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Report

TO MEMBERS

Paid Leave & Benefit Mandate A Real Threat in 'Lame Duck'

As the Legislature enters the "lame duck" period that marks the end of every two-year voting session, employers are in danger of getting slammed by legislation that will make it more difficult to operate their businesses and further raise their cost of health insurance.

If there is one thing we don't need in New Jersey, it's to impose even greater costs and operational burdens on businesses that are already struggling to stay competitive in a weak economy.

With help from unprecedented numbers of NJBIA members responding to our legislative Alerts, NJBIA has vigorously opposed two bills that are of greatest concern. They are:

Paid Family Leave for All Employers. S-2249 (Sweeney, Buono) would mandate ten weeks of paid family leave for workers at every business in the State. There is no exemption for small business. The bill is ready for a final Senate vote; it awaits committee action in the Assembly.

Sweeping Mental Health Insurance Mandate. A-2512 (Gordon, Johnson)/S-807 (Vitale, Buono) would require health insurance plans sold in New Jersey's small-company regulated market to provide unlimited coverage for the treatment of hundreds of behavioral disorders and substance abuse, driving up the State's already high health insurance costs. This legislation has passed the Senate and is ready for a final vote in the Assembly.

NJBIA's Alerts on these two issues generated more than 26,000 e-mail messages from our members to legislators, asking them to stop the madness. The business community could not have expressed a more clear statement of its overwhelming opposition to these two job killers.

At a recent briefing breakfast with 200 NJBIA members, Senate President Richard Codey and Assembly Speaker Joe Roberts, the state's top two legislative leaders, spoke about paid leave.

Assembly Speaker Roberts predicted the issue of paid family leave would be "discussed in some detail" in the Legislature after the November elections. He and Senate President Codey also made it clear that the current bill, in their opinion, would have to be scaled back before a vote is taken because it is too onerous on business. This was the clearest indication yet that legislation mandating paid leave for employees at all businesses in New Jersey, even those with as few as two employees, stands a good chance of being scheduled for a vote.

A paid leave mandate would seriously undermine the ability of many businesses to operate their businesses while still meeting customers' demands. They would find it difficult, if not impossible, to find qualified, replacement workers, and they would shoulder increased costs related to overtime and lost productivity.

The mental health insurance mandate, unfortunately, has already progressed through both houses of the Legislature. A final Assembly floor vote will send it to the Governor.

This sweeping mandate would require employers' health insurance plans to pay for unlimited treatment of virtually all behavioral disorders and substance abuse. Small employers' plans, which are covered under this bill, already provide for treatment of serious mental illnesses like depression. They also cover treatment of substance abuse, but this coverage is subject to reasonable limits.

By mandating unlimited coverage of virtually every mental disorder, this legislation would drive up health insurance costs that have already soared by a compound 80 percent over the last five years.

New Jersey already has the highest health insurance costs in the nation. Does the Legislature believe that even higher costs will encourage businesses to stay in New Jersey and expand here?

As New Jersey struggles through one its weakest periods of job growth in its history, the Legislature and the Governor must not raise costs and undermine your ability to operate your business. Unfortunately, these bills would do just that. ❧