Pension and Health Benefits Review Commission

Vote Results
May 20, 2016

S-148 (Madden)
Requires health insurance coverage for certain student athlete physical examinations.

Motion: Recommend not to enact.

Discussion: The Commission does not recommend enactment of this bill because annual physical examinations are already covered under the SHBP/SEHBP, and the health benefit mandates imposed by this bill would usurp the authority of the SHBP/SEHBP Plan Design Committees.

Annual physical examinations are already covered under the SHBP/SEHBP by each of the carriers that provide coverage for each of the plans in the State’s program, i.e. Horizon Blue Cross Blue Shield of New Jersey 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.

S-296 (Vitale/Gill)/A-2329 (Vainieri Huttle/Wisniewski/Muoio/Gusciora)
Establishes certain standards for health benefits plans with tiered network.

Motion: Recommend not to enact.

Discussion: In regard to the SHBP/SEHBP, the Commission recommends not to enact because of its provision that would legislatively mandate the cost-sharing of the least preferred tier, usurping the authority of the SHBP/SEHBP Plan Design Committees and restricting them from future plan design changes that could result in significant savings to the taxpayers of this State as well as public employees and their employers.

The bill would restrict the Plan Design Committees, authorized pursuant to P.L. 2011, c.78 with the responsibility for the plan design of the SHBP and SEHBP, from making future changes to the plans. The provision in this bill that mandates the cost sharing amount associated with the lowest tier of the health benefits plan will restrict the Plan Design Committees ability to adjust cost-sharing amounts in the future.

In addition, including “University Hospital and any other general or acute care hospital designated as an instrumentality of the State” defeats the purpose of a tiered network. By definition a tiered network provides for a limited network of facilities. Insisting that one or more facilities be included in the highest tier could prevent the inclusion of a more cost effective, efficient and higher quality facility from participating.

S-1929 (Lesniak)
Requires health insurance coverage for amino acid-based elemental formula.
Motion:  Recommend not to enact.

Discussion:  The Commission does not recommend enactment of this bill because over-the-counter drugs normally are not covered by the SHBP/SEHBP, it will increase SHBP/SEHBP costs for all employers participating in the plan, it shifts the final determination of medically necessary for insurance coverage away from the plan to the treating physician, and it usurps the authority of the SHBP/SEHBP Plan Design Committees.

S-1936 (Vitale/Gordon)/A-3423 (Benson/Lampitt)
Provides for designation of acute stroke ready hospitals; establishes Stroke Care Advisory Panel and Statewide stroke database; requires development of emergency services stroke care protocols; and mandates insurance coverage for telemedicine for stroke care.

Motion:  Recommend not to enact.

Discussion:  Limiting its decision to this bill’s impact on the SHBP/SEHBP, the Commission does not recommend enactment of this bill because it would negate any savings to be derived from delivering medical consultations via telemedicine by requiring providers of this service to be reimbursed by the plan at the same rate as in-person consultations.

SHBP/SEHBP coverage for telemedicine is an issue for the Plan Design Committees and should not be mandated by legislation.

A-3542 (Vainieri Huttle)
Requires health benefits coverage of hearing aids for children 17 years of age and younger.

Motion:  Recommend not to enact.

Discussion:  The Commission does not recommend enactment of this bill because it will increase SHBP/SEHBP costs to the State and participating local employers. The enactment of this bill may encourage the introduction of future legislation to expand this coverage to the SHBP/SEHBP population over the age of 17, with potentially significant cost, and it usurps the authority of the SHBP and the SEHBP Plan Design Committees. P.L. 2008, c. 126 created coverage up to age 15, and New Jersey offering it is generally the exception.

A-3558 (Wisniewski/Gusciora/Holley/Muoio)/S-1934 (Weinberg/Allen)
Places freeze on future enrollment in tiered network health benefits plans until new legislation and regulations governing those plans are in effect.

Motion:  Recommend not to enact.

Discussion:  Since employer/employee costs associated with the tiered network options in the SHBP/SEHBP are currently lower than other plans offered under the programs, a moratorium on future enrollment in the State programs’ tiered network plans will eliminate potential health benefit cost reduction options available to the State and participating local employers and employees.
A-3587 (Prieto/Jimenez)
Enhances PFRS accidental death pension for surviving spouse by providing for minimum of $50,000 annually.

Motion: Recommend not to enact.

Discussion: The Commission does not recommend enactment of this bill because it increases pension liabilities and the State’s and local employers’ cost’s to fund the PFRS.

The underfunded status of the pension plan makes it difficult to consider benefit enhancements at this time. Additionally, this bill detracts from the formula based benefits upon which current pensions are based and provides no rationale for establishing its proposed $50,000 benefit floor.

The Commission supports the current formula system for determining benefits and does not consider a flat amount as viable for the integrity of the pension funds. The Commission notes there is a decision expected soon from the New Jersey Supreme court as to the current Cost Of Living Adjustment (COLA). As to benefits, the Commission is typically concerned about increasing expenditures when the plans are very underfunded.

A-3610 (Conaway/Singleton/Greenwald)
Increases accidental death benefit to 70 percent of final compensation for surviving children if there is no surviving spouse of SPRS member who dies in performance of duty, changes definition of child.

Motion: No recommendation since the Commission received letters from Speaker Vincent Prieto and Senate President Stephen M. Sweeney serving as notice that A-3610/S-2061 are an urgent matter that legislatively will be considered and voted on as soon as practicable as required by N.J.S.A. 52:9HH-2.