

September 9, 2013

ASSEMBLY BILL NO. 1273

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 1273 with my recommendations for reconsideration.

This bill requires that once in a 24-month period, the State Health Benefits Program ("SHBP") and the School Employees' Health Benefits Program ("SEHBP") shall provide, at no cost, claims experience data to a participating public employer within 30 days of receipt of a written request for the data.

My administration is committed to encouraging governmental entities to thoroughly consider the cost to taxpayers when determining what provider to engage when providing health benefits. Accordingly, I support the intent of this bill. However, this bill deals only the SHBP and SEHBP and does not address joint insurance funds where governmental units combine for the purpose of providing health benefits. Accordingly, in order to encourage all governmental units to consider all options, I am recommending that the bill be amended to also require that joint insurance funds provide claims experience data in the same manner as the SHBP and SEHBP.

Also, the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and related privacy rules limit the disclosure of protected health information. Thus, I am recommending that the bill be amended to ensure that the claims data only be provided in a manner that complies with HIPAA and related regulations.

Therefore, I herewith return Assembly Bill No. 1273 and recommend that it be amended as follows:

- Page 2, Title, Line 1: After "Program" insert "and joint insurance funds,"
- Page 2, Title, Line 2: After "(C.52:14-17.25 et seq.)" insert "and P.L.1983, c.337 (C.40A:10-36 et seq.)"
- Page 2, Section 1, Line 15: Delete "30" and insert "60"
- Page 2, Section 1, Line 16: After "employer." Insert "Notwithstanding the above, the State Health Benefits Program shall issue claims experience data only in a manner that complies with the privacy requirements of the federal Health Insurance Portability and Accountability Act of 1996, Pub. L.104-191, and related regulations."
- Page 2, Line 17: Insert new section 2:
 "2. A joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.) and subsection e. of section 1 of P.L.1979, c.230 (C.40A:10-6) for the purposes of providing health benefits or health insurance coverage shall provide at no cost to the requestor, and not more than once in a 24-month period, complete claims experience data to a public employer that participates in the joint insurance fund and makes a written request for its claims experience information, including loss reports and large claims data. The joint insurance fund shall provide the information in an electronic and manual format to the participating public employer who has made a written request for its information, within 60 days of the receipt of the written request made by the public employer. Notwithstanding the above, the joint insurance fund shall issue claims experience data only in a manner that complies with the privacy requirements of the federal Health Insurance Portability and Accountability Act of 1996, Pub. L.104-191, and related regulations."

Page 2, Section 2, Line 18:

[seal]

Delete "2." and insert "3."

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor