

# P.L. 2020, Chapter 44

## Frequently Asked Questions

### ABOUT CHAPTER 44

**1. Q. What is Chapter 44?**

**A.** On July 1, 2020, Governor Murphy signed P.L. 2020, Chapter 44 (S2273/A20), which will reduce the health care contributions for certain school employees who elect the newly created New Jersey Educators Health Plan (NJEHP) or the Garden State Health Plan (GSHP). The GSHP will be available July 1, 2021, for new employees who are hired after July 1, 2021, and for those having a qualifying event. All other employees will be able to enroll in the GSHP for Plan Year 2022 during the designated open enrollment.

In addition, Chapter 44 calls for a change in the reimbursement of physical therapy, acupuncture, and chiropractic services provided by out-of-network health care professionals for all School Employees' Health Benefits Program (SEHBP) plans as of **August 1, 2020**.

**2. Q. What health plans will be available to SEHBP members during Open Enrollment in the Fall of 2020?**

**A.** All new employees hired *on or after* July 1, 2020, will have the option to enroll in the New Jersey Educators Health Plan (NJEHP) or waive coverage.

All employees hired *prior to* July 1, 2020, will be enrolled in the NJEHP unless that member affirmatively elects to waive coverage, **or** affirmatively elects to remain enrolled in either NJ DIRECT10 or NJ DIRECT15.

Eligible individuals who affirmatively elect to remain enrolled in NJ DIRECT10 or NJ DIRECT15 will continue to pay contributions based upon the Chapter 78 contribution grid or pursuant to their existing collective negotiation agreement (CNA). The Chapter 78 contribution grid can be found on the Division of Pensions & Benefits website: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

All other plans currently offered by the SEHBP (NJ DIRECT ZERO, NJ DIRECT1525, NJ DIRECT2030, NJ DIRECT2035, Horizon HMO, Horizon HMO1525, Horizon HMO2030, Horizon HMO2035, NJ DIRECT HD1500) will no longer be available as plan options.

### PLAN COSTS

**3. Q. What do contributions look like under the NJEHP?**

**A.** Employees and certain retirees\* are required to contribute a percentage of their base salary or retirement allowance (including any cost-of-living adjustment) as applicable. See the chart below.

Salary/Ret. Allowance*	Coverage Level Percentages			
	Single	Parent & Child	Member & Spouse/Partner	Family
\$40,000 or Less	1.7%	2.2%	2.8%	3.3%
>\$40,000 to \$50,000	1.9%	2.5%	3.3%	3.9%
>\$50,000 to \$60,000	2.2%	2.8%	3.9%	4.4%
>\$60,000 to \$70,000	2.5%	3.0%	4.4%	5.0%
>\$70,000 to \$80,000	2.8%	3.3%	5.0%	5.5%
>\$80,000 to \$90,000	3.0%	3.6%	5.5%	6.0%
>\$90,000 to \$100,000	3.3%	3.9%	6.0%	6.6%
>\$100,000 to \$125,000	3.6%	4.4%	6.6%	7.2%
More than \$125,000	Percentage to be contributed shall be the same as for a base salary/allowance of \$125,000.			

\* Applies to retirees who are not Medicare-eligible and who are required by another provision of law to contribute in retirement toward the cost of health benefits coverage under the SEHBP.

**PLAN ROLLOUT**

**4. Q. What coverage do employees receive who were hired on or after July 1, 2020, between the time of hire and January 1, 2021, when the new NJEHP will become available?**

**A.** If an employee is hired after July 1, 2020, but prior to December 31, 2020, the employee will receive whatever health benefits options a new employee would otherwise be entitled to under their existing CNA. Such an employee will have the ability to waive coverage during open enrollment, and in the absence of such a waiver of coverage that employee and any applicable dependents will be enrolled in the NJEHP as of January 1, 2021.

**5. Q. If an employee who was hired prior to July 1, 2020, elects to join the NJEHP for Plan Year 2021, are they able to move back to NJ DIRECT10 or NJ DIRECT15?**

**A.** Yes. Employees hired prior to July 1, 2020, have the option to switch to NJ DIRECT10, NJ DIRECT15, or the NJEHP. Plan changes may only occur during a designated enrollment period or immediately following a qualifying HIPAA event.

**PLAN DESIGN**

**6. Q. What is the Plan Design of the New Jersey Educator’s Health Plan?**

**Medical Coverage and Copayment(s)/Coinsurance**

<b>New Jersey Educators Health Plan</b>	
Primary Care Copayment	\$10
Specialist Care Copayment	\$15
Emergency Room Copayment	\$125 (to be waived if admitted)
In-Network Deductible	\$0
In-Network Coinsurance	10% applicable to Emergency Transportation and Durable Medical Equipment
In-Network Out-of-Pocket Maximum (Individual/Family)	\$500 single/\$1,000 Family (covers all in network copayments, coinsurance, and deductible)
Out-of-Network Allowance	200% CMS
Out-of-Network Deductible (Individual/Family)	\$350 single/\$700 Family
Out-of-Network Coinsurance	30% of out-of-network fee schedule
Out-of-Network Out-of-Pocket Maximum (Individual/Family)	\$2,000/\$5,000
Out-of-Network Inpatient Hospital Deductible	Out-of-Network Deductible applies (see above)
Out-of-Network Physical Therapy Services	75% of in-network cost/service (\$52)
Out-of-Network Acupuncture Services	Lesser of \$60/visit or 75% of in-network cost/visit
Out-of-Network Chiropractic Services	Lesser of \$35/visit or 75% of in-network cost/visit

**Prescription Drug Coverage and Copayment(s)**

Retail: Generic	\$5 – 30-day supply
Retail: Preferred Brand	\$10 — 30-day supply
Retail: Non-Preferred Brand	Member Pays Difference between generic and brand plus brand copayment**
Mail: Generic	\$10 – 90-day supply
Mail: Preferred Brand	\$20 — 90-day supply
Mail: Non-Preferred Brand	Member pays difference between generic and brand plus brand copayment**
Prescription Drug annual Out-of-Pocket Maximum (Individual/Family)	\$1,600 single/\$3200 family (Indexed Annually Pursuant to Federal Law)

*\*\*This cost to the member does not apply to the out-of-pocket maximum*

**7. Q. What are the major differences between the NJ DIRECT10 / NJ DIRECT15 Plans and the NJEHP?**

**A.** The most significant differences are an increase in copayment for emergency room visits that do not result in a hospital admission, the out-of-network deductible and coinsurance, and a different reimbursement schedule for all out-of-network providers. Members will still be able to utilize the same network of providers with the NJEHP as they did with NJ DIRECT.

For prescription drugs, there will be a closed formulary, an increase in most copayments, and mandatory use of generic drugs when they are available.

**8. Q. Will SEHBP participating school districts be able to continue offering Medical coverage only, and separately procuring Prescription Drug benefits?**

**A.** Participating school districts will be able to continue offering Medical coverage only, or Medical and Prescription Drug through the SEHBP.

**9. Q. If a participating school district offers Medical coverage through the SEHBP and separately procures Prescription Drug coverage, are there any requirements on what that Prescription Drug plan must be?**

**A.** If an SEHBP employer offers a standalone Prescription Drug plan, the plan offered to employees must have the same Plan Design as the NJEHP (see above) and provide equivalent coverage.

**10. Q. Does Chapter 44 apply to Charter Schools and Renaissance Schools in New Jersey?**

**A.** Yes. Chapter 44 applies to Charter Schools and Renaissance Schools.

**11. Q. Can participating SEHBP school districts block member enrollment in the SEHBP plans that will be available on January 1, 2021? (For example, can an SEHBP employer “block” the NJ DIRECT10 or NJ DIRECT15 plans for their employees?)**

**A.** No. Chapter 44 mandates that the SEHBP shall offer three plan options for employees hired prior to July 1, 2020, and one plan option (the NJEHP) for those employees hired on or after July 1, 2020 (and once created the GSHP, see below).

## **GARDEN STATE HEALTH PLAN**

**12. Q. What is the Garden State Health Plan?**

**A.** The Garden State Health Plan (GSHP) will be created by the School Employees' Health Benefit Program Plan Design Committee (SEHBP PDC) by December 31, 2020, or the Department of the Treasury, Division of Pensions & Benefits, if the SEHBP PDC has not done so by the legislatively mandated deadline. Chapter 44 requires that the GSHP include only New Jersey-based providers, with certain exceptions as set forth in the plan documents.

**13. Q. What is the Plan Design of the GSHP?**

**A.** Chapter 44 requires that the Plan Design of the GSHP be the same as the Plan Design for the NJEHP. (see charts above).

**14. Q. When is the GSHP going to be available?**

**A.** The GSHP will be available to newly hired employees after July 1, 2021, and will be available as a plan option to all employees during the Open Enrollment period held in 2021. Also, any employees experiencing a qualifying life event between July 1, 2021, and January 1, 2022, will have the ability to select the GSHP as a plan option.

**15. Q. Why is the employee contribution for the GSHP one-half (50%) of the NJEHP employee contribution?**

**A.** Chapter 44 states that the contribution for the GSHP will be 50% of the NJEHP (or a minimum of 1.5 percent of salary/retirement allowance). The SEHBP PDC, or the Division of Pensions & Benefits, as appropriate, will develop the GSHP accordingly.

## RETIREES

### 16. Q. Does Chapter 44 impact non-Medicare Eligible Retirees?

A. Yes. Chapter 44 mandates that all non-Medicare Retirees in the SEHBP must be enrolled in the NJEHP. Non-Medicare Retirees will not have the option to enroll in any other plan; however, they will have the ability to waive coverage on a yearly basis.

Non-Medicare Eligible Retirees who are required to share the cost of SEHBP coverage in retirement, will contribute a percentage of retirement allowance when enrolled in the NJEHP.

### 17. Q. Does Chapter 44 impact Medicare-Eligible Retirees?

A. No. Medicare-Eligible Retirees maintain their current plan choices and contribution schedules.

## OUT-OF-NETWORK REIMBURSEMENT CHANGES

### 18. Q. Why are out-of-network reimbursements changing?

A. Chapter 44 calls for a new out-of-network reimbursement structure comparable to the structure of the State Health Benefits Program. This includes out-of-network reimbursements for physical therapy, acupuncture, and chiropractic care, along with other services at 200 percent of Centers for Medicare & Medicaid Services (CMS) reimbursement amounts.

### 19. Q. When does the out-of-network reimbursement change become effective?

A. The new reimbursement changes were effective as of **August 1, 2020**.

### 20. Q. How are reimbursements changing?

A. If you use an out-of-network provider for physical therapy, acupuncture, or chiropractic services, you must meet your annual deductible. Then, you will pay the coinsurance amount (20 percent, 30 percent, or 40 percent) for your plan, plus any amount exceeding the out-of-network benefit limits shown below:

- ✓ Physical Therapy: **\$52 per visit**
- ✓ Acupuncture for Pain Management: **\$60 per visit**
- ✓ Chiropractic Services: **\$35 per visit**

**Please Note:** There is a 30-visit maximum per calendar year for both in-network and out-of-network chiropractic services.

### 21. Q. Which plans are impacted by the out-of-network reimbursement change?

A. This change applies to all plans.

### 22. Q. Can I continue to receive out-of-network physical therapy, acupuncture, or chiropractic services?

A. Yes. However, you will be subject to out-of-network coinsurance if you see an out-of-network provider and may be able to save money when you receive these services from an in-network provider.

### 23. Q. Will the new out-of-network reimbursement apply to the new NJEHP?

A. Yes. The reimbursement changes will be applied to the NJEHP when it becomes effective.

### 24. Q. Is the out-of-pocket maximum for the health plan separate from the prescription drug out-of-pocket maximum?

A. Yes. The out-of-pocket costs for the health plan and the prescription drug plan are separate.

### 25. Q. Can the difference paid between generic and non-preferred brand prescription drugs be applied to the out-of-pocket maximum?

A. No. Any difference paid between generic and non-preferred brand prescription drugs is not to be applied to the out-of-pocket maximum.