



State of New Jersey

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August 14, 2017

TO: Participating Local Education SEHBP Certifying Officers
FROM: New Jersey Division of Pensions & Benefits (NJDPB)
SUBJECT: Retired Group Health Benefits Coverage Automatic Enrollment

This letter is being issued to notify local education employers participating with the School Employees' Health Benefits Program (SEHBP) of the change from manual enrollment to automatic enrollment of new retirees into a retired group health plan. The majority of new retirees will no longer be required to complete a *Retired Coverage Enrollment Application* in order to be enrolled. Effective December 1, 2017, retiring members currently enrolled in the SEHBP will be enrolled automatically in a retired group plan based on their current active group coverage.

AUTOMATIC ENROLLMENT PLAN CHANGES

Most members will be automatically transferred to the same plan in which they are currently enrolled as active employees; however, not all medical plans are available to retired members. Active members currently enrolled in plans that are not available to retirees will remain with their same selected carrier, either Aetna or Horizon Blue Cross Blue Shield of New Jersey, and transferred automatically to the retired group plans as outlined below:

Current Plan	Retired Plan
NJ DIRECT2035	NJ DIRECT1525
Horizon HD 1500	NJ DIRECT1525
Horizon HMO2035	NJ DIRECT1525
Aetna Freedom 2035	Aetna Freedom 15
Aetna HD 1500	Aetna Freedom 15
Aetna HMO 2035	Aetna Freedom 15

MEDICARE-ELIGIBLE MEMBERS

Retiring members and spouses age 65 or older, or those on Social Security Disability and Medicare-eligible, are required to enroll and maintain coverage in both Medicare Part A and Part B in order to be eligible to enroll in the retired group coverage through the SEHBP. To complete the automatic enrollment process, proof of Medicare Parts A and B must be received by the Health Benefits Bureau.

Medicare-eligible members also have restrictions on plan options and will be transferred automatically to the appropriate retired group plans as outlined below provided that Medicare proof has been received:

Current Plan	Selected Plan
Aetna HMO 2030	Aetna Freedom15
Aetna Freedom 1525	Aetna Freedom15
Aetna Freedom 2030	Aetna Freedom15
Aetna HD 4000	Aetna Freedom 15
NJ DIRECT HD 4000	NJ DIRECT1525

MEMBERS NOT ELIGIBLE FOR AUTOMATIC ENROLLMENT

Certain retiring employees will not be part of the automatic enrollment process, including members:

- Who have changed their retirement date;
- Who have waived coverage as active employees;
- Applying for a Disability Retirement;
- Retiring from non-participating employer locations.

Members under one of the categories above will not be enrolled automatically in the SEHBP Retired Group. These members must complete a *Retired Coverage Enrollment Application* (if waiving retired coverage, see below). Members applying for a Disability Retirement will need to complete an application upon approval of their retirement.

CHAPTER 48

Members enrolled through participating employer locations who have adopted P.L. 1999, c.48 (Chapter 48) will be part of the automatic enrollment process. However, they will be required to pay the full cost, pending the receipt of the *Chapter 48 Employer Certification* form from the employer. This form is available on the NJDPB website www.nj.gov/treasury/pensions in the *Employers' Pensions and Benefits Administration Manual (EPBAM)*.

MEMBERS WHO WISH TO CHANGE PLANS, OR DECLINE OR WAIVE COVERAGE

Members who have been automatically enrolled will have a 60-day window to select a different plan or to decline or waive coverage retroactive to their date of enrollment, provided the coverage was not utilized. Members wishing to select a different available plan, or otherwise modify coverage, will need to submit a *Retired Coverage Enrollment Application*. Automatically-enrolled members who do not change plans within the 60-day window must remain enrolled in the automatically-enrolled plan for 12 months before being permitted to change plans, unless a rate increase affects their plan. To decline or waive coverage, even if coverage was waived as an active employee, members must submit a *Cancel/Decline/Waive Retired Coverage* form.

FOR ADDITIONAL INFORMATION

For additional information, refer to [Fact Sheet #11, Enrolling in Health Benefits When You Retire](#) and [Fact Sheet #23, Health Benefit Programs and Medicare Parts A & B for Retirees](#).