

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3045

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3045.

This bill allows health insurance companies in this State to provide health care benefit plans that are equivalent to the New Jersey Educators Health Plan and the Garden State Health Plan offered by the School Employees' Health Benefits Program (SEHBP) to local boards of education and other eligible employers who do not participate in the SEHBP, notwithstanding the provisions of any other law, rule, or regulation, including any regulation of the State Department of Banking and Insurance, to the contrary. Health insurance company means and includes health, hospital, and medical service corporations; commercial individual, small employer, and larger group health insurers; and health maintenance organizations.

The bill also modifies the contribution to be made by school district employees who earn more than \$125,000 annually to require that they pay the same amount for the New Jersey Educators Health Plan as those who earn \$125,000, rather than a percentage of salary.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that there will be indeterminate increases in costs for local boards of education and eligible employers due to the reduction in contribution required of those employees who earn more than \$125,000 and are enrolled in the New Jersey Educators Health Plan and its equivalent.

Under current law, the contribution by an employee earning more than \$125,000 per year is a percentage of salary as follows: 3.6 percent for single coverage; 4.4 percent for parent and child coverage; 6.6 percent for employee and spouse coverage; and 7.2 percent for family coverage. Under this bill, the annual contribution to be made by an employee earning more than \$125,000 would be capped at the same amount that an employee earning \$125,000 would pay.