

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1256

STATE OF NEW JERSEY

DATED: MARCH 22, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1256.

This bill resolves an apparent conflict between provisions in chapter 10 of Title 40A of the New Jersey Statutes, which permit municipalities to offer group health insurance benefits to volunteer fire fighters and emergency responders, and provisions in chapter 27A of Title 17B of the New Jersey Statutes regarding small employer health benefits plans. For example, although N.J.S.40A:10-30 authorizes a municipality to provide group health plans to volunteer firefighters, those volunteers are not considered eligible employees under the small employer health benefits plan statutes. This bill clarifies that these volunteers, as well as emergency responders, may be included in the group of eligible employees in municipalities regarded as small employers, and thereby receive coverage under the same group plan.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill would have an indeterminate impact on the expenditures of certain municipalities that utilize volunteer firefighters or emergency responders and participate in the Small Employer Health (SEH) Benefits Program.

The bill may increase health care costs for any municipality that participates in the SEH Benefits Program but does not provide health care benefits for volunteer firefighters and emergency responders. These municipalities would be expected to incur additional costs associated with the health care coverage of those volunteers.

However, if any municipality currently participates in the SEH Benefits Program and also provides health care coverage for volunteer firefighters and emergency responders through other means, then the bill may allow the municipality to benefit from reduced health insurance rates for these volunteers and thereby experience cost savings.

The fiscal impact of the bill is expected to vary depending on (1) whether a municipality currently provides health care coverage for these volunteers, and (2) the number of volunteers for which a participating municipality would be required to provide health care coverage under the bill. Given that the OLS lacks sufficient information concerning each of these conditions, the OLS is unable to quantify the anticipated fiscal impact of the bill.