



## State of New Jersey

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September 2017

**TO:** Local Government Certifying Officers, Human Resource Directors, and Benefits Administrators

**FROM:** New Jersey Division of Pensions & Benefits (NJDPB)

**SUBJECT: Plan Year 2018 State Health Benefits Program (SHBP) Open Enrollment**

The State Health Benefits Program (SHBP) Open Enrollment period for Local Government employees **begins on October 2, 2017, and ends on October 31, 2017.**

Open Enrollment allows employees to make general changes (adding or deleting dependents, changing coverage levels, etc.) or enroll in a different medical or dental plan. All changes to coverage made during this Open Enrollment period will be effective on January 1, 2018.

Completed employer-certified medical and/or dental applications must arrive at the Health Benefits Bureau no later than November 10, 2017, to ensure processing for the start of the 2018 plan year.

**Note:** Employers should submit completed *Health Benefits Applications* as they are received from employees rather than holding applications for submission at the end of Open Enrollment.

### CHANGES FOR PLAN YEAR 2018

**New Pharmacy Benefits Manager, OptumRx** — Following a competitive bidding process, OptumRx was awarded the contract for pharmacy benefits management for the SHBP effective for Plan Year 2018. Members will receive more information directly from OptumRx during the transition process, including a welcome letter and OptumRx ID cards to be mailed to member home addresses.

**Incentive Program for Tiered-Network Plan** — The Incentive Program for the Tiered-Network Plans — Aetna Liberty and Horizon OMNIA — will be extended to December 31, 2018. Local employer participation is voluntary at the option of the employer and is administered by the local employer. Employers wishing to participate must complete the attached resolution and submit it to the Division of Pensions and Benefits. The program offers a financial incentive to first-time enrollees who remain enrolled for two years. The incentives vary depending on level of coverage: Single-coverage employees receive \$1,000; Member and Spouse/Partner, or Parent and Child-covered employees receive \$1,250; and Family-covered employees receive \$2,000. The incentive is paid by gift card within the first quarter of Plan Year 2018, and is deemed reportable income for tax purposes. The incentive shall be forfeited and returned to the SHBP if the subscriber fails to remain enrolled in the Tiered-Network Plan for at least two plan years. This program does not extend to children over the age of 26 or COBRA members. For additional details and limitations, see the *Health Capsule* newsletter which is available on the Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

**New Open Enrollment website** — This year, the NJDPB is introducing a newly redesigned Open Enrollment website. The first of several updates coming to our website in the next few months, the Open Enrollment site features a clean, modern design; adaptive access from computer, tablet, or smartphone; and — most important — simplified, direct navigation to the Open Enrollment resources you and your employees need when reviewing and selecting an SHBP plan. The Open Enrollment website will launch on October 2, 2017. Look for the Open Enrollment link on our homepage or visit: [www.nj.gov/oe](http://www.nj.gov/oe)

**Health Benefits Applications** — The *Health Benefits Applications* for employees have been completely redesigned for this year's SHBP Open Enrollment. The updated applications feature a new easy-to-print format and simplified instructions. Please be certain that your employees have access to the new health benefit applications, which are available on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

## MEDICAL PLANS

There are no medical plan changes for Plan Year 2018. The medical plans available to Local Government employees for Plan Year 2018 are:

- **Tiered-Network Plans:** Aetna Liberty Plan; Horizon OMNIA Health Plan
- **PPO Plans:** Aetna Freedom10; Aetna Freedom15; Aetna Freedom1525; Aetna Freedom2030; Aetna Freedom2035; NJ DIRECT10; NJ DIRECT15; NJ DIRECT1525; NJ DIRECT2030; NJ DIRECT2035
- **HMO Plans:** Aetna HMO; Horizon HMO\*
- **High Deductible Health Plans:** Aetna Value HD1500; Aetna Value HD4000; NJ DIRECT HD1500; NJ DIRECT HD4000

**\*Note:** The service areas for Horizon HMO are limited to New Jersey and bordering counties of Pennsylvania, Delaware, and New York.

Medical plan and prescription drug plan rates for 2018 were approved by the State Health Benefits Commission and rate charts are posted on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

## DENTAL PLANS

For participating employers, there are no dental plan changes for Plan Year 2018. Dental coverage is offered to eligible employees through the Employee Dental Plans. Six different dental plans are offered based on one of two different plan designs — Dental Plan Organizations (DPO) and a Dental Expense Plan (DEP).

- Five **DPOs** are available: Aetna DMO; CIGNA DHMO; Healthplex; Horizon Dental Choice; and MetLife.

DPOs contract with a network of providers for dental services. When an employee or dependent uses a DPO dentist, diagnostic and preventive services are covered in full. Most other eligible expenses require a small copayment. Members must use a provider that participates with the DPO selected to receive coverage. Be sure to confirm that the dentist or dental facility selected is taking new patients and participates with the SHBP Employee Dental Plans, since DPOs also service other organizations.

- The **Dental Expense Plan** is a Preferred Provider Organization (PPO) plan that allows members to obtain services from any dentist; however, using an in-network provider will reduce an employee's costs. After satisfying an annual deductible (no deductible for preventive services), members are reimbursed a percentage of the reasonable and customary charges for eligible services.

The employee cost for coverage under a dental plan is 50 percent of the actual dental plan premium. Therefore, the employee cost varies depending on which dental plan an employee chooses; however, the rate for coverage under a DPO remains considerably less expensive than the Dental Expense Plan.

Dental Plan Rates for 2018 were approved by the State Health Benefits Commission and rate charts for dental coverage are posted on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

### **HEALTH CAPSULE NEWSLETTER**

The *Health Capsule* newsletter is available for employees to provide news and important information about the Open Enrollment and the SHBP plans. Links to this year's Health Capsule can be found on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

### **PLAN COMPARISON CHARTS**

The SHBP *Plan Comparison Charts* provide a side-by-side view of the basic benefits, copayments, and other out-of-pocket costs for the SHBP medical and prescription drug plans. Redesigned for Plan Year 2018, the comparison charts can be found on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

### **SUMMARIES OF BENEFITS AND COVERAGE**

Detailed information about the SHBP's medical plans is available through the *Summaries of Benefits and Coverage*. A link to the 2018 Summaries can be found on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

A direct mailing will be sent to all SHBP members to announce the availability of the summaries; however, employers also are asked to provide notice of this information to their employees. A sample of the mailer is included with this letter.

### **NJWELL PROGRAM**

NJWELL is open to employees who are enrolled in the SHBP. Spouses and eligible partners also can participate, as long as they are covered by the SHBP plan. Participants can earn a possible \$250 in rewards, in total, based on points earned from participation in NJWELL. The current NJWELL 2017 Plan Year will be coming to a close on October 31, 2017. Watch your e-mail for upcoming information about NJWELL in 2018. For information about the program visit the NJWELL Web site at: [www.nj.gov/njwell](http://www.nj.gov/njwell)

### **EMPLOYEE CONTRIBUTIONS FOR SHBP COVERAGE**

Pursuant to Pension and Health Benefit Reform (P.L. 2011, c. 78) and with the expiration, renewal, or extension of collective negotiations agreements, employees must pay a percentage of the cost of the medical and prescription plans. Percentage of premium contribution worksheets and online calculators are revised for 2018 rates.

Most Local employees are currently contributing at the year four phase-in rate of contribution. Employers should advise their employees of the current phased-in contribution level so they can correctly determine the required contributions when considering plan choices.

### **WAIVING SHBP COVERAGE**

Local government employees are permitted to waive SHBP medical and prescription coverage if they have other employer-provided or retiree coverage, or other coverage as a dependent. Employers are permitted to offer an incentive to employees who waive SHBP coverage. Under P.L. 2010, c. 2, the incentive amount for waivers is limited to 25 percent of the amount saved by the employer or \$5,000, whichever is less. In addition, because multiple coverage under the SHBP/SEHBP is prohibited, waiver incentives are only payable if the other coverage is through a non-SHBP/SEHBP plan. To waive coverage a *SHBP Waiver Form for Local Employees* and a *Health Benefits Application* must be completed and submitted during Open Enrollment. To waive coverage effective **January 1, 2018**, employees should indicate "Open Enrollment" on the waiver form; otherwise, the waiver will be effective before January 1st.

### **PAYROLL DEDUCTIONS AVAILABLE FOR HDHP PARTICIPANTS**

Employees participating in one of the High Deductible Health Plans (HDHP) are able to use tax-deferred contributions from their paychecks to fund their Health Savings Account (HSA). If one of your employees chooses to enroll in one of the High Deductible plans, an application and separate contribution form are required. The application and form are available on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe) Following enrollment, Aetna or Horizon will contact you to assist in setting up the payroll deductions.

### **PLAN MARKETING CONTACTS**

Included with this letter you will find a listing of employer marketing contacts for the medical and dental plans. Your Human Resources staff, Benefits Administrators, or any other staff members responsible for the communication and administration of health benefits for your employees can use these contacts to obtain plan-specific information and literature for your employees.

**Note:** These telephone numbers are not for member services. Please do not distribute them to your employees. Phone numbers and website contacts for employees are provided in the *Health Capsule* newsletter and on the NJDPB Open Enrollment website: [www.nj.gov/oe](http://www.nj.gov/oe)

### **ADDITIONAL INFORMATION**

The NJDPB thanks you for your assistance with forwarding the information and materials needed to make the Open Enrollment a successful and beneficial experience for your employees.

If you have any questions about the SHBP Open Enrollment or the information in this letter, please contact our Office of Client Services at (609) 292-7524 or send an e-mail to: [pensions.nj@treas.nj.gov](mailto:pensions.nj@treas.nj.gov)

Enclosure  
*Plan Marketing Contacts*  
*Summaries of Benefits and Coverage* (postcard sample)  
*Incentive Program Resolution*