



THE STATE OF NEW JERSEY
OFFICE OF THE GOVERNOR

JON S. CORZINE
Governor

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Governor Seeks Reforms in Anticipation of Rising Cost of Health Benefits

TRENTON - Governor Jon S. Corzine today directed the School Employees Health Benefit Commission and the State Health Benefits Commission to review a series of broad-based reforms in anticipation of a substantial, double-digit increase in program premiums expected to hit the State as early as January 2010.

"Due to escalating health care costs nationwide and the downturn in the economy, premium increases are unavoidable, but we need to do everything we possibly can to hold the line and stabilize this fund to avoid high premium spikes going forward," Governor Corzine said.

The Governor asked the commissions to immediately consider measures that would:

- Suspend an employer's ability to delay premium payments, effective immediately.
- Place a surcharge on employers who enter and leave the program within a two year period.
- Terminate employers for non-payment of premiums after a certain number of days.
- Identify any new cost-saving opportunities that will stabilize the program going forward.

The commissions, part of the Division of Pensions and Benefits in the New Jersey Department of the Treasury, oversee the State's health insurance plans for state and other government workers, the State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP).

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