

## SEHBP PDC RESOLUTION #1

### **RESOLUTION OF THE SCHOOL EMPLOYEES' HEALTH BENEFITS PLAN DESIGN COMMITTEE (PDC) CREATING NEW PLAN - "NEW JERSEY EDUCATORS HEALTH PLAN" - AND TERMINATING ALL PLANS OTHER THAN SEHBP NJ DIRECT 10, SEHBP NJ DIRECT 15, AND THE NEW JERSEY EDUCATORS HEALTH PLAN FOR EMPLOYEES AND RETIREES THAT ARE NOT MEDICARE ELIGIBLE**

WHEREAS, pursuant to N.J.S.A. 52:14-17.46.2 et seq. the School Employees' Health Benefits Program (SEHBP) provides health coverage to qualified employees and retirees of participating local education employers; and

WHEREAS, the SEHBP was enacted in 2007 for the purpose of providing affordable health care coverage for public education employees on a cost effective basis; and

WHEREAS, on June 29, 2020 the Senate and Assembly passed P.L. 2020, c.44 and on July 1, 2020 the Governor signed P.L.2020, c.44 ("Chapter 44"); and

WHEREAS, Chapter 44 requires the SEHBP to offer only three plans, beginning on January 1, 2021, for medical and prescription benefits coverage which include the New Jersey Educators Health Plan; the SEHBP NJ Direct 10 plan as adopted and implemented by the School Employees' Health Benefits Commission for plan year 2020; and the SEHBP NJ Direct 15 plan as adopted and implemented by the School Employees' Health Benefits Commission for plan year 2020; and

WHEREAS, Chapter 44 requires the SEHBP to offer an additional plan, beginning on July 1, 2021, for medical and prescription benefits coverage to be called the "Garden State Health Plan" which shall be developed by the SEHBP PDC by December 31, 2020, or the Department of Treasury, Division of Pensions of Benefits if not developed by the SEHBP PDC by December 31, 2020; and

WHEREAS, Section 1 subsection e. of Chapter 44 sets forth the plan design of the New Jersey Educators Health Plan; and

WHEREAS, SEHBP PDC finds that implementation of Chapter 44 requires the elimination of all plans other than the New Jersey Educators Health Plan, the SEHBP NJ Direct 10 plan and the SEHBP NJ Direct 15 plan for employees and retirees who are not Medicare eligible, and beginning July 1, 2021, a fourth plan to be called the Garden State Health Plan; and

WHEREAS, SEHBP PDC finds that implementation of Chapter 44 requires that the New Jersey Educators Plan shall be the only plan available to retirees who are not Medicare eligible in the SEHBP, and who shall have the opportunity during an enrollment period to either waive coverage or be enrolled in the New Jersey Educators Plan; and

WHEREAS, the SEHBP PDC finds that implementation of Chapter 44 requires that all employees hired before July 1, 2020 shall be enrolled in the New Jersey Educators Plan on an annual basis during an enrollment period unless the employee affirmatively elects coverage under the SEHBP NJ Direct 10 or

SEHBP NJ Direct 15 Plan, or elects to waive coverage, and beginning on and after July 1, 2021, the additional option of the Garden State Health Plan; and

WHEREAS, the SEHBP PDC finds that implementation of Chapter 44 requires that all employees hired on or after July 1, 2020 shall be enrolled in the New Jersey Educators Plan during an enrollment period, unless the employee elects to waive coverage, and after July 1, 2021, all such employees shall also have the option to enroll in the Garden State Health Plan;

**THEREFORE, BE IT NOW RESOLVED AS FOLLOWS**

1. Commencing on January 1, 2021, the New Jersey Educators Health Plan shall be available to employees and retirees that are not Medicare eligible. The plan design of the New Jersey Educators Health plan shall be as follows:

**Medical Co-Payment(s)**

	<b>New Jersey Educators Health Plan</b>
Primary Care Copayment	\$10
Specialist Care Copayment	\$15
Emergency Room Copayment	\$125 (to be waived if admitted)
In-Network Deductible	\$0
In-Network Coinsurance	10% applicable to Emergency Transportation and Durable Medical Equipment
In-Network Out-of-Pocket Maximum (Individual/Family)	\$500 single/ \$1,000 Family (covers all in network copayments, coinsurance, and deductible)
Out-of-Network Cost Basis	200% CMS
Out-of-Network Deductible (Individual/Family)	\$350 single/ \$700 Family
Out-of-Network Coinsurance	30% of out of network fee schedule
Out-of-Network Out-of-Pocket Maximum (Individual/Family)	\$2,000/ \$5,000
Out-of-Network Inpatient Hospital Deductible	\$0
Out-of-Network Chiropractic Services	Lesser of \$35/visit or 75% of in-network cost/visit
Out-of-Network Acupuncture Services	Lesser of \$60/visit or 75% of in-network cost/visit
Out-of-Network Physical Therapy Services	75% of in-network cost/service (\$52)

**Prescription Drug Coverage and Co-Payment(s)**

Retail: Generic	\$5 – 30 day supply
Retail: Preferred Brand	\$10 30 day supply
Retail: Non-Preferred Brand	Member Pays Difference between generic and brand plus brand copayment
Mail: Generic	\$10 – 90 day supply
Mail: Preferred Brand	\$20 90 day supply
Mail: Non-Preferred Brand	Member pays difference between generic and brand plus brand copayment
Prescription Drug annual Out-of-Pocket Maximum (Individual/Family)	\$1,600 single/ \$3200 family (Indexed Annually Pursuant to Federal Law)

2. The SEHBP PDC directs the SEHBC and/or Division of Pensions and Benefits, as applicable, to take appropriate action with the administrator(s) to implement the new New Jersey Educators Health Plan and notify members accordingly.
3. The SEHBP PDC directs the SEHBC and/or Division of Pensions and Benefits to take appropriate action with the administrator(s) to effectuate a modification of the existing contracts, to the extent necessary, in order to implement the New Jersey Educators Health Plan and to require the administrator(s) provide adequate notice to the members of the changes, including notice to Medicare eligible retirees that such changes shall not apply to them.
4. The SEHBP PDC directs the SEHBC and/or the Division of Pensions and Benefits to take appropriate action with the Pharmacy Benefit Manager to implement the New Jersey Educators Health Plan, and to effectuate a modification of the existing contracts, to the extent necessary, in order to implement the New Jersey Educators Health Plan, including notice to Medicare eligible retirees that such changes shall not apply to them.
5. As of December 31, 2020, all plans other than the New Jersey Educators Health Plan, the SEHBP NJ Direct 10 Plan and the SEHBP NJ Direct 15 Plan shall be terminated.
6. The SEHBP PDC directs the SEHBC and/or the Division of Pensions and Benefits to take appropriate action with the administrator(s) to effectuate a modification of the existing contracts, to the extent necessary, in order to eliminate all plans other than the New Jersey Educators Health Plan, the SEHBP NJ Direct 10 Plan and the SEHBP NJ Direct 15 Plan and to require the administrator(s) provide adequate notice to the members that will be impacted by the termination.

DATED: July 10, 2020