

[Second Reprint]

ASSEMBLY, No. 6201

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED DECEMBER 8, 2025

Sponsored by:

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Amends Fiscal Year 2026 annual appropriations act to remove language requiring achievement of cost savings for SHBP.

CURRENT VERSION OF TEXT

As amended by the General Assembly on January 12, 2026.



(Sponsorship Updated As Of: 1/12/2026)

1 AN ACT amending P.L.2025, c.74, the Fiscal Year 2026 annual
2 appropriations act, ¹~~to remove~~ ²~~concerning~~¹ to remove²
3 language requiring the achievement of cost savings for the State
4 Health Benefits Program.

5
6 **BE IT ENACTED** by the Senate and the General Assembly of the
7 State of New Jersey:
8

9 1. The following language provisions in section 1 of P.L.2025,
10 c.74, the annual appropriations act for State Fiscal Year 2026, are
11 amended to read as follows:
12

13 **94 INTERDEPARTMENTAL ACCOUNTS**

14 **70 Government Direction, Management, and Control**

15 **74 General Government Services**

16 **9410 Employee Benefits**

17
18 **DIRECT STATE SERVICES**

19
20 **[**Notwithstanding the provisions of any law or regulation to the
21 contrary, the appropriations for the Employee Benefits program
22 classification shall be subject to the following conditions: (1) in
23 a good faith effort to agree on proposals to save a total of \$100
24 million in State funds during the first six months of Plan Year
25 (PY) 2026, the State and public employees' representatives on
26 the State Health Benefits Plan Design Committee (SHBPDC)
27 shall separately submit cost savings proposals to the plan actuary
28 by July 31, 2025 and the plan actuary shall review the proposals
29 to determine whether the plan design proposals will result in
30 recurring and actuarially verifiable cost savings, noting whether
31 they will be achieved in the first six months of PY 2026 in the
32 amount of \$100 million. Any proposal that the plan actuary
33 determines will not result in recurring and actuarially verifiable
34 cost savings, or less cost savings than proposed, in the first six
35 months of PY 2026 shall be adjusted to reflect actuarially
36 verified cost savings or eliminated from further consideration if
37 no savings are actuarially verified. The SHBPDC shall then
38 meet and vote on each of the verified proposals before
39 September 30, 2025; (2) if the plan actuary determines that the
40 cost savings proposals submitted by the labor and administration
41 representatives will not result in recurring and verifiable total
42 savings of at least \$100 million during the first six months of PY
43 2026, the labor and administration representatives on the
44 SHBPDC shall submit additional proposals to the plan actuary in

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted January 8, 2026.

²Assembly floor amendments adopted January 12, 2026.

1 an effort to achieve the \$100 million savings target before
2 September 30, 2025; (3) if the SHBPDC is unable to reach
3 agreement on the actuarially verified proposals totaling \$100
4 million in cost savings before September 30, 2025, the SHBPDC
5 shall immediately commence the existing statutorily prescribed
6 mediation and conciliation procedure set forth in P.L.2011, c.78,
7 and that process shall be concluded by October 31, 2025; (4) if
8 the SHBPDC is unable to reach agreement on cost savings
9 proposals totaling \$100 million in actuarially verified savings
10 following the existing statutorily prescribed mediation and
11 conciliation procedure set forth in P.L.2011, c.78, the Legislature
12 shall revise the statutory framework set forth in P.L.2011, c.78 to
13 determine a process by which \$100 million in actuarially
14 verifiable cost savings shall be achieved for PY 2026 before
15 December 1, 2025; (5) if the Legislature does not pass a bill
16 revising the statutory framework before December 1, 2025, then
17 a representative of the State selected by the Governor and a
18 public employees' representative selected by the State
19 employees' and local employees' representatives on the
20 SHBPDC shall jointly select cost-saving changes to achieve
21 \$100 million in actuarially verifiable cost savings. In the event
22 that the State representative and the public employees'
23 representative are unable to reach agreement, then the Executive
24 Director of the Office of Legislative Services shall designate an
25 additional representative and the three representatives shall meet
26 and vote to select cost-saving changes to achieve \$100 million in
27 actuarially verifiable cost savings for the first six months of PY
28 2026 before December 15, 2025.】 ²【¹Notwithstanding the
29 provisions of any law or regulation to the contrary, any cost
30 savings proposals submitted by the State Health Benefits Plan
31 Design Committee (SHBPDC) that the plan actuary determines
32 will not result in recurring and actuarially verifiable cost savings,
33 or less cost savings than proposed, shall be adjusted to reflect
34 actuarially verified cost savings, or eliminated from further
35 consideration if no savings are actuarially verified or if the
36 proposal would increase the total cost of the plans. The State
37 shall assume and reimburse all necessary and verifiable costs
38 incurred by a carrier for the development, implementation,
39 administration, or compliance requirements associated with any
40 cost savings proposals approved by the SHBPDC. A carrier shall
41 submit documentation of the projected and actual costs incurred
42 to the Division of Pensions and Benefits in the Department of the
43 Treasury, or such other State agency as may be designated, in a
44 manner and form prescribed by the division.¹²

GRANTS-IN-AID

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2
3 **[**Notwithstanding the provisions of any law or regulation to the
4 contrary, the appropriations for the Employee Benefits program
5 classification shall be subject to the following conditions: (1) in
6 a good faith effort to agree on proposals to save a total of \$100
7 million in State funds during the first six months of Plan Year
8 (PY) 2026, the State and public employees' representatives on
9 the State Health Benefits Plan Design Committee (SHBPDC)
10 shall separately submit cost savings proposals to the plan actuary
11 by July 31, 2025 and the plan actuary shall review the proposals
12 to determine whether the plan design proposals will result in
13 recurring and actuarially verifiable cost savings, noting whether
14 they will be achieved in the first six months of PY 2026 in the
15 amount of \$100 million. Any proposal that the plan actuary
16 determines will not result in recurring and actuarially verifiable
17 cost savings, or less cost savings than proposed, in the first six
18 months of PY 2026 shall be adjusted to reflect actuarially
19 verified cost savings or eliminated from further consideration if
20 no savings are actuarially verified. The SHBPDC shall then
21 meet and vote on each of the verified proposals before
22 September 30, 2025; (2) if the plan actuary determines that the
23 cost savings proposals submitted by the labor and administration
24 representatives will not result in recurring and verifiable total
25 savings of at least \$100 million during the first six months of PY
26 2026, the labor and administration representatives on the
27 SHBPDC shall submit additional proposals to the plan actuary in
28 an effort to achieve the \$100 million savings target before
29 September 30, 2025; (3) if the SHBPDC is unable to reach
30 agreement on the actuarially verified proposals totaling \$100
31 million in cost savings before September 30, 2025, the SHBPDC
32 shall immediately commence the existing statutorily prescribed
33 mediation and conciliation procedure set forth in P.L.2011, c.78,
34 and that process shall be concluded by October 31, 2025; (4) if
35 the SHBPDC is unable to reach agreement on cost savings
36 proposals totaling \$100 million in actuarially verified savings
37 following the existing statutorily prescribed mediation and
38 conciliation procedure set forth in P.L.2011, c.78, the Legislature
39 shall revise the statutory framework set forth in P.L.2011, c.78 to
40 determine a process by which \$100 million in actuarially
41 verifiable cost savings shall be achieved for PY 2026 before
42 December 1, 2025; (5) if the Legislature does not pass a bill
43 revising the statutory framework before December 1, 2025, then
44 a representative of the State selected by the Governor and a
45 public employees' representative selected by the State

employees' and local employees' representatives on the SHBPDC shall jointly select cost-saving changes to achieve \$100 million in actuarially verifiable cost savings. In the event that the State representative and the public employees' representative are unable to reach agreement, then the Executive Director of the Office of Legislative Services shall designate an additional representative and the three representatives shall meet and vote to select cost-saving changes to achieve \$100 million in actuarially verifiable cost savings for the first six months of PY 2026 before December 15, 2025.】 ²【¹Notwithstanding the provisions of any law or regulation to the contrary, any cost savings proposals submitted by the State Health Benefits Plan Design Committee (SHBPDC) that the plan actuary determines will not result in recurring and actuarially verifiable cost savings, or less cost savings than proposed, shall be adjusted to reflect actuarially verified cost savings, or eliminated from further consideration if no savings are actuarially verified or if the proposal would increase the total cost of the plans. The State shall assume and reimburse all necessary and verifiable costs incurred by a carrier for the development, implementation, administration, or compliance requirements associated with any cost savings proposals approved by the SHBPDC. A carrier shall submit documentation of the projected and actual costs incurred to the Division of Pensions and Benefits in the Department of the Treasury, or such other State agency as may be designated, in a manner and form prescribed by the division.¹】²

2. This act shall take effect immediately.