



NEWS RELEASE

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The state budget and bills regulating health insurance networks have prompted the most intense lobbying activity so far this year, according to a new analysis by the Election Law Enforcement Commission (ELEC).

Other issues drawing significant attention include a bill that would boost the state’s minimum wage, a ballot question proposal to require full funding of the state pension system, paid sick leave legislation and legislation replenishing the state’s transportation trust fund.

“Most of these bills are both controversial and significant. So you wouldn’t expect them all to be sailing right through the legislature,” said Jeff Brindle, ELEC’s Executive Director. “The budget is the only bill on the list so far to become law.”

Brindle said approval of legislation can take time because legislative leaders, often working with the governor, try to build a consensus by resolving conflicts among various special interest groups.

“If an issue is highly controversial, it is likely to be important to the public. Therefore, compromise can be difficult. Especially since with many of these bills, there are powerful interests on both sides,” he said.

“Some groups are trying to kill the bills outright. Others are trying to push through the legislation, or just want changes to address particular issues. Sometimes it can take years to get certain bills through the legislature.”

Table 1
2016 Bills with Most Reported Lobbying
Activity Based on Number of Represented Entities

RANK	ISSUE	BILL NUMBERS	OFFICIAL CONTACTS	ENTITIES
1	State budget 2015-2016	A4000/S17	301	92
2	Out-of-network health insurance	A1952/S1285	141	61
3	Minimum wage	A15/S15	108	50
4	Paid sick leave	S799	74	40
5	Transportation trust fund	A10/S2412	83	33
6	Transportation trust fund	A11/S2411/A12	69	27
7	Tiered network health insurance	A887/S634	67	26
8	Tiered network health insurance	A2329/S296	57	23
8	Corporate business tax	A3632/S982	44	23
9	Tiered network health insurance	A2328/S635	55	22
10	Smart Container	A2281/A1079/S1850	27	21
10	Telemedicine	A1464/S291	45	21
10	Tiered network health insurance	A886/S1075	53	21

Lobbyists are required by law to file both annual and quarterly reports with ELEC. Annual reports list fees, salaries, major expenditures and other information. Quarterly reports are filed every three months by each registered lobbyist. The reports detail efforts to influence legislation or executive branch actions, such as permits, regulations or fines.

Starting in April 2016, lobbyists were required to file their quarterly reports electronically. Those reports and information collected from them can be searched via ELEC’s website (www.elec.state.nj.us). This analysis of lobbying activity was based on reports filed for the 1st and 2nd quarters of this year. It focuses just on legislative lobbying.

Not surprisingly, it found that the state budget bill (A4000/S17), which appropriated \$34.8 billion this year to finance thousands of public programs, has been the single biggest focus of lobbying. Budget-related issues like hospital charity care payments, state aid, and funding for tax credits are annual topics of debate and tradeoffs.

Another hot topic has been the issue of “tiered network” health insurance. At least seven bills pending in the current legislature were introduced to address concerns over tiered networks. Four made the top ten list based on number of groups lobbying.

The seven bills together generated 331 official contacts from 34 different hospitals, health insurers and other interested parties. By comparison, the budget drew 301 official contacts from 92 different groups.

Table 2
Lobbying Activity on “Tiered Network” Health Insurance Bills Ranked by Official Contacts

BILL NUMBERS	OFFICIAL CONTACTS	ENTITIES
A887/S634	67	26
A2329/S296	57	23
A2328/S635	55	22
A886/S1075	53	21
A888/S1512	43	17
A2585/S1511	32	15
A3558/S1934	24	9
Total	331	

Tiered networks are intended to reduce the cost of health insurance by limiting access to a select group of hospitals chosen by the health insurance company. Participating hospitals agree to charge less in exchange for more patients. However, hospitals that would be excluded from the networks fear they could be hurt financially, and perhaps even closed down.

The issue didn’t generate much controversy until Horizon Blue Cross Blue Shield of New Jersey announced in September 2015 that it wanted to adopt a tiered network plan. Aetna, AmeriHealth and other New Jersey insurers already had been using them.

Another health insurance bill (A-1952/S-1285) that addresses how much insurers can charge for “out-of-network” medical care was introduced months before Horizon officials announced the company’s tiered network plan. It also has drawn strong interest, ranking second to the state budget in terms of the number of groups (61) and amount of lobbying activity (141).

A bill (A-15/S-15) that would have raised the state’s minimum wage to \$15 in 2021 also drew heavy lobbying activity. Gov. Chris Christie vetoed the bill on August 30. Senate President Stephen Sweeney (D-3) is expected to introduce a bill that would seek a constitutional amendment on the issue next year.

Paid sick leave legislation (S799), another health-related issue that placed fourth this year, was the most lobbied bill in 2014 in ELEC’s first analysis of quarterly lobbying reports released last summer.

When legislative initiatives were ranked based on the number official contacts instead of represented entities, all but one the bills remained in the top ranking.

One bill (ACR109/SCR2) not on the first list proposes a constitutional amendment to ensure full funding of the state’s pension system. It won Assembly approval in June but never reached the Senate floor for a final vote. It ranked fifth when bills were ranked by the official contacts they elicited.

Table 3
2016 Bills with Most Reported Lobbying
Activity Based on Number of Official Contacts

RANK	ISSUE	BILL NUMBERS	OFFICIAL CONTACTS	ENTITIES
1	State budget 2015-2016	A4000/S17	301	91
2	Out of network	A1952/S1285	141	61
3	Minimum wage	A15/S15	108	50
4	Transportation trust fund	A10/S2412	83	33
5	Pension ballot question	ACR109/SCR2	81	20
6	Paid sick leave	S799	74	40
7	Transportation trust fund	A11/S2411/A12	69	27
8	Tiered networks	A887/S634	67	26
9	Tiered networks	A2329/S296	57	23
10	Tiered networks	A2328/S635	55	22

The New Jersey Business and Industry Association reported making the most official contacts in 2016. (Note to readers: totals were much higher in a corresponding chart in ELEC’s previous analysis of quarterly lobbying reports. That is because now that lobbyists are filing their reports electronically, they are supposed to list only bills where they have made official contacts. Previously, some lobbyists listed bills they were simply monitoring along with bills where they were engaged in active lobbying.)

Table 4
Top Ten Represented Entities by
Number of Official Contacts in 2016

ENTITY	OFFICIAL CONTACTS
New Jersey Business and Industry Association	475
New Jersey Education Association	291
New Jersey Association of Realtors	225
Affiliated Physicians and Employers Master Trust AMT	185
New Jersey State League of Municipalities	172
Horizon Blue Cross Blue Shield of New Jersey	103
New Jersey Bankers Association	92
New Jersey Gasoline C-Store Automotive Association	85
American Cancer Society Cancer Action Network	80
New Jersey Hospital Association	73

While state law requires lobbyists to disclose their official contacts involving legislation and other regulated activities, the reader should be aware that such a contact can be limited or broad.

For example, a lobbyist might report that a client hospital's chief operating officer met with a bill's legislative sponsor and an aide in an office. That would count as one contact.

On the other hand, another lobbyist might report sending emails to all 120 members of the legislature urging them to support, oppose or modify the same bill. ELEC staff also counts such an outreach effort as one official contact even though it may target more than one lawmaker.

Another caveat- while quarterly lobbying reports disclose direct attempts to influence legislation, they don't disclose more indirect efforts. Lobbyists sometimes organize "grassroots" campaigns to mobilize the public for or against legislation. Efforts to harness legislative constituents in this way are disclosed in annual lobbying reports.

This press release is a compilation of figures reported to the commission, and is not intended to express any opinion concerning the accuracy or completeness of any filed report. Although the commission has taken all reasonable precautions to prevent mathematical or typographical errors, they may occur.

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