

SENATE RESOLUTION No. 90

STATE OF NEW JERSEY

INTRODUCED APRIL 21, 1997

By Senator ZANE

1   **A SENATE RESOLUTION** establishing a Special Senate Committee on Health  
2       Insurer Profits.  
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4   **WHEREAS**, In the name of economy and efficiency, health insurers are  
5       interjecting themselves more and more routinely into decisions of  
6       physicians and other health care professionals concerning the care and  
7       treatment of their insureds; and  
8   **WHEREAS**, Despite these cost-saving efforts at the expense of the peace of  
9       mind and well being of their insureds, health care coverage costs continued  
10      to rise last year; and  
11   **WHEREAS**, At the same time that health insurers are substituting business  
12      sense and executive decisions for common sense and medical experience  
13      in the name of affordability, many citizens of this State still find the cost of  
14      health insurance coverage prohibitive: more than one million people, or  
15      approximately 14% of the population of New Jersey, are uninsured; and  
16   **WHEREAS**, The fact that health insurance is still unaffordable and therefore an  
17      unattainable goal leads to the inescapable conclusion that any economies  
18      that have been realized through the efforts of health insurers have increased  
19      profits, not affordability; and  
20   **WHEREAS**, Moreover, from issues of medical necessity and mandated  
21      coverage to the length of hospital stays after surgery, more and more often  
22      this Legislature finds itself in the position of considering legislation to  
23      counteract the economic incentives and profit-driven policies of health  
24      insurers; and  
25   **WHEREAS**, This piecemeal approach to health insurer accountability, in the  
26      face of the rising costs of health insurance coverage is not in the best  
27      interests of the people who have such coverage, not to mention those who  
28      cannot afford it; and  
29   **WHEREAS**, At the outset then, it only makes sense to examine just how  
30      profitable the health insurance business is in New Jersey, and whether  
31      insurers are in the midst of a “financial crisis,” as some have claimed; now,  
32      therefore;  
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34        **BE IT RESOLVED** *by the Senate of the State of New Jersey:*  
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4. The committee shall issue a report and make such recommendations to the Senate as it shall determine to be appropriate based on an analysis of the facts resulting from the inquiry.

This resolution creates a special Senate committee to investigate the profits and earnings of health insurers doing business in the State. The Special Senate Committee on Health Insurer Profits will be a bi-partisan committee comprised of six members of the Senate appointed by the President. Granted subpoena powers, it is charged with reviewing such factors as the percentage increase or decrease in health insurance premiums, by insurer, over the past five years; and the profits or net earnings of health insurers doing business in the State, and the rise and fall thereof over the last five years. Health insurers subject to the committee's scrutiny will include health service corporations, medical service corporations, hospital service corporations, health maintenance organizations and commercial health insurance companies doing business in New Jersey.

Establishes a Special Senate Committee on Health Insurer Profits.