

## **State Health Benefits Program (SHBP) Rate Increase Information**

### **How much has, Aon, the state's consultant, proposed raising healthcare rates for 2023?**

The proposed increase is 20.7% for people in CWA Unity and 18.6% for state workers in other plans, but over 22% for Local Government workers in NJ Direct 10 or 15.

### **Are 20% plus increases in health premiums for 2023 typical?**

No. Large employers are seeing increases in the 7.0 to 8.0% range.

### **Why is the proposed health insurance premium increase so high?**

Our insurance carrier, Horizon, has failed to meet multiple guarantees of cost savings. Additionally, the state's consultant Aon is stating that the increase is due to inflation and "COVID Bounce Back". We believe that Aon has again overestimated the need for an increase.

### **Who has the authority to approve the premium rates?**

Formally the SHBP Commission and the SEHBP Commission have the authority to determine, and approve the premium rates. Unfortunately on the SHBP Commission union members are in the minority.

### **Is CWA in negotiation to stop the health premium increase?**

CWA and the other state worker unions have contract re-openers that are triggered when proposed rate increases are this high. Conversation and negotiation have already begun between the unions and the state to find ways to stop the proposed health care increase. Agreements reached at the bargaining table are then implemented by the Plan Design Committee and Commission.

### **Who else impacts health premium rates?**

The State Health Benefits Plan Design Committees, composed of equal numbers of union and management representatives, can make changes to plan design and implementation that can save money that end or lower the need for premium increases. The Union members on the PDC propose changes that lessen payments to providers and insurers without increasing member costs or decreasing our benefits.

## What could the proposed increase cost me?

If the state doesn't negotiate to lower premiums, you could pay over 20% more in payroll health contributions every pay period. The actual amount you could lose depends on the type of coverage you have (single, family, etc.) and your income. See the next chart for a few examples for members in CWA Unity/NJ Direct, Omnia or the high deductible plans.

### ***How much more a year will I lose if the 20.7% increase goes through***

	<u>Single</u>	<u>Member &amp; Spouse</u>	<u>Family</u>	<u>Parent &amp; Child</u>
\$35,000	\$147	\$180	\$196	\$180
\$55,000	\$350	\$463	\$514	\$463
\$75,000	\$557	\$875	\$1,017	\$823
\$95,000	\$597	\$994	\$1,332	\$926

***A typical state worker making \$75,000 with family coverage will see a 1.36% pay cut.***

## What are we doing to fight this increase?

CWA has put together a coalition of state and local government worker unions to increase our power. We are also at the bargaining table with the state to stop the increase.

## What can my co-workers, family and I do?

**Call the Governor at 833-479-1993** during the day on your lunch and break time and tell him to stop the health contribution increase. (see attached flyer)

## What else can we do?

Attend the **All-Union Rally** at the **Statehouse** on **Tuesday September 13** at **Noon** to stop the health contribution increase. Plan now to take off the time you need to attend. Contact your local union for information about transportation and staging locations to the rally. (see attached flyer)

For more information and management's view *see attached Treasury document "SHBP and SEHBP Rate Renewal for Plan Year 2023 Frequently Asked Questions (FAQ)"*.

**CWA**

