

August 19, 2013

**SENATE BILL NO. 1253
(First Reprint)**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1253 (First Reprint) without my approval.

This bill requires that the State Health Benefits Program ("SHBP") and the School Employees' Health Benefits Program ("SEHBP") provide coverage for all health disorders included in the latest edition of the Diagnostic and Statistical Manual of Mental Disorders under the same terms and conditions as provided for any other disease or illness under the SHBP and SEHBP contracts. New Jersey law currently requires such coverage parity only for biologically based mental illness. The bill also requires the SHBP and SEHBP to provide coverage for treatment of alcoholism and other substance-use disorders under the same terms and conditions as for other diseases or illnesses.

My administration has taken significant steps to combat the myriad issues related to mental illness and substance-use disorders. Working continuously with public officials and private partners, these efforts have helped ensure that individuals suffering from illness and addiction are treated with dignity and given the support they deserve. This bill, however, is contrary to the provisions of our recently enacted pension and health benefit reform law.

In 2011, I signed historic, bi-partisan pension and health benefit reforms into law. The provisions of P.L.2011, c.78 were developed after months of negotiation with the Legislature with the shared goal of creating long-term stability in the pension and health benefits systems for State and local government employees. Critical to that goal was the creation of

health benefit design committees ("design committees") for the SHBP and SEHBP. The design committees were established to review coverage and overall costs, including the participant costs borne by employees, in a holistic manner and to develop health insurance plan options. Half of the design committee members represent public employers and half represent unions that represent public employees in the State. Notably, the design committees have the ability to make other adjustments to health coverage that may reduce the overall cost impact of implementing additional mental health coverage.

The design committees have taken seriously their responsibility and are reviewing mental health coverage as well as other changes to the health plans offered in calendar year 2014. I am advised that the SEHBP has come to agreement on a number of changes to the health plans to be offered in 2014 and the SEHBP will provide the same coverage for mental health disorders as for physical disorders. Unfortunately, the SHBP design committee has not yet reached any similar agreement on changes to their health plans for 2014. I commend the members of the SEHBP design committee for their commitment to employees, government employers, and the taxpayers in making balanced changes to the plans offered by the SEHBP. I urge the SHBP design committee to continue its efforts and also reach an agreement.

While well intended, this bill would limit the role of the design committees, and upset the deliberate balance and independence envisioned in the 2011 reforms. I cannot support a bill that takes a step back from the new system that benefits employees, employers, and taxpayers alike.

Therefore, I herewith return Senate Bill No. 1253 (First Reprint) without my approval.

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor