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# Republican Leadership Calls for Investigation of Murphy Administration's Failure to Control Health Care Costs for Public Employees, Retirees & Taxpayers

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## Notification of 24% Premium Increase Follows News that Governor's Office Squashed Attempts to Recover Tens of Millions for Failed Cost-Saving Program from Horizon

Republican leadership in the New Jersey Senate and General Assembly called for the formation of a special legislative committee to investigate massive health care premium increases that will be paid by active and retired public employees and taxpayers.



Republican leadership in the N.J. Legislature called for the formation of a special legislative committee to investigate massive health care premium increases that will be paid by active and retired public employees and taxpayers. (©iStock.com)

"Governor Murphy has completely failed to control health care premiums paid by the state, local governments, and active and retired public employees," said Senate Republican Leader Steven Oroho (R-Sussex). "The 24% premium increase proposed for most active employees will take thousands more out of their paychecks annually and lead to huge costs for local governments that will translate into higher property tax bills for struggling families. We must investigate the failures that led to these catastrophic premium increases to develop an effective plan going forward."

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Premiums for active employees covered by the State Health Benefits Plan (SHBP) are set to increase by 24%, while those for school employees and teachers covered by the School Employees' Health Benefits Program (SEHBP) are set to rise by 15.6%

Similarly, SHBP retirees are set to pay an additional 15.6% for health care, while SEHBP retirees will pay 13.6% more.

"Taxpayers, employees and retirees living on fixed incomes cannot afford the anticipated cost increases for state health benefits on top of what they are paying just to live, eat and work in New Jersey. Much of the blame rests with the Democrats who failed to address the record-high inflation in this year's massive \$50.6 billion spending plan and the Murphy administration for making New Jersey less affordable," said Assembly Republican Leader John DiMaio (R-Warren). "It's time we peel back the onion to find out exactly how we got to where we are with the health care premiums so we can hold those responsible accountable."

The legislators said an investigative committee with subpoena power should be established to investigate the increases, including [allegations published by Bloomberg](#) that the Murphy administration squashed an attempt to recover \$34 million paid to Horizon for a failed program to lower costs. Outside consultants confirmed that "the program yielded no apparent savings," also [according to Bloomberg](#).

Horizon administers the health care plans for hundreds of thousands of state and local government employees and retirees in New Jersey.

"It's distressing that the massive health care premium increases are coming on the heels of the shocking report that the Governor's Office pressured state officials to stop an attempt to claw back tens of millions of dollars from Horizon after they failed to deliver on a contract to lower costs," said Senate Republican Budget Officer Declan O'Scanlon (R-Monmouth). "It's absolutely scandalous that high-level administration officials would intercede to prevent Horizon from being held accountable as premiums are set to skyrocket. Employees, retirees, and taxpayers deserve to know why."

The legislators also pointed to [a failed 2020 health benefit reform](#) that Governor Murphy said would lead to massive savings for school districts but has backfired and is driving up costs for many districts and property taxpayers.

These are some of the failures they say a special legislative committee should investigate.

"Raising costs for the hardworking people of New Jersey has been the Murphy administration's modus operandi. It's all gimmicks and when it comes time to deliver any real relief, they fail miserably," added Assembly Republican Budget Officer Hal Wirths (R-Sussex). "Now our local governments, seniors, and taxpayers are on the hook for their broken promises to deliver savings and major missteps with Horizon. We can't and won't let them get away with it."