

SEHBP PDC Resolution #2

RESOLUTION OF THE SCHOOL EMPLOYEES' HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE PROVIDING MEDICARE ELIGIBLE RETIREES WITH ENROLLMENT IN MEDICARE ADVANTAGE PROGRAMS

WHEREAS, pursuant to N.J.S.A. 52:14-17.46.6 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 education employees on a cost effective basis; and

WHEREAS, all SEHBP plans, with the exception of Medicare Advantage plans, are self-funded, which means that the money paid out for benefits comes directly from a SEHBP fund supplied by the State, participating local employers, and member contributions ; and

WHEREAS, the Medicare Advantage program is an insured product in which the carrier is paid a premium for the coverage provided and bear liability for the payment of claims; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.46.5, the School Employees' Health Benefits Commission contracts with carriers to provide the School Employees' Health Benefit Program (SEHBP) to eligible participants; and

WHEREAS, in the most recent procurement for carriers for the SEHBP, the School Employees' Health Benefits Commission requested that carriers provide Medicare Advantage Plans to eligible plan participants, and

WHEREAS, Aetna Healthcare Inc., ("Aetna") was selected by the State to serve as the carrier for the SEHBP for Medicare Advantage plans; and

WHEREAS, the SEHBP Plan Design Committee (SEHBP PDC) recognizes that expansion of the Medicare Advantage Program results in substantial savings to the State, qualified Medicare-eligible retirees and their dependents, including survivors, due to the substantially lower premiums charged by the carrier as compared to rates established for self-funded coverage, and

WHEREAS, under the Medicare Advantage PPO any services provided by Medicare participating providers will be provided at an in network level of benefits to Medicare eligible retirees regardless of whether or not the provider is in the selected carrier's network; and

WHEREAS, Medicare eligible retirees who have selected Aetna Health, Inc. as their carrier have already been enrolled and are participating in Aetna's Medicare Advantage plan; and

WHEREAS, the SEHBP PDC recognizes that the current Medicare Supplemental PPO10 and PPO15 Plans offered to Medicare eligible retirees will no longer be offered to SEHBP Medicare eligible retirees;

MEDICARE ADVANTAGE

WHEREAS, the SEHBP PDC acknowledges that the School Employees' Health Benefit Commission will need to take action with the carrier(s), with the assistance of the Division of Pensions and Benefits and Division of Purchase and Property, where necessary, to effectuate a modification of the existing contract, including that the carrier(s) be required to duly and timely notify the members of the change to Medicare Advantage; and

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Commencing on January 1, 2019, Aetna will offer Medicare Advantage PPO 10 and PPO 15 to SEHBP members.
2. The SEHBP PDC directs the SEHBP Commission, and to the extent necessary the Division of Pensions and Benefits and the Division of Purchase and Property, to take appropriate action with the carrier to effectuate a modification to the existing contract and/or execute a new contract and to require that the carrier provide adequate notice to plan participants of the changes.
3. The SEHBP PDC directs the SEHBP Commission and/or the Division of Pensions and Benefits to take appropriate action to transfer current Medicare Supplemental PPO10 and PPO15 enrolled retirees to the new PPO10 or PPO15 Medicare Advantage plan as appropriate. The Division will permit retirees who do not wish to be transferred to said plans to enroll in a Medicare supplemental plan.
4. NJWell shall be made available to eligible SEHBP subscriber and eligible spouse/partner, and each can earn up to \$250 in NJWell incentives.
5. SEHBP subscribers and their eligible spouses/partners may be reimbursed for co-payments for up to 25 physician visits per year for up to \$250 in total reimbursements.

DATED: September 17, 2018