



Health Capsule

The Division of Pensions and Benefits ♦ For State Employees ♦ Issue #21

Open Enrollment 2006

The State Health Benefits Program (SHBP) Open Enrollment period is your annual opportunity to review your health, prescription drug, and dental benefits, and to make any changes for you and your dependents. This year's open enrollment will be held for all eligible State employees from October 1 through October 31, 2006. Coverage changes made during this Open Enrollment will be effective on January 6, 2007 for State employees paid by the State's Centralized Payroll Unit, and January 1, 2007 for all other State employees.

How to Enroll and/or Make Changes

During Open Enrollment, closely examine your health care coverage to make sure that your health plan has the services you and your dependents need, and that the health care providers you want are available to you. You may:

- enroll in the SHBP if you have not previously done so;
- change to a different health and/or dental plan;
- add eligible dependents you have not previously enrolled (including over age dependents up to age 30 who are not currently covered or who are reaching the end of COBRA eligibility - see article below); and
- remove dependents from coverage.

To make a change to your coverage, contact your human resources representative or benefits administrator to obtain an application. Health and prescription drug coverage changes are made on the same application. Dental coverage changes are made on a separate application. **Completed applications must be returned to your human resources representative or benefits administrator by October 31, 2006.** Do not send the application directly to the SHBP.

Health Plan Coverage for Certain Dependents to Age 30

During the Open Enrollment period — and under the provisions of Chapter 375, P.L. 2005 — certain dependent “children” may elect continued coverage with the SHBP from the time their dependent coverage eligibility would normally end until their 30th birthday. The SHBP covered parent is responsible for the full cost of this extended coverage and will be billed on a monthly basis.

Qualifications and Requirements

If qualified, an over age child can continue SHBP coverage from when their coverage through the parent ends (January 1st of the year immediately following his or her 23rd birthday) until he or she turns age 30 or no longer meets the specific qualifications listed below.

An over age child by blood or by law must meet **all** of the eligibility requirements outlined as follows:

1. Be less than 30 years of age;
2. Be unmarried;

3. Have no dependent(s) of his or her own;
4. Be a resident of New Jersey or enrolled as a full-time student at an accredited public or private institution of higher education; **and**
5. Have no other coverage as a named subscriber, insured, enrollee, or covered person under any other group or individual health benefits plan, church plan, or health benefits plan, or entitled to benefits under Medicare.

Under Chapter 375, a dependent may elect coverage within 30 days of January 1st of the year immediately following his or her 23rd birthday, so that coverage continues without a break. A dependent who previously “aged-out” of a plan and does not currently receive coverage or who is coming to the end of a COBRA eligibility period, but still meets the Chapter 375 requirements for dependent status, may elect continued coverage during the annual Open Enrollment period — even if there has been a gap in coverage.

(Continued on next page)

Health Plan Coverage for Dependents up to Age 30 *(Continued)*

Coverage for an enrolled over age dependent will end when the dependent no longer meets any **one** of the eligibility requirements listed on page 1 or if the required payment is not received. Coverage terminates on the first of the month following the date of any event making the dependent ineligible or the paid-through date in cases of non-payment.

Enrollment and Cost Information

An over age dependent is eligible for coverage in the medical and/or prescription drug plan that is identical to the plan in which the parent is enrolled. There is no provision under Chapter 375 for enrollment in dental or vision benefits.

The covered parent is responsible for the entire cost of coverage (which may be more expensive than other coverage options available to *some* dependents such as continuation through COBRA). You can obtain the rates for Chapter 375 coverage after the start of the Open Enrollment by either visiting our Web site at: www.state.nj.us/treasury/pensions or by calling the Division of Pensions and Benefits.

In order to enroll, you must complete a *Chapter 375 Enrollment Application* which will be available on our Web site for the Open Enrollment. You may also obtain an application during the Open Enrollment by calling the Division of Pensions and Benefits at (609) 292-7524. The application for over age dependents must be signed by both the dependent and parent responsible for paying for the cost of coverage.

Elimination of Duplicate Coverage

At a special meeting of the State Health Benefits Commission on September 5, 2006, the Commission approved the publication of a proposed change to the New Jersey Administrative Code to prohibit duplicate health coverage under the State Health Benefits Program (SHBP). There will be a 60-day period for public comment.

If the Commission approves the rule change following the public comment period, an individual covered under the SHBP will be permitted to have coverage as member or a dependent, but not as both. For example, if a husband and wife are both eligible for coverage under the SHBP as employees, each may elect single coverage **or** one may elect member/spouse coverage (covering the spouse as a dependent) provided that the spouse does not elect his or her own SHBP coverage. Qualified dependent children are only eligible for coverage under one parent.

If approved, employees who are covered under the SHBP as an employee and a dependent can expect to receive notification from the SHBP that they must terminate one of the coverages. The effective date of coverage termination will be in early 2007.

HIPAA Notice for 2006

The federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires group health plans to implement several provisions contained within the law to annually notify its membership of any provisions for which they file an exemption.

For plan year 2006, all SHBP health plans meet or exceed the federal requirements, with the exception of mental health parity for the Traditional Plan and NJ PLUS. The State Health Benefits Commission filed an exemption from the area of mental health parity for non-biologically based mental illness with the federal Centers for Medicare and Medicaid Services for calendar year 2006 for the Traditional Plan and NJ PLUS. The maximum annual and lifetime dollar limits for mental health benefits under the Traditional Plan and NJ PLUS will not change. These limitations are outlined in the SHBP *Summary Program Description*.

New Jersey SHBP

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www.state.nj.us/treasury/pensions

Health Capsule is published periodically for State employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health and prescription benefits and will include articles on new or proposed legislation, New Jersey Administrative Code changes, decisions of the State Health Benefits Commission, and national issues affecting our programs.

The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to *Health Capsule*, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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