



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
P. O. Box 295

TRENTON, NEW JERSEY 08625-0295
Telephone (609) 292-7524 / Facsimile (609) 777-1779
TRS 711 (609) 292-6683
www.nj.gov/treasury/pensions

ELIZABETH MAHER MUOIO
Acting State Treasurer

JOHN D. MEGARIOTIS
Acting Director

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

September 2020

TO: State Monthly SHBP Certifying Officers, Human Resources Representatives, and Benefit Administrators

FROM: Christin Deacon
Assistant Director, Benefit Operations

SUBJECT: Announcement of New State Health Benefits Program (SHBP) Medical Plans for AFT Employees

Recent labor agreements require that certain active members of the New Jersey State Health Benefits Program (SHBP) currently enrolled in the NJ DIRECT15, 1525, 2030, or 2035 plans be converted to a new medical plan. This letter outlines the new plan design for these employees.

NEW MEDICAL PLAN

Active State monthly employees represented by the American Federation of Teachers (AFT) - The Council of New Jersey State College Locals, will be converted to NJ DIRECT/NJDIRECT 2019,* a Preferred Provider Organization (PPO) administered by Horizon Blue Cross Blue Shield of New Jersey (Horizon). Members currently enrolled in a Health Maintenance Organization (HMO), Tiered Network Plan, or High Deductible Health Plan (HDHP) will not be converted. The attached *Plan Design Chart* outlines the new plan coverage, including in-network and out-of-network deductibles; coinsurance; and primary care, specialist care, emergency room, and prescription drug copayments. The effective date of coverage for the NJ DIRECT plan will be October 1, 2020.

Members who do not wish to remain in the NJ DIRECT/NJ DIRECT 2019 plans may change their plan to an HMO, Tiered Network Plan, or HDHP during the annual Open Enrollment period in October. This plan change will take effect for the 2021 plan year.

**Members hired before July 1, 2019, will be enrolled in NJ DIRECT. Members hired after July 1, 2019, will be enrolled in NJ DIRECT 2019.*

PLAN DESIGN CHANGES

For the new plan, the out-of-network reimbursement rate will be 175 percent of Centers for Medicare & Medicaid Services (CMS) reimbursement amounts with the following exclusions:

- Obstetrical care – for employees receiving obstetrical care as of May 1, 2020, the reimbursement rate will be 195 percent of the CMS amount for the duration of their care; and
- Mental Health – for employees receiving mental health services, the reimbursement rate will be 175 percent of the CMS amount up to the employee reaching the out-of-pocket maximums of \$2,000 (individual) or \$5,000 (family). The reimbursement will then be made at 195 percent of the CMS amount for the remainder of that plan year. This exclusion will remain in effect through June 30, 2021.

Emergency room copayments are: \$150 for adults; \$50 for adults directed to the emergency room by their primary care physician; and \$50 for pediatric (through age 19). These copayments will be waived if admitted to the hospital.

Members and spouses who participate in NJWELL and complete their necessary health screenings and activities can earn a financial reward of \$350 each.

EMPLOYEE CONTRIBUTIONS

1. Active members covered under the new agreement and participating in the NJ DIRECT/NJ DIRECT 2019 plans will contribute a percentage of their salary toward the cost of benefits (see Schedule #1 enclosed).
2. Active members covered under the new agreement and participating in an HMO plan or a HDHP will continue to contribute a percentage of premium based on their salary (see Schedule #2 enclosed).
3. Active members covered under the new agreement and participating in a Tiered Network plan will contribute 75 percent of the NJ DIRECT/NJ DIRECT 2019 contribution rates in #1 above (see Schedule #3 enclosed).

ADDITIONAL INFORMATION

If you have questions regarding any of the information provided in this letter, contact the NJDPB's Office of Client Services at (609) 292-7524, or email the NJDPB at: pensions.nj@treas.nj.gov

Enclosures