Jerseyans from the new health reforms hereinabove cited and in  
 27 order to clarify any ambiguity as to where he stands on the most  
 28 important federal health policy enactment since the creation of  
 29 Medicare and Medicaid, the Governor, by a public declaration that  
 30 befits his well-earned reputation for forthright and unambiguous  
 31 advocacy of his public policy preferences, should join with this  
 32 Legislature in asserting that these historic reforms are constitutional  
 33 and beneficial, will conduce to a more just, fair, and healthy  
 34 society, and are right for New Jersey and for America; now,  
 35 therefore,

36  
 37 **BE IT RESOLVED** by the Senate of the State of New Jersey (the  
 38 *General Assembly concurring*):

39  
 40 1. The Governor is respectfully urged not to join any lawsuit  
 41 that seeks to enjoin enforcement of the provisions of the new  
 42 federal health reforms embodied in the “Patient Protection and  
 43 Affordable Care Act,” Pub.L.111-148, and the “Health Care and  
 44 Education Affordability Reconciliation Act of 2010,” Pub.L.111-  
 45 152.

46  
 47 2. Duly authenticated copies of this resolution, signed by the  
 48 President of the Senate and the Speaker of the General Assembly

**SCR108 LESNIAK, VITALE**

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1 and attested by the Secretary of the Senate and the Clerk of the  
2 General Assembly, shall be transmitted to the Governor.

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**STATEMENT**

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7 This concurrent resolution urges the Governor not to join any  
8 lawsuit that seeks to enjoin enforcement of the provisions of the  
9 new federal health reforms embodied in the "Patient Protection and  
10 Affordable Care Act," Pub.L.111-148, and the "Health Care and  
11 Education Affordability Reconciliation Act of 2010," Pub.L.111-  
12 152.