

ASSEMBLY, No. 1831

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Assemblywoman CLEOPATRA G. TUCKER

District 28 (Essex)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Co-Sponsored by:

Assemblyman Giblin

SYNOPSIS

Permits reimbursement of COBRA health benefit costs of survivors of certain deceased public safety employees; appropriates \$750,000.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning health benefit costs of survivors of deceased
2 public safety employees, supplementing chapter 18A of Title 52
3 of the Revised Statutes, and making an appropriation.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 "COBRA continuation coverage" means health coverage
11 provided pursuant to the federal Consolidated Omnibus Budget
12 Reconciliation Act of 1985.

13 "Formerly-covered dependent" means a "dependent," as defined
14 under N.J.S.40A:10-16, of a public safety employee, which
15 dependent has paid for COBRA continuation coverage as the result
16 of the public safety employee having died while on duty, or within
17 24 hours of going off duty, so long as the dependent had been under
18 medical, drug, or other health care coverage through the State
19 Health Benefits Program, established pursuant to the "New Jersey
20 State Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25
21 et seq.), or through the public safety employee's employer, until the
22 time of the public safety employee's death.

23 "Public safety employee" means a permanent, full-time member
24 of a State, county, or municipal law enforcement agency or a county
25 sheriff's office who is statutorily empowered to act for the
26 detection, apprehension, arrest, and conviction of offenders against
27 the laws of this State; an active member in good standing of a paid,
28 part-paid, or volunteer fire department or of a duly incorporated
29 first aid, emergency, ambulance, or rescue squad; or a State or
30 county correctional officer.

31 "Qualifying formerly-covered dependent" means a "formerly-
32 covered dependent" who properly submits an application pursuant
33 to subsection a. of section 2 of P.L. , c. (C.) (pending
34 before the Legislature as this bill).

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36 2. a. On or before March 1 of each year, a formerly-covered
37 dependent, or their legal guardian or head of household acting on
38 their behalf, may apply to the State Treasurer for a reimbursement
39 of the cost of the first six months of COBRA continuation coverage,
40 so long as that first six-month period ended during the preceding
41 calendar year.

42 b. The State Treasurer shall annually reimburse qualifying
43 formerly-covered dependents for the cost actually paid for the first
44 six months of COBRA continuation coverage. If, during any year,
45 the amount of funding dedicated to formerly-covered dependent
46 reimbursement payments through the annual appropriations act is
47 less than the total amount applied for by qualifying formerly-
48 covered dependents, then the amount paid to each qualifying

1 formerly-covered dependent shall be allocated pro rata, based on
2 the cost of the first six months of the COBRA continuation
3 coverage of each qualifying formerly-covered dependent.

4 c. The State Treasurer may promulgate rules and regulations
5 necessary to effectuate the purposes of this act, pursuant to the
6 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
7 1 et seq.).

8
9 3. There is appropriated \$750,000 from the General Fund to the
10 Department of Treasury for the purpose of implementation of
11 P.L. , c. (C.) (pending before the Legislature as this bill).
12 The Legislature, to the extent possible, shall ensure that sufficient
13 appropriations from the General Fund are included in subsequent
14 appropriations acts to maintain the reimbursement established by
15 P.L. , c. (C.) (pending before the Legislature as this bill).

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17 4. This act shall take effect immediately.

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20 STATEMENT

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22 This bill seeks to address the burdensome cost of health insurance,
23 as provided through federal COBRA continuation coverage, by
24 allowing the dependents of certain recently-deceased public safety
25 employees to apply to the State Treasurer for a reimbursement of the
26 cost of the first six months of COBRA continuation coverage.

27 This bill addresses the concern raised by the Pension and Health
28 Benefits Review Commission that the prior version of the bill
29 requiring employers to continue coverage for six months after the
30 employee's death would have made dependents ineligible for COBRA
31 coverage altogether. COBRA continuation coverage ordinarily is
32 available for 36 months. This bill is intended to not interfere with
33 dependents' ability to keep COBRA coverage for this full term if
34 desired.

35 The COBRA reimbursement permitted under this bill applies to the
36 spouse and unmarried children of State and local public safety
37 employees, including State and local police, full-time, part-time and
38 volunteer firefighters, State and county correctional officers, and
39 members of first aid, emergency, ambulance or rescue squads, if the
40 public safety employee died while on duty, or within 24 hours of going
41 off duty. The COBRA reimbursement is only available so long as the
42 dependents were covered by health insurance through the State Health
43 Benefits Program, or otherwise through the public safety employee's
44 employer, until the time of death.

45 To obtain a COBRA reimbursement, any dependent, for whom the
46 first six months of COBRA coverage ended during the previous
47 calendar year, may apply to the State Treasurer by March 1.

A1831 TIMBERLAKE, TUCKER

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1 The bill appropriates \$750,000 to the Department of Treasury for
2 the purpose of funding COBRA reimbursements, and encourages the
3 Legislature to appropriate sufficient funding in future years. If, during
4 any year, the amount of funding dedicated to COBRA reimbursements
5 by the annual appropriations act is less than the total amount applied
6 for by qualifying dependents, then the State Treasurer shall allocate
7 the COBRA reimbursement payments on a pro rata basis according to
8 the amount for which each dependent has applied.