

SHBP PDC RESOLUTION #2023-7

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE RELATED FINANCIAL INCENTIVES FOR SELECTING A TIERED NETWORK MEDICAL PLAN

WHEREAS, pursuant to N.J.S.A. 52:14-17.25 to -17.46a, the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State of New Jersey (State) and participating local employers; and

WHEREAS, the SHBP was created in 1961 to provide affordable 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 the money paid out for benefits comes directly from a SHBP fund supplied by the State, participating local employers, and member premiums; and

WHEREAS, on August 29, 2016, after reviewing multiple recommendations and reports of AON Consulting, Inc., Horizon, and Aetna, the SHBP Plan Design Committee adopted Resolution #7 to create a one-year pilot program to incentivize members to select a tiered network medical plan finding this change to be in the best interest of the State, local employers, and employees; and

WHEREAS, on July 27, 2017, the SHBP Plan Design Committee, adopted Resolution 2017-02, which extended Resolution #7 for a period of one year; and

WHEREAS, on June 22, 2018, the SHBP Plan Design Committee, adopted Resolution 2018-02, which extended Resolution #7 for a period of one year; and

WHEREAS, on September 26, 2019, the SHBP Plan Design Committee adopted Resolution 2019-11, which extended Resolution #7 for a period of one year; and

WHEREAS, on August 31, 2020, the SHBP Plan Design Committee adopted Resolution 2020-4, which extended Resolution #7 for a period of one year with certain modifications to the original incentive structure; and

WHEREAS, Resolution 2020-4 changed the financial incentive for new Tiered Network Plan enrollees to \$1000 for single, member and spouse, parent and child, or family coverage, and required the SHBP subscriber be enrolled in the Tiered Network Plan for one full Plan Year; and

WHEREAS, on August 13, 2021, the SHBP Plan Design Committee adopted Resolution 2021-7, which extended Resolution #7 for a period of one year with the modifications to the original incentive structure established by Resolution 2020-4; and

WHEREAS, on September 14 2022, the SHBP Plan Design Committee adopted Resolution 2022-5, which extended Resolution #7 for a period of one year with the modifications to the original incentive structure established by Resolution 2020-4; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.29(D), the SHBP Plan Design Committee finds it in the best interest of the State, local employers, and employees to continue the financial incentive for new Tiered Network Plan enrollees.

2023-7 Tiered Network Incentive

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The financial incentive program for selecting a tiered network medical plan approved by the SHBP Plan Design Committee on August 29, 2016 in Resolution #7 is continued with the modifications to the original incentive structure established by Resolution 2020-4; and
2. New subscribers shall be defined to include all new employees eligible for the SHBP whose benefits were effective on or after August 29, 2016, or any existing employees who experienced a life event prior to January 1, 2017, and applied to alter coverage and who otherwise meet the requirements of Resolution #7 adopted on August 29, 2016, and who has not received an incentive in the past related to Tiered Network; and
3. Those eligible subscribers described in #2 above shall be paid an incentive as set forth above no later than the end of the current tax year; and
4. This provision shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the SHBP Plan Design Committee.

DATED: July 26, 2023