



State of New Jersey

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TO: Local Education Certifying Officers, Human Resource Directors, and Benefits Administrators participating in the School Employees' Health Benefits Program

FROM: New Jersey Division of Pensions and Benefits

SUBJECT: Plan Year 2017 School Employees' Health Benefits Program Open Enrollment

The School Employees' Health Benefits Program (SEHBP) Open Enrollment period for Local Education employees **begins on October 3, 2016, and ends on October 31, 2016.**

During the Open Enrollment period employees can make general changes (adding or deleting dependents, changing coverage levels, etc.) or enroll in a different medical or dental plan. All changes to coverage made during this Open Enrollment period will be effective on January 1, 2017.

Completed employer-certified health benefits and/or dental applications must arrive at the Health Benefits Bureau no later than November 11, 2016, to ensure processing for the start of the 2017 plan year.

Note: Employers should submit completed *Health Benefits Applications* as they are received from employees rather than holding applications for submission at the end of Open Enrollment.

MEDICAL PLANS

There are no medical plan changes for Plan Year 2017. Both Aetna and Horizon Blue Cross Blue Shield of New Jersey will offer Local Education employees Preferred Provider Organization (PPO) plans, Health Maintenance Organization (HMO) plans, and High Deductible Health Plans for the 2017 plan year.

The following medical plans are available to Local Education employees:

PPO Plans: Aetna Freedom 10; Aetna Freedom 15; Aetna Freedom 1525; Aetna Freedom 2030; AetnaFreedom 2035; NJ DIRECT10; NJ DIRECT15; NJ DIRECT1525; NJ DIRECT2030; NJ DIRECT2035

HMO Plans: Aetna HMO; Aetna HMO 1525; Aetna HMO 2030; Aetna HMO 2035; Horizon HMO; Horizon HMO 1525; Horizon HMO 2030; Horizon HMO 2035

High Deductible Health Plans: Aetna Value HD1500; NJ DIRECT HD1500

Note: The service areas for the Horizon HMOs are limited to New Jersey, Delaware, and bordering counties of Pennsylvania and New York.

DENTAL PLANS

The following information is for Local Education employers who provide employee dental coverage through the Employee Dental Plans. Dental coverage is offered to all eligible employees through the Employee Dental Plans.

There are two plan designs — five Dental Plan Organizations (DPO) and a Dental Expense Plan (DEP).

- **Five DPOs are available:** Aetna DMO; CIGNA DHMO; Healthplex; Horizon Dental Choice; and MetLife. DPOs contract with a network of providers for dental services. When an employee or dependent uses a DPO dentist, diagnostic and preventive services are covered in full. Most other eligible expenses require a small copayment. Members must use a provider that participates with the DPO selected to receive coverage. Be sure to confirm that the dentist or dental facility selected is taking new patients and participates with the Employee Dental Plans, since DPOs also service other organizations.
- The **Dental Expense Plan** is a preferred provider organization plan that allows members to obtain services from any dentist; however, using an in-network provider will reduce an employee's costs. After satisfying an annual deductible (no deductible for preventive services), members are reimbursed a percentage of the reasonable and customary charges for eligible services.

Dental Plan Rates for 2017 were approved by the State Health Benefits Commission and rate charts for dental coverage for the Local Education Group are to be posted on the Division's Web site when made available.

NJWELL WELLNESS PROGRAM

NJWELL is open to employees who are enrolled in the SEHBP. Spouses and eligible partners also can participate, as long as they are covered by the SEHBP plan. Plan Year 2016 will be coming to a close on October 31, 2016. Employees can earn a possible \$250 in rewards, in total, based on their total points earned by October 31, 2016.

For information about the program, visit the NJWELL Web site at: www.nj.gov/njwell Watch your e-mail for upcoming information about NJWELL in 2017.

PAYROLL DEDUCTIONS AVAILABLE FOR HDHP PARTICIPANTS

Employees participating in one of the High Deductible Health Plans (HDHP) are able to use tax-deferred contributions from their paychecks to fund their Health Savings Account (HSA). If one of your employees chooses (or is currently enrolled) in one of the High Deductible plans, Aetna or Horizon will contact you to assist in setting up the payroll deductions. A sample of the *HSA Contribution Form* can be found online at:

<http://www.nj.gov/treasury/pensions/epbam/exhibits/pdf/ha0914.pdf>

SUMMARIES OF BENEFITS AND COVERAGE

Detailed information about the SEHBP's medical plans is available through new *Summaries of Benefits and Coverage*. As of this mailing, the summaries are being prepared for posting to our Web site. The summaries will be posted online at:

www.nj.gov/treasury/pensions/hb-sbc-home.shtml

A direct mailing will be sent to all SEHBP members to announce the availability of the summaries, however, employers are also asked to provide notice of this information to their employees. A sample of the mailer is included with this letter.

PLAN RATES

Plan rates for 2017 were approved by the School Employees' Health Benefits Commission. Rate charts will be posted online via the Division's Web site.

An e-mail will be sent to employers when this information becomes available, and you will be asked to share this with your employees.

EMPLOYEE CONTRIBUTIONS FOR SEHBP COVERAGE

Pursuant to Pension and Health Benefit Reform (Chapter 78, P.L. 2011) and with the expiration, renewal, or extension of collective negotiations agreements, employees must pay a percentage of the medical and prescription plan. Most Local Education employees are currently contributing at the four-year phase-in of contribution rates. Employers should advise their employees of the current phased-in contribution level so they can correctly determine the required contributions when considering plan choices.

Percentage of premium contribution worksheets and online calculators will be revised for 2017 plan selections and rates. The increase in plan premiums for 2017 will increase the employee contribution for medical and prescription coverage. Employees who are considering a change of medical plan based on cost should review the contribution amounts for the current contribution phase-in level and if applicable, the next phased-in contribution amount increase. An e-mail will be sent to employers when this information becomes available, and you will be asked to share this with your employees.

WAIVING SEHBP COVERAGE

Local Education employees are permitted to waive SEHBP medical and prescription coverage if they have other employer-provided or retiree coverage, or other coverage as a dependent. Employers are permitted to offer an incentive to employees who waive SEHBP coverage. Under Chapter 2, P.L. 2010, the incentive amount for waivers is limited to 25 percent of the amount saved by the employer or \$5,000, whichever is less. In addition, because multiple coverages under the SHBP/SEHBP are prohibited, waiver incentives are only payable if the other coverage is through a non-SHBP/SEHBP plan. To waive coverage a *Waiver Form* and a *Health Benefits Application* must be completed and submitted during the Open Enrollment. To waive coverage effective **January 1, 2017**, employees should indicate “Open Enrollment” on the waiver form; otherwise, the waiver will be effective before January 1st.

PLAN MARKETING CONTACTS

Included with this letter you will find a listing of employer marketing contacts for the medical and dental plans. Use these contacts to obtain plan-specific information and literature for your employees. These telephone numbers are **not** for member services. Please forward the information to your Human Resources staff, Benefits Administrators, or any other staff members responsible for the communication and administration of health benefits for your employees. Please do not give these telephone numbers to your employees. (Phone numbers and Web address contacts for employees are provided in the enclosed *Health Capsule* newsletter and on the Division of Pensions and Benefits Web site.)

HEALTH BENEFITS PROGRAM APPLICATIONS

SEHBP applications are available for download on the Division’s Web site. Employers should note that a **separate application and contribution form** are required for enrollment into any of the High Deductible Health Plans (provide the HSA Contribution Form for any HDHP enrollments). Please be certain that your employees are aware of, and have access to these applications. Completed employer-certified medical and/or dental applications (if applicable) must arrive at the Health Benefits Bureau no later than **November 11, 2016**, to ensure processing for the start of the 2017 plan year.

DISTRIBUTION OF OPEN ENROLLMENT MATERIALS

Your assistance in forwarding the communications and materials is very important and vital to making the Open Enrollment period a beneficial experience for your employees.

Enclosed with this letter is the *Health Capsule* newsletter. Links to applications and comparison charts also can be found in the Health Capsule. Please forward this attachment to your employees.

As of this mailing, Open Enrollment informational materials are being prepared for posting to our Web site at: www.nj.gov/treasury/pensions. When these items become available you will be notified immediately. Items include the online calculators and rate information for Plan Year 2017.

SOCIAL MEDIA

We encourage you and your employees to stay connected to the Division throughout Open Enrollment via our social media accounts listed below:

www.facebook.com/NJDPB

www.twitter.com/NJDPB1

ADDITIONAL INFORMATION

If you have any questions about the SEHBP Open Enrollment or the information in this letter, please contact our Office of Client Services at (609) 292-7524 or send an e-mail to: *pensions.nj@treas.nj.gov*

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

Enclosure

Plan Marketing Contacts
Summaries of Benefits and Coverage sample
Health Capsule Newsletter