

**SENATE, No. 3033**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED SEPTEMBER 22, 2022

**Sponsored by:**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Expands membership of State Health Benefits Commission and School Employees' Health Benefits Commission.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the appointment of members to the State Health  
2 Benefits Commission and the School Employees' Health Benefits  
3 Commission and amending P.L.1961, c.49 and P.L.2007, c.103.

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

7  
8 1. Section 3 of P.L.1961, c.49 (C.52:14-17.27) is amended to  
9 read as follows:

10 3. a. There is hereby created a State Health Benefits  
11 Commission, consisting of **[five]** nine members: the State  
12 Treasurer; the Commissioner of Banking and Insurance; the  
13 Chairperson of the Civil Service Commission; a mayor or township  
14 business administrator appointed by the Governor; a county  
15 commissioner, a county executive, or a county finance officer  
16 appointed by the Governor; a State employees' representative  
17 chosen by the Public Employee Committee of the AFL-CIO; and  
18 **[the fifth member of the commission shall be a]** three local  
19 employees' **[representative]** representatives chosen by the Public  
20 Employee Committee of the AFL-CIO.

21 The treasurer shall be chairman of the commission and the health  
22 benefits program authorized by P.L.1961, c.49 shall be administered  
23 in the Treasury Department. The Director of the Division of  
24 Pensions and Benefits shall be the secretary of the commission. The  
25 commission and committee shall establish a health benefits program  
26 for the employees of the State, the cost of which shall be paid as  
27 specified in section 6 of P.L.1961, c.49 (C.52:14-17.30). The  
28 commission, in consultation with the committee, shall establish  
29 rules and regulations as may be deemed reasonable and necessary  
30 for the administration of P.L.1961, c.49.

31 The Attorney General shall be the legal advisor of the  
32 commission and committee.

33 The members of the commission and committee shall serve  
34 without compensation but shall be reimbursed for any necessary  
35 expenditures. The public employee members shall not suffer loss of  
36 salary or wages during service on the commission or committee.

37 The commission shall publish annually a report showing the  
38 fiscal transactions of the program for the preceding year and stating  
39 other facts pertaining to the plan. The commission shall submit the  
40 report to the Governor and furnish a copy to every employer for use  
41 of the participants and the public.

42 b. There is established a State Health Benefits Plan Design  
43 Committee, composed of 12 members as follows:

44 six members who shall be appointed by the Governor as  
45 representatives of public employers whose employees are enrolled  
46 in the program;

**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 three members who shall be appointed by the Public Employee  
2 Committee of the AFL-CIO;

3 one member who shall be appointed by the head of the union,  
4 that is not affiliated with the AFL-CIO, that represents the greatest  
5 number of police officers in this State;

6 one member who shall be appointed by the head of the union,  
7 that is not affiliated with the AFL-CIO, that represents the greatest  
8 number of firefighters in this State; and

9 one member who shall be appointed by the head of the State  
10 Troopers Fraternal Association.

11 The members of the committee shall serve for a term of three  
12 years and until a successor is appointed and qualified. Of the initial  
13 appointments by the Governor, three members shall serve for two  
14 years and until a successor is appointed and qualified, and two shall  
15 serve for one year and until a successor is appointed and qualified.  
16 Of the initial appointment by the head of the union representing the  
17 greatest number of police officers in the State, the member shall  
18 serve for two years and until a successor is appointed and qualified.  
19 Of the initial appointment by the head of the union representing the  
20 greatest number of firefighters in the State, the member shall serve  
21 for one year and until a successor is appointed and qualified.

22 The members of the committee shall select a chairperson from  
23 among the members, who shall serve for a term of one year, with no  
24 member serving more than one term as chairperson until all the  
25 members of the committee have served a term in a manner  
26 alternating among the employer representatives and employee  
27 representatives, unless the committee determines otherwise with  
28 regard to this process.

29 The committee shall have the responsibility for and authority  
30 over the various plans and components of those plans, including for  
31 medical benefits, prescription benefits, dental, vision, and any other  
32 health care benefits, offered and administered by the program. The  
33 committee shall have the authority to create, modify, or terminate  
34 any plan or component, at its sole discretion. Any reference in law  
35 to the State Health Benefits Commission in the context of the  
36 creation, modification, or termination of a plan or plan component  
37 shall be deemed to apply to the committee.

38 The members of the committee shall have the same duty and  
39 responsibility to the program as do the members of the commission.

40 If any matter before the committee receives at least seven votes  
41 in the affirmative, the commission shall approve and implement the  
42 committee's decision.

43 If any matter before the committee receives six votes in the  
44 affirmative and six votes in the negative or the committee otherwise  
45 reaches an impasse on a decision, the provisions of section 55 of  
46 P.L.2011, c.78 (C.52:14-17.27b) shall be followed.

47 (cf: P.L.2011, c.78, s.45)

1       2. Section 33 of P.L.2007, c.103 (C.52:14-17.46.3) is amended  
2 to read as follows:  
3       33. a. There is hereby created a School Employees' Health  
4 Benefits Commission, consisting of ~~【nine】~~ 13 members:  
5       (1) the State Treasurer and the Commissioner of the Department  
6 of Banking and Insurance serving ex officio;  
7       (2) a member appointed by the Governor who is a New Jersey  
8 resident and is qualified by experience, education, or training in the  
9 review, administration, or design of health insurance plans for self-  
10 insured employers;  
11       (3) a member appointed by the Governor from among three  
12 persons nominated by the New Jersey School Boards' Association,  
13 which member shall be qualified by experience, education, or  
14 training in the review, administration, or design of health insurance  
15 plans for self-insured employers;  
16       (4) ~~【three】~~ four members appointed by the Governor from  
17 among ~~【five】~~ six persons nominated by the New Jersey Education  
18 Association, of whom ~~【two】~~ three shall be qualified by experience,  
19 education, or training in the review, administration, or design of  
20 health insurance plans for self-insured employers;  
21       (5) ~~【a member】~~ two members appointed by the Governor from  
22 among ~~【three】~~ five persons nominated by the education section of  
23 the New Jersey State AFL-CIO, which ~~【member】~~ members shall be  
24 qualified by experience, education, or training in the review,  
25 administration, or design of health insurance plans for self-insured  
26 employers; ~~【and】~~  
27       (6) a member appointed by the Governor from among three  
28 persons nominated by the New Jersey Association of School  
29 Business Officials;  
30       (7) a member appointed by the Governor from among three  
31 persons nominated by the New Jersey Council of County Colleges;  
32 and  
33       (8) a member appointed pursuant to subsection b. of this section  
34 who shall be the chairperson.  
35       b. The Governor shall appoint the chairperson from among  
36 three persons nominated jointly by at least ~~【six】~~ 10 of the ~~【eight】~~  
37 12 members appointed pursuant to subsection a. of this section.  
38       c. If the Governor declines to make an appointment from  
39 among the persons nominated for membership, the Governor shall  
40 request that a new list of nominees be provided in compliance with  
41 subsection a. of this section. If the Governor declines to make an  
42 appointment from the new list, the process set forth in this  
43 subsection shall be repeated until the Governor makes an  
44 appointment from a list of nominees. Except with respect to the  
45 appointment of the chairperson, if a new list of nominees is not  
46 submitted within 45 days of the Governor's request, the Governor

1 shall make the appointment without the need to select from any list  
2 of nominees.

3 d. The initial terms of the members of the commission shall be  
4 as follows:

5 (1) the member appointed pursuant to paragraph (3) of  
6 subsection a. of this section and the two members appointed  
7 pursuant to paragraph (4) of subsection a. of this section who are  
8 required to be qualified by experience, education, or training shall  
9 serve for a term of three years;

10 (2) the member appointed pursuant to paragraph (2) of  
11 subsection a. of this section, the member appointed pursuant to  
12 paragraph (4) of subsection a. of this section who is not required to  
13 be qualified by experience, education, or training, and the member  
14 appointed pursuant to paragraph (5) of subsection a. of this section  
15 shall serve for a term of two years; and

16 (3) the chairperson shall serve for a term of six years.

17 All subsequent terms shall be for three years, except that the  
18 term of the chairperson shall be five years. A member of the  
19 commission may be reappointed to succeeding terms without limit  
20 in the same manner as the original appointment. A vacancy  
21 occurring on the commission shall be filled in the same manner as  
22 the original appointment and only for the unexpired term.

23 e. There is established a School Employees' Health Benefits  
24 Plan Design Committee, composed of six members as follows:

25 three members who shall be appointed by the Governor as  
26 representatives of public employers whose employees are enrolled  
27 in the program;

28 two members who shall be appointed by the New Jersey  
29 Education Association; and

30 one member who shall be appointed by the education section of  
31 the New Jersey State AFL-CIO.

32 The members of the committee shall serve for a term of three  
33 years and until a successor is appointed and qualified. Of the initial  
34 appointments by the Governor, two members shall serve for two  
35 years and until a successor is appointed and qualified, and one shall  
36 serve for one year and until a successor is appointed and qualified.  
37 Of the initial appointments by the New Jersey Education  
38 Association, one member shall serve for one year and until a  
39 successor is appointed and qualified.

40 The members of the committee shall select a chairperson from  
41 among the members, who shall serve for a term of one year, with no  
42 member serving more than one term as chairperson until all the  
43 members of the committee have served a term in a manner  
44 alternating among the employer representatives and employee  
45 representatives, unless the committee determines otherwise with  
46 regard to this process.

47 The committee shall have the responsibility for and authority  
48 over the various plans and components of those plans, including for

1 medical benefits, prescription benefits, dental, vision, and any other  
2 health care benefits, offered and administered by the program. The  
3 committee shall have the authority to create, modify, or terminate  
4 any plan or component, at its sole discretion. Any reference in law  
5 to the School Employees' Health Benefits Commission in the  
6 context of the creation, modification, or termination of a plan or  
7 plan component shall be deemed to apply to the committee.

8 The members of the committee shall have the same duty and  
9 responsibility to the program as do the members of the commission.

10 If any matter before the committee receives at least four votes in  
11 the affirmative, the commission shall approve and implement the  
12 committee's decision.

13 If any matter before the committee receives three votes in the  
14 affirmative and three votes in the negative or the committee  
15 otherwise reaches an impasse on a decision, the provisions of  
16 section 55 of P.L.2011, c.78 (C.52:14-17.27b) shall be followed.

17 (cf: P.L.2011, c.78, s.46)

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19 3. This act shall take effect 90 days following enactment.

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#### STATEMENT

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24 This bill concerns the appointment of members to the State  
25 Health Benefits Commission and to the School Employees' Health  
26 Benefits Commission.

27 This bill adds four new members to the State Health Benefits  
28 Plan Commission. One new member is to be a mayor or township  
29 business administrator and is to be appointed to the commission by  
30 the Governor. The second new member is to be a county  
31 commissioner, a county executive, or a county finance officer and is  
32 to be appointed by the Governor. The third and fourth new  
33 members are to be local employees' representatives chosen by the  
34 Public Employee Committee of the AFL-CIO.

35 This bill adds four new members to the School Employees'  
36 Benefits Commission. One of the new members is to be appointed  
37 by the Governor from among those nominated by the New Jersey  
38 Education Association. The second new member is to be appointed  
39 by the Governor from among those nominated by the education  
40 section of the New Jersey State AFL-CIO. The third new member  
41 is to be appointed by the Governor from among those nominated by  
42 the New Jersey Association of School Business Officials. The  
43 fourth new member is to be appointed by the Governor from among  
44 those nominated by the New Jersey Council of County Colleges.