

SENATE, No. 2567

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 15, 2020

Sponsored by:

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

SYNOPSIS

Permits certain cities to transfer a portion of its public employees from a locally-administered health benefits program to SHBP.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning participation in the State Health Benefits
2 Program and amending P.L.1964, c.125.

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

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7 1. Section 6 of P.L.1964, c.125 (C.52:14-17.37) is amended to
8 read as follows:

9 6. a. Any employer eligible for participation in the program
10 may elect such participation by the adoption of a resolution by its
11 governing body, which would include the name and title of a
12 certifying agent, and a certified copy of the resolution shall be filed
13 with the commission. Any employer making such election shall
14 become a participating employer under the program, subject to and
15 in accordance with the rules and regulations of the commission
16 relating thereto.

17 b. Notwithstanding the provisions of any other law to the
18 contrary, the availability of plans within the program may be limited
19 for employees of a participating employer other than the State
20 pursuant to a binding collective negotiations agreement between the
21 employer and its employees or pursuant to the application by the
22 employer, in its sole discretion, of the terms of any collective
23 negotiations agreement binding on the employer to employees for
24 whom there is no majority representative for collective negotiations
25 purpose. The commission shall implement the terms of such an
26 agreement, and the application of such terms, with regard to plan
27 availability for employees of the employer. The commission may
28 impose such restrictions on the terms as the commission may deem
29 necessary to ensure the effective and efficient operation of the
30 program. This subsection shall apply to the State Health Benefits
31 Program and the School Employees' Health Benefits Program.

32 c. Notwithstanding the provisions of any other law, rule or
33 regulation to the contrary, a governing body of a municipality of the
34 first class, as defined in N.J.S.40A:6-4, may elect, by resolution, to
35 participate in the program by transferring certain employees from the
36 municipality's health benefits program, provided pursuant to
37 N.J.S.40A:10-17, into the State Health Benefits Program, while
38 retaining in the locally-administered health benefits program any
39 other employees not transferred into the State program.

40 A governing body of a municipality thereof that elects to transfer
41 certain employees into the State Health Benefits Program shall
42 provide, in writing, notice to those employees of its intent to change
43 providers for those employees not less than 45 days prior to the date
44 that the change in providers would be effective. The governing body
45 shall provide those employees, or their majority representative, with

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 the master plan documents of both the current and proposed benefits
2 prior to implementation of any changes.

3 (cf: P.L.2010, c.2, s.7)

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5 2. This act shall take effect immediately.

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STATEMENT

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10 This bill permits certain municipalities to transfer a portion of its
11 public employees from its locally-administered health benefits
12 program into the State Health Benefits Program (SHBP).

13 Currently, a municipality with its own health benefits program
14 may transition all of its public employees into SHBP on an “all or
15 nothing basis.” However, this bill permits municipalities of the first
16 class, a municipality with a population of more than 150,000, the
17 option to transfer certain employees from the municipality’s health
18 benefits program into SHBP, while retaining in their locally-
19 administered health benefits program any other employees not
20 transferred to the State program.

21 Under the bill, a governing body of a municipality thereof that
22 elects to transfer certain employees into SHBP is required to provide,
23 in writing, notice to those employees of its intent to change providers
24 for those employees not less than 45 days prior to the date that the
25 change in providers would be effective. The governing body is also
26 required to provide those employees, or their majority representative,
27 with the master plan documents of both the current and proposed
28 benefits prior to implementation of any changes.