SHBP PDC Resolution #2019-5

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE ESTABLISHING A NEW PPO PLAN & ALLOWING CERTAIN STATE AND LOCAL GOVERNMENT PUBLIC EMPLOYEES ACCESS TO THE PLAN

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State and participating local employers; and

WHEREAS, the SHBP was enacted in 1961 for the purpose of providing affordable, quality health care coverage for public employees on a cost-effective basis; and

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

WHEREAS, the SHBP Plan Design Committee (SHBP PDC) aims to encourage the use of in-network providers by creating a new PPO plan with revised out-of-network reimbursement amounts for the State and Local Government Group members as defined below; and

WHEREAS, the new PPO plan design is identical to the plan design of the new PPO plan created pursuant to SHBP PDC resolution #2019-3.

NOW, THEREFORE, BE IT RESOLVED:

1. A new PPO plan design for both medical and prescription drug coverage as outlined in Appendix 1, attached hereto and incorporated herein, shall be created effective July 1, 2019, which shall be available either through Horizon or Aetna (the "New PPO Plan") as an additional plan option available to State and local government public employees in the State Active Group or Local Active Group.

2. No State or local government public employee for whom there is a majority representative for purposes of collective negotiations shall, by virtue of this Resolution, be required to enroll in the new PPO or have plan options restricted unless the majority representative and public employer have agreed upon such a requirement or restriction.

3. The SHBP PDC directs the Division of Pensions and Benefits to take such steps as necessary in order to have the current vendors, Horizon and Aetna, offer the New PPO Plan;

4. This resolution shall take effect immediately.

Appendix 1

New PPO[1] Horizon & Aetna	
Medical Cost Sharing	
Primary Care Copayment	$15
Specialist Care Copayment	$15
Emergency Room Copayment[2]	$150
In-Network Deductible[3]	$100 (New hires only after 7/1/19)
In-Network Coinsurance[4]	10%
In-Network Coinsurance Maximum (Individual/Family)	$800/$2,000
In-Network Out-of-Pocket Maximum (Individual/Family)	$6,320 / $12,640
Out-of-Network Deductible (Individual/Family)	$400/$1,000
Out-of-Network Coinsurance[5]	30%
Out-of-Network Out-of- Pocket Maximum (Individual/Family)	$2,000/$5,000
Out-of-Network Inpatient Hospital Deductible	$500
Out-of-Network Reimbursement Rate	175% CMS Exception[6]: Mental Health 195% CMS after reaching OON out of pocket max (through 12/31/2020)
Prescription Drug Copayments	
Retail: Generic	$7
Retail: Brand	$16
Retail: Multi-Source Brand	Member Pays the Difference[7]
Mail: Generic	$18

Mail: Brand	$40
Mail: Multi-Source Brand	Member Pays the Difference[7]
Prescription Drug Out-of-Pocket Maximum (Individual/Family)	$1,580/$3,160
NJWell Incentive	$350 for eligible subscriber & $350 for eligible spouse/partner[8]

[1] All other provisions of the PPO plans remain the same unless modified here.
[2] Pediatric (0-19) ER & ER for those directed by primary care physician copayment is $50.
[3] The in-network deductible will have the following exclusions: preventive care, second wellness visit, obstetric services, and pediatric services. ER visit copayment counts toward deductible.
[4] On select services including, but not limited to, durable medical equipment, ambulance transportation, oxygen therapy, etc.
[5] After deductible.
[6] Members receiving obstetric services as of July 1, 2019 will be reimbursed at the rate of 195% of CMS for duration of care.
[7] Member pays the applicable generic copayment listed above, plus the cost differential between the brand and the generic drug.
[8] Starting with the NJWELL plan year beginning 11/01/2019