



July 26, 2024
Update for CWA State and Local
Government Members Regarding
Proposed SHBP Premium Increases for
2025

Once again, the State is considering massive increases to our healthcare rates for both state and local government workers, despite two straight years of increases amounting to nearly 30%—but we're already fighting back. And although it's a small one, we've already won the first battle.

Aon, the third-party consultant that the State of New Jersey uses to analyze and make recommendations on our healthcare rates, has proposed increasing premium rates for 2025 for medical and prescription plans under the State Health Benefits Plan (SHBP) by at least 10%. These premiums would affect active employees and retirees in both state government and local government units.

The recommended premium increases are:

- **State government: 10.6%**
- **Local government: 16.3%.**

Based on history, renewal rates are usually adopted no later than September, in advance of open enrollment in October. The new rates would take effect for the calendar year 2025. The State was originally set to approve these increases at a meeting on July 29th, but CWA has successfully lobbied to postpone that meeting and engage in substantive discussion on how to bring down the rates.

However, this fight is not over.

The consultant found that though state workers are using less medical services and local government just slightly more, the prices paid to medical providers soared and drove the proposed hikes. Higher-cost drugs also contributed. For local government in particular, the increase is made worse by the number of local governments that have already left the SHBP due to rising rates. By having a smaller pool with higher claims, the State is assessing additional charges to local governments that remain in the plan.

CWA is fighting on behalf of our state and local government members to stop these massive increases. We're challenging both Aon's analysis and recommendations.

These increases are unsustainable, especially after nearly 30% increases in the past two years. We're working on a multi-pointed plan along with a coalition of other public employee unions to try to reduce these increases by better management of the plans, providing treatment based on effectiveness and outcomes.

Most importantly, we are in solidarity to fight back against any plan that just shifts the burden of increasing healthcare costs onto workers. The total cost of insurance and the prices charged by insurance carriers *must* be controlled through cooperation between unions and the State. We are already challenging the State's analysis and advocating for measures that create real, long term savings. We will not accept cost-shifting to our members.

CWA will also continue to protect our members through tough negotiations at our contract bargaining tables. State and Judiciary members have language in our contracts to protect our member contribution

increases and deal with health insurance premium increases. In Local Government, we know the SHBP increases are impacting negotiations and take home pay in many of our units, and we will continue to fight at each one of those tables.

Discussions with the State are continuing in the coming days and weeks. Please keep in contact with your Local for updates.

Whether you're a state or local government CWA member, **we are in this fight together!**