



We all know it: healthcare costs have become a crisis. As State workers begin getting information about Open Enrollment in the next few days, we wanted to send an update on our campaign to fight skyrocketing healthcare costs and reform the system - for both State members who will be bargaining their next contract soon and Local Government members who are being crushed by healthcare premiums.

Last year, we stepped up our efforts to fix this issue and get our members relief — we met with legislators and electoral candidates, we lobbied in Trenton, we had dozens of members testifying at legislative hearings, and we held some of our biggest rallies at the State House in years to tell our elected leaders loud and clear that we demand a real fix.

**The fight isn't over — and our support is growing.** We're fighting for legislation that would make real structural changes to fix the State Health Benefits Plan (SHBP) and address the outrageous costs forced on our local government members. Last year, we filed **A.5903** and **over 40 legislators signed on to this bill.**

In addition, we've been discussing solutions for this crisis with Governor Sherrill and her team and we're looking forward to rolling up our sleeves and working with the administration to reform the system during this budget cycle.

We can't let our foot off the gas. We don't have to tell you that this is a major crisis, and we need all hands on deck to fight for real relief in 2026.

## **Here's what we're fighting for:**

### **1. Accountability and Transparency**

For too long, crucial decisions about our healthcare have been made behind closed doors. For example, last year Horizon Blue Cross Blue Shield was forced to pay a \$100 million settlement for overcharging the State. Workers are being fleeced and we need to fix the system to make sure that insurance companies are accountable:

**Equal Labor-Management Governance:** We need to have a seat at the table and equal representation so that decisions about the SHBP aren't made without us.

**Real Transparency:** Insurance companies cannot hide claims costs from us, as the payers. This means full transparency on claims, utilization data, and reimbursement rates so we can see where our money goes and take steps to stop waste and overcharging.

## 2. Real Cost-Control Measures

The current system is unsustainable. New Jersey hospitals charge an average of 267% of Medicare rates, **making our healthcare among the most expensive in the country**. Many NJ hospitals charge more than that, up to 396% of Medicare. We are advocating for concrete solutions to bring down costs, including:

**Reference-Based Pricing:** Capping the prices we pay for care by tying them to Medicare rates—this is a proven model that would save an estimated \$433 million annually within the SHBP alone without harming hospital operating margins. **Aggressive Claims Auditing and PBM Reform:** We need to root out waste and reform the pharmacy benefit managers (PBMs) that drive up drug costs. It is time to use our full pool to negotiate real savings.

## 3. Affordability for Local Government Workers

Thanks to Chapter 78, our members in local government are being crushed by unsustainable premium increases, with some paying 16-19% of their salary for healthcare. That is not right! We are fighting to:

**Streamline Plans:** Reduce the number of plans from over 50 down to a handful of high-quality options.

**Bake Affordability into the Model:** Use savings from cost-controls to create a new contribution chart that lowers costs for local workers.

## Next Steps

We've already kicked off the next phase of our campaign with a big Legislative Kick Off with members learning about and prepping for the legislative work ahead. We're holding regular Lobby Days in Trenton over the next several months, with CWAers meeting with legislators to talk about this issue and secure support, and we're building towards a massive rally at the State House in June approaching the New Jersey State budget deadline.

In Solidarity,  
CWA District 1

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