



Health care rates to rise by 9 percent for N.J. state employees

Published: Wednesday, October 12, 2011, 3:03 PM Updated: Wednesday, October 12, 2011, 5:26 PM



Statehouse Bureau Staff

By



Enlarge

Star-Ledger Staff

NJEA Teachers Brenda Harrower, left, and Kris Johnson, right, with Denville School, among others in the gallery stood with their backs towards the Assembly as Assemblymen Declan J. O'Scanlon Jr. speaks during pension and health benefit bill. (Saed Hindash/The Star-Ledger)

N.J. state workers protest as Assembly prepares to vote on pension overhaul bill gallery (48 photos)

TRENTON — Two state panels approved higher rates for health insurance plans today, raising premium rates for coverage of all state employees, municipal workers and public school teachers and staff.

These new, higher rates for health insurance plans, mean the state will pay more for benefits and so will approximately 850,000 workers who are being asked to pay an increased cost of those benefits.

Today's votes mark the next step in a statewide shift to make public employees pay a larger share of their healthcare.

Rates for 2012 health insurance plans will rise by an average of 9 percent for active state employees, and by 3 percent for

retirees, witnesses told the state health benefits commission today. For Medicare-eligible retirees, rates will be frozen at this year's rate.

Health plan rates for municipal employees grow an average of 10.3 percent. Early retirees increase 10.5 percent and Medicare-eligible retirees see a 2 percent change.

The state commission in charge of reviewing health plan rates for school board employees have approved the following rate raises:

For current teachers and all school administrative staff, plan rates rise by 10.1 percent in 2012. Rates for early retirees, who retire before the age of 65, rise by 6.5 percent. Medicare-eligible retirees see their rates

freeze at 2011 levels.

The state hopes to offer 15 health plans in 2012, compared with three choices for state and local employees last year. Gov. Chris Christie ordered that expansion as part of his successful change to public pension and benefits laws.

Officials anticipate saving \$10 million this year, a savings which they said Tuesday reflected "limited" enrollment in the new, cheaper plans by public employees.

Treasury officials announced last week that the state would also take up \$90 million in federal dollars to pay towards retiree prescription costs, available as a result of federal healthcare reform proposed by President Obama and passed by Congress.

The timing of that program's availability this year is coincidental, and unrelated to Christie's reforms.

By Juliet Fletcher/Statehouse Bureau

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