

EXECUTIVE ORDER NO. 31

WHEREAS, New Jersey's state government, local government, and school employees deserve health care coverage that delivers quality health outcomes while being a good value for enrollees and taxpayers; and

WHEREAS, the State Health Benefits Plan ("SHBP") and the School Employees' Health Benefits Plan ("SEHBP") together cover over 800,000 active and retired members in New Jersey, nearly one-tenth of the State's population; and

WHEREAS, these employee and retiree health benefit costs are projected to be approximately 8.4 percent of the State's overall FY 2019 Budget, at \$3.2 billion; and

WHEREAS, New Jersey is committed to producing fiscally responsible budgets that continue to invest in the health and welfare of a strong public workforce, while also ensuring resources are available for vital new initiatives such as modernizing our transit system, strengthening our schools, and making higher education more affordable; and

WHEREAS, to achieve these goals, New Jersey seeks to support public employees and be a good steward of state resources, while identifying new ways to get the best value for our health care dollars; and

WHEREAS, unions representing public employees are rightfully concerned with ensuring that health care coverage for their members is sufficiently comprehensive, and should be seen as partners in the effort to maximize the value of health care expenditures; and

WHEREAS, a comprehensive review of employee and retiree health benefits programs is necessary to identify strategies to improve the value of our state government, local government, and school employee health care investments to achieve better health outcomes and better management of the costs of employee and retiree health benefits; and

WHEREAS, such a review should be conducted by State officials and stakeholders who represent a variety of perspectives and who have the expertise to develop innovative solutions; and

WHEREAS, this review will provide the State Health Benefits Commission ("SHBC") and the School Employees' Health Benefits Commission ("SEHBC") Plan Design Committees with opportunities for the State to be a leader in the broader effort to design, purchase, and deliver health care services more efficiently and effectively;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby created the State Health Benefits Quality and Value Task Force (the "Task Force") that will evaluate the employee and retiree health benefits systems and make recommendations to provide quality and value in the State's health benefits in a cost-effective manner.

2. The Task Force shall be composed of at least 16 members, including the State Treasurer or a designee, serving ex officio; the Commissioner of Banking and Insurance or a designee, serving ex officio; the State Comptroller or a designee, serving ex officio; the Commissioner of Human Services or a designee, serving ex officio; and 12 public members, who shall be appointed by the Governor and shall serve at his or her pleasure, as follows: four individuals who have experience, knowledge or expertise in the areas of health policy and/or procurements; six representatives from six different employee organizations; one representative from the New Jersey League of Municipalities; and one representative from the New Jersey School Boards Association. The Governor shall select a chairperson from among the members of the Task Force.

All public members of the Task Force shall serve without compensation.

3. The Governor may, as determined to be appropriate, appoint additional members to the Task Force, who shall serve at the pleasure of the Governor.

4. The Task Force shall organize as soon as practicable after the appointment of its members, and shall convene as often as practicable and as requested by the Governor or chairperson.

5. The Task Force is authorized to call upon any department, office, division or agency of this State to supply it with data and any other information or assistance available to such agency as the Task Force deems necessary to discharge its duties under this Order. Each department, office, division or agency of this State is hereby required, to the extent not inconsistent with law, to cooperate fully with the Task Force within the limits of its statutory authority and to furnish it with such assistance on as timely a basis as is necessary to accomplish the purposes of this Order. The Task Force may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission.

6. The Department of the Treasury shall provide staffing for the Task Force to the extent permitted by law and within existing appropriations.

7. The objectives of the Task Force shall include, but not be limited to, the following:

a. Examining the current and future costs of employee and retiree health benefits to State and local government workers and to the State and local governments;

b. Identifying opportunities for short-term improvements, including best practices in health management,

potential efficiencies to improve health outcomes, and plan design opportunities; and

c. Exploring long-term reforms for the broader employee and retiree health benefits system.

8. The Task Force shall be purely advisory in nature, and shall release recommendations as appropriate.

9. This Order shall take effect immediately.

[seal] GIVEN, under my hand and seal this
20th day of July,
Two Thousand and Eighteen,
and of the Independence of
the United States, the Two
Hundred and Forty-Third.

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Deputy Chief Counsel to the Governor