



State of New Jersey  
DEPARTMENT OF THE TREASURY  
DIVISION OF PENSIONS AND BENEFITS  
(609) 292-7524 TDD (609) 292-7718  
www.state.nj.us/treasury/pensions

JON S. CORZINE  
Governor

MAILING ADDRESS:  
PO Box 295  
TRENTON, NJ 08625-0295


LOCATION:  
50 WEST STATE STREET  
TRENTON, NEW JERSEY

MICHELLENE DAVIS  
Acting State Treasurer

FREDERICK J. BEAVER  
Director

January 2008

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

**FROM:** Florence J. Sheppard   
Deputy Director, Benefit Operations

**SUBJECT: New State Health Benefits Program (SHBP) Medical Plans and Rates**

The State Health Benefits Program (SHBP) Special Open Enrollment for State biweekly and State monthly employees will begin on **January 28, 2008 and end on February 15, 2008**. All changes to coverage made during this open enrollment will be effective on March 29, 2008 for State biweekly employees and April 1, 2008 for State monthly employees.

Completed employer-certified *SHBP Applications* should be forwarded to the Health Benefits Bureau as soon as they are received from employees. Due to the expected large volume of applications, please do not hold applications or send them in at one time. The last day that certified applications may arrive at the Health Benefits Bureau is February 22, 2008.

As outlined in our letter of December 20, 2007, members will be *automatically transferred* from their existing plans into the corresponding new plans as of March 29, 2008 or April 1, 2008 as appropriate. Please remember that members do not need to submit an application if they are satisfied with the automatic transfer outlined in that letter. See "Additional Information" below for more details.

Our earlier letter also indicated that the SHBP would be conducting regional employee informational seminars. Unfortunately due to time constraints and limited staff, the SHBP will not be able to conduct these seminars; however, online presentations linked from the SHBP Home page will be available to employees (Webex player download may be required). The SHBP will be offering a health fair on February 8, 2008 from 11:00 a.m. to 2:30 p.m. at Thomas Edison State College, Prudence Hall, 101 West State Street, Trenton. In addition, plan administrators will be able to participate in health fairs on a limited basis. Employers must have at least 150 participating members to schedule a fair. Please contact your plan representatives directly to schedule participation.

### MEDICAL PLANS

The SHBP is offering two types of medical plans, a **Preferred Provider Organization (PPO)** and **Health Maintenance Organizations (HMO)**.

The new PPO will offer two options known as NJ DIRECT10 and NJ DIRECT15. **Only NJ DIRECT15 is available to active State employees.**

- **NJ DIRECT15** is similar in design to the current NJ PLUS plan, providing in-network and out-of-network medical care. NJ DIRECT15 differs from NJ PLUS in that NJ DIRECT15 is available nationwide, members are not required to choose a primary care physician, and do not need a referral for in-network services. The copayment for most NJ DIRECT15 *in-network* services is \$15. Most *out-of-network* services are reimbursed at 70% of the “reasonable and customary” allowance after annual deductibles are met.

If treatment for an illness or injury was provided during the last three months of 2007 (assuming the member did not reach the deductible in 2007) or the first three months of 2008 in either NJ PLUS or the Traditional Plan, the eligible charges that were applied toward the annual deductibles may be counted toward meeting the out-of-network deductible under NJ DIRECT for 2008. In addition, the annual and lifetime accumulations as well as the 2008 out-of-pocket balances from NJ PLUS and the Traditional Plan will carry forward into NJ DIRECT.

- Two HMO plans, **Aetna HMO** and **CIGNA HealthCare**, are available to all employees. Both HMOs have expanded networks and provide services nationwide. When an employee enrolls in an HMO he or she selects a Primary Care Physician (PCP) from a group of participating providers contracted by the HMO. All services, except emergencies, are coordinated through the PCP. The copayment for most HMO *in-network* services is \$15. There is no option in an HMO for *out-of-network* care (except for emergencies).

An informational brochure, *A Guide to Choosing a SHBP Health Plan*, describes the new medical plans in additional detail, see “Additional Information” below.

### **RATES FOR 2008**

The State Health Benefits Commission approved new health and prescription drug plan rates for the period April 1, 2008 through December 31, 2008. These rates are based upon the recommendation of the Commission’s actuarial consultant, Aon Consulting, and represent an overall increase of 3% for the State active group and an 11% decrease for the State retiree group. Since the SHBP self-funds all of its medical plans, the claims experience used in projecting these costs are based upon the actual claims experience of the groups.

Rate charts are included with this letter and can also be accessed on the Division’s Web site at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm)

### **ADDITIONAL INFORMATION**

An informational brochure, *A Guide to Choosing a SHBP Health Plan*, was included with State biweekly employee paychecks dated January 25, 2008. The Guide outlines the plan designs of all SHBP medical plans and describes the automatic transfer of members to the new plans. State monthly employers are being shipped supplies of the guide, and it is also available on the Division’s Web site at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm).

By the start of the Open Enrollment period (January 28<sup>th</sup>), each medical plan will have a SHBP dedicated Web site available with plan information. Plan telephone numbers are now operational. See *A Guide to Choosing a SHBP Health Plan* for telephone and Web site information.

Participating provider information for all SHBP medical plans is available in the Unified Provider Directory (UPD). The UPD is an online service that provides a comprehensive listing of health care providers and facilities within the New Jersey area that deliver their services through one or more of the SHBP's health care plans. Updated monthly, you can access the UPD through the SHBP home page at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm).

A copy of the revised *New Jersey State Health Benefit Program Application* is enclosed for your use. Please remember that employees do not need to submit an application if they are satisfied with the automatic transfer outlined in the *Guide to Choosing a SHBP Health Plan*.

The revised SHBP *Plan Comparison Summary* is also enclosed. This redesigned and easily printed document is available on our Web site, and printed copies will be available and distributed to employers in February.

If you have any questions about the SHBP Special Open Enrollment or the information in this letter, please contact our Office of Client Services at (609) 292-7524 to speak with an Employer Group representative. Continue to check our Web site for additional information concerning the Open Enrollment

Thank you for your assistance in making the SHBP Special Open Enrollment a success for your employees.

Enclosures:  
Health Plan Rate Charts  
SHBP Application  
Plan Comparison Summaries