



AFL-CIO

AMERICA'S UNIONS

**American Federation
of Labor and
Congress of Industrial
Organizations**

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June 26, 2017

Dear Members of the New Jersey State Legislature:

On behalf of the AFL-CIO, I write to express our deep concerns about proposed legislation, including S-4, that would restructure Horizon Blue Cross Blue Shield of New Jersey (Horizon). I respectfully urge you not to advance such legislation at this time.

Working people in New Jersey have a strong interest in a well-functioning health insurance marketplace, as well as in the impact of any legislation on Horizon given the critical role it plays in this market. Over 1,000 employees at Horizon are represented by OPEIU Local 32, an affiliate of the New Jersey State AFL-CIO, as well as of the Office and Professional Employees International Union, which itself is an affiliate of the national AFL-CIO. Further, many workers and their families, including a great many union members, receive their health insurance or have their workplace health plans administered through Horizon.

The main provisions of S-4—changing Horizon's mission to that of a charitable organization, changing the makeup of its Board of Directors, and requiring Horizon to be an "insurer of last resort"—could have a dramatic impact on Horizon, its employees and the 3.8 million New Jersey residents it insures. These changes to the law go well beyond what other states require and threaten Horizon's ability to compete in the marketplace.

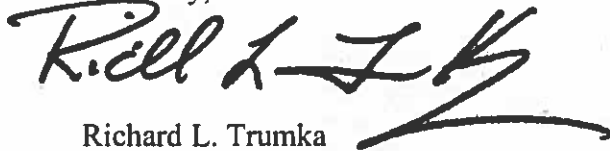
Designating Horizon as the insurer of last resort, in particular, carries with it significant risks and costs that will have to be borne by policyholders. Premiums might have to be raised to offset these new anticipated costs, further adversely impacting the already-high cost of health care and creating even greater challenges for workers and employers bargaining over health benefits. Further, these changes are being proposed without an understanding of how the massive health care cuts currently being pursued by Congress and the president could impact New Jersey and its' health insurance marketplace.

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Instead of being introduced and rushed through the legislature in the final week prior to a legislative recess, S-4 and any similar legislation should be deliberated thoroughly through the traditional legislative process, including hearings throughout the state. It is critical that all stakeholders and experts have an opportunity to evaluate these proposals and fully understand their implications.

Thank you for your consideration of our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard L. Trumka", with a stylized flourish at the end.

Richard L. Trumka
President, AFL-CIO

RLT/SO/vh