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State Health Benefits Plan Design and School Employee Health Benefits Plan Design Committees:

We recently learned of the extraordinary increases in health benefits rates that are awaiting our public employees and public employers participating in the State Health Benefits Program (SHBP) and the School Employees Health Benefits Program (SEHBP). At a time when New Jersey residents and local units are bearing the burden of inflation that has driven up the cost of their everyday expenses, increases of 20 percent or greater in the cost of health insurance premiums is a major concern.

Particularly, it is unacceptable that increased costs of this magnitude are being contemplated without advising the Legislature of this decision. We are requesting that data be provided that includes a full actuarial accounting of the basis for the premium increases. Likewise, we need to understand whether there will be any adverse impact on local units that are not participants in the SHBP or SEHBP.

We respectfully submit the following questions:

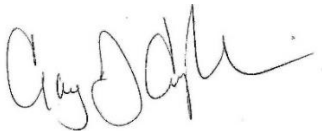
- Are the recommended increases wholly a direct result of solely claims costs, or are there any other factors that attributed to the increase? Is this a Plan Year 2023 issue resulting from a post-COVID surge in people seeking non-emergency care or is there an expectation for large and ongoing increases every year for the foreseeable future?
- How does this recommended increase reflect marketplace trends versus non-SHBP and non-SEHBP plans, including other self-insured plans?
- What were the premium increases in the three prior plan years and how did they relate the actuarially-recommended increases?
- What measures, plan design or other decrements were considered to reduce the proposed increases? There have been documented plan design processes and savings that were designed to achieve significant savings to taxpayers and employees. Have the two Plans achieved the savings that were projected from those cost-saving measures? Are the Plan

Design Committees meeting to explore additional plan design changes to offer participants with more affordable coverage during the upcoming Open Enrollment period?

- Have the Plan Design Committees considered spreading out the premium increases over multiple years to lessen the impact on payers? Are there any reserves or funds that could offset this increase?
- In actual dollars, what is the cost of the proposed increases to both the SHBP and SEHBP?

We ask the Plan Design committees to extend deliberations and consider other options prior to the adoption of new premium rates. We look forward to your response.

Regards,



Craig J. Coughlin
Assembly Speaker



Louis D. Greenwald
Majority Leader



Eliana Pintor-Marin
Assembly Budget Chair

cc Elizabeth Maher Muoio, State Treasurer
George Helmy, Chief of Staff to the Governor