

SEHBP PDC RESOLUTION #1

**RESOLUTION OF THE SCHOOL EMPLOYEES’ HEALTH BENEFITS PLAN DESIGN COMMITTEE CREATING
NEW PLAN– “NJ DIRECT 0” AND “FREEDOM 0”**

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, 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 premiums; and

WHEREAS, the SEHBP PDC seeks to continue to provide high quality coverage for public education employees through the creation of a new Plan Design that will continue to meet members’ coverage needs while lowering premiums and cost share for members; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.46.6 the SEHBP PDC finds that these changes are in the best interest of the School Employees’, local employers, and employees.

THEREFORE, BE IT NOW RESOLVED AS FOLLOWS

1. Commencing no later than January 1, 2019, a new plan shall be offered to qualified employees and early retirees of the SEHBP to be known as NJ DIRECT 0 and FREEDOM 0. The new plan design shall contain the following features:

Medical Co-Payment(s)

	NJ DIRECT 0/FREEDOM 0²
Primary Care Copayment	\$0
Specialist Care Copayment	\$0
Emergency Room Copayment	\$50
In-Network Deductible	\$0
In-Network Coinsurance	10%
In-Network Out-of-Pocket Maximum (Individual/Family)	\$400/ \$1,000
Out-of-Network Cost Basis	200% CMS
Out-of-Network Deductible (Individual/Family)	\$100/\$250

Out-of-Network Coinsurance	20%
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	Average of in-network cost/service

Prescription Drug Coverage and Co-Payment(s)¹ for Active Employees

Retail: Generic	\$3
Retail: Preferred Brand	\$10
Retail: Non-Preferred Brand	Member Pays Difference between generic copayment listed plus cost difference between brand and generic <i>*process for exception and/or appeal</i>
Mail: Generic	\$5
Mail: Preferred Brand	\$15
Mail: Non-Preferred Brand	Member Pays Difference between generic copayment listed plus cost difference between brand and generic <i>*process for exception and/or appeal</i>
Prescription Drug annual Out-of-Pocket Maximum (Individual/Family)	\$1,470/ \$2,940

NJ Well Incentive(s)

NJ Well Incentive	\$500.00 (previously \$250)
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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 plan, NJ DIRECT 0/FREEDOM 0, and notify members accordingly. ²
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 NJ DIRECT 0/FREEDOM 0, and

¹ Prescription Drug copayments under new NJ DIRECT 0/FREEDOM 0 will be the same as those currently offered to early retirees under the NJDirect10/FREEDOM10 plans.

² To the extent not otherwise specified herein, all plan design elements of the new NJ Direct 0/FREEDOM 0 plan will remain the same as the current NJDirect10/FREEDOM10.

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 NJ DIRECT 0/FREEDOM 0, and to effectuate a modification of the existing contracts, to the extent necessary, in order to implement NJ DIRECT 0/FREEDOM 0, including notice to Medicare eligible retirees that such changes shall not apply to them.

DATED: September 16, 2018