Pension and Health Benefits Review Commission Vote Results
February 15, 2013

S-1970 (Greenstein)/A-2185 (Conaway/Benson/Gusciora)
Requires insurers and State health care coverage programs to cover cost of HPV vaccine.

**Motion:** Recommend not to enact.

**Discussion:** The procedure mandated by this bill is already covered under the SHBP/SEHBP by each of the plans offered within the program through both Horizon and Aetna. Network providers in each of these plans offer a full range of services that include well-care and preventive services such as annual physicals, well-baby/well-child care, immunizations, mammograms, annual gynecological examinations, and prostate examinations.

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.

This bill continues the questionable practice of mandating health benefit coverage. Such mandates generally tend to continue to place the health insurance industry outside of the "free enterprise" system and drive up the cost of health insurance for both employer provided coverage and individual policies. The continued enactment of health benefit mandate legislation could soon make coverage unaffordable for both. In addition, the new federal Affordable Care Act deems state mandates as a state responsibility that are not eligible for federal funds participation.

S-2205 (Norcross)/A-3302 (Singleton/Conaway/Burzichelli)
Provides municipalities and fire districts with option to hire firefighters up to age 40 with eligibility for PFRS membership; allows firefighters legally hired after age 35 currently in PERS to transfer to PFRS.

**Motion:** Recommend not to enact.

**Discussion:** State pension law regarding membership in the PFRS restricts enrollment to police and firemen age 35 and under. The law does provide for the following exceptions:

- Eligible periods of military service during periods of conflict may be used to reduce enrollment age and
- Any former State trooper, sheriff's officer, deputy sheriff's officer or county or municipal policeman is permitted to use previous service as a police officer to reduce actual age in order to meet maximum age requirement of 35 years for the position of a municipal police officer.
Municipal laws restrict the appointment of personnel to a municipal police or fire department to individuals age 35 and under. However, there are no similar age restrictions applicable to appointments made by a fire district or on a county or State level. Because of the PFRS pension law age restriction, police and firemen appointed by a fire district or on a county and State level are required to join the PERS. If this bill is enacted, a disparity in the laws regarding eligibility to participate in the PFRS would be created because:

- Policemen appointed over the age of 35 would still be generally precluded from PFRS membership, since this bill only applies to firemen, and
- Firemen over the age of 35 hired by a municipality or fire district electing the provisions of this bill would be allowed enrollment in the PFRS, however, their counterparts employed on a county or State level would not.

Additional considerations include: the possibility of an increased number of workers compensation and disability claims by older-than-expected workers; higher cost Tier 1 or 2 coverage permitted by this legislation’s conversion of an employee to another pension system; conversions to PFRS will result in much higher cost than PERS; this bill appears to be special legislation; there is a sufficient workforce under the age of 35 years that is eligible for firefighter positions, and; this bill encourages people to work past the age generally thought to be safe for public safety workers, in order to achieve the required years of service to receive a pension.

**A-3526 (Dancer)**
Prohibits multiple coverage for public employer health care benefits as employee, dependent, or retiree.

**Motion:** Recommend to enact.

**Discussion:** 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 (see Section 12). 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. The enactment of this bill would extend equitably the multiple health benefit coverage prohibition to public employee coverage in and out of the SHBP/SEHBP.

The provisions of this bill would not preclude multiple coverage if the other coverage is through the private sector.

**A-3538 (Mainor/Albano/Johnson)**
Provides for sick leave injury program of 30 days for State employees who are members of PFRS or SPRS. – Withdrawn from the files at the sponsors’ request.