

**ASSEMBLY, No. 20**

---

**STATE OF NEW JERSEY**

**219th LEGISLATURE**

---

INTRODUCED JUNE 25, 2020

**Sponsored by:**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Assemblywoman NANCY J. PINKIN**

**District 18 (Middlesex)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Assemblywoman MILA M. JASEY**

**District 27 (Essex and Morris)**

**Assemblywoman BETTYLOU DECROCE**

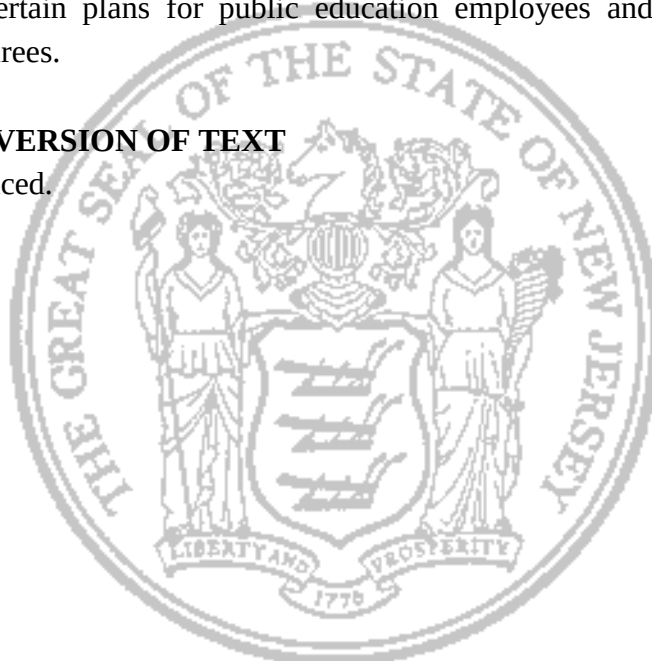
**District 26 (Essex, Morris and Passaic)**

**SYNOPSIS**

Requires SEHBP and eligible employers that do not participate in the SEHBP to provide certain plans for public education employees and certain public education retirees.

**CURRENT VERSION OF TEXT**

As introduced.



1 **AN ACT** concerning the health care benefits plans provided by the  
2 School Employees' Health Benefits Program and eligible  
3 employers that do not participate in the program, and  
4 supplementing P.L.2007, c.103 (C.52:14-17.46.1 et seq.) and  
5 P.L.1979, c.391 (C.18A:16-12 et seq.).

6  
7 **BE IT ENACTED** by the Senate and General Assembly of the State  
8 of New Jersey:

9  
10 1. This section shall apply to the School Employees' Health  
11 Benefits Program (SEHBP) and to those employers defined pursuant  
12 to section 32 of P.L.2007, c.103 (C.52:14-17.46.2) that participate in  
13 the program.

14 a. Notwithstanding the provisions of any other law, rule, or  
15 regulation to the contrary, each plan year for the School Employees'  
16 Health Benefits Program shall commence on each July 1 and end on  
17 June 30 of the following year, commencing on July 1, 2020 and on  
18 each July 1 thereafter.

19 b. (1) Notwithstanding the provisions of any other law, rule, or  
20 regulation to the contrary, beginning with the plan year that  
21 commences July 1, 2020 and for each plan year thereafter, the School  
22 Employees' Health Benefits Program shall offer only three plans that  
23 provide medical and prescription drug benefits for employees, and  
24 retirees who are not Medicare-eligible, and their dependents if any.  
25 All other plans offered prior to July 1, 2020 for employees, and  
26 retirees who are not Medicare-eligible, and their dependents if any,  
27 shall be terminated.

28 The three plans shall be the New Jersey Educators Health Plan as  
29 developed by the School Employees' Health Benefits Plan Design  
30 Committee in accordance with subsection g. of this section; the  
31 SEHBP NJ Direct 10 plan as adopted and implemented by the School  
32 Employees' Health Benefits Commission for the plan year that began  
33 January 1, 2020; and the SEHBP NJ Direct 15 plan as adopted and  
34 implemented by the School Employees' Health Benefits Commission  
35 for the plan year that began January 1, 2020.

36 (2) Only the plans set forth in this section shall be offered by the  
37 program regardless of any collective negotiations agreement between  
38 a participating employer and its employees in effect on the effective  
39 date of this act, P.L. , c. (pending before the Legislature as this  
40 bill), that provides for enrollment in other plans that were offered by  
41 the program prior to July 1, 2020.

42 (3) The School Employees' Health Benefits Commission may  
43 delay the date of implementation of plan offerings, plan terminations,  
44 and enrollments as set forth in this section until a date after July 1,  
45 2020, but not later than August 1, 2020, if the commission deems the  
46 delay to be necessary. The commission may delay implementation  
47 until a date, as soon as possible, after July 1, 2020 by which date the  
48 commission determines that implementation will be practicable. The

1 commission shall state in writing the reasons for the delay. Under no  
2 circumstances shall implementation occur later than August 1, 2020.

3 c. Prior to July 1, 2020, the program, through the Division of  
4 Pensions and Benefits in the Department of the Treasury, shall  
5 provide for a special enrollment period during which all employees  
6 shall be required to select affirmatively one of the three plans  
7 specified in subsection b. of this section. If an employee fails to  
8 select affirmatively a plan during this special enrollment period, the  
9 program shall enroll the employee, and the employee's dependents if  
10 any, in the New Jersey Educators Health Plan for the plan year  
11 beginning July 1, 2020 and ending June 30, 2021.

12 During the special enrollment period, any person who is enrolled  
13 in a plan offered by the program and who is paying the full cost of  
14 health care benefits coverage shall also be required to select  
15 affirmatively one of the three plans specified in subsection b. of this  
16 section. If a person fails to select affirmatively a plan during this  
17 special enrollment period, the program shall enroll the person, and  
18 the person's dependents if any, in the New Jersey Educators Health  
19 Plan for the plan year beginning July 1, 2020 and ending June 30,  
20 2021. Any such person shall continue to pay the full cost of coverage  
21 and shall not be subject to the contribution schedule or any  
22 mandatory enrollment period as set forth in this section and section  
23 2 of this act.

24 d. (1) An employee commencing employment on or after July  
25 1, 2020 but before July 1, 2027 who does not waive coverage shall  
26 be enrolled by the program, with the employee's dependents if any,  
27 in the New Jersey Educators Health Plan. The employee shall remain  
28 enrolled in that plan for each plan year through the plan year that  
29 ends June 30, 2027. For the plan year beginning July 1, 2027, the  
30 employee may select, during any open enrollment period or at such  
31 other times or under such conditions as the program may provide,  
32 any plan offered by the program.

33 (2) For the plan year beginning July 1, 2020, the program shall  
34 enroll a retiree who is not Medicare-eligible, and the retiree's  
35 dependents if any, in the New Jersey Educators Health Plan for health  
36 care benefits coverage as a retiree, if the retiree does not waive  
37 coverage. The retiree shall remain enrolled in that plan for each plan  
38 year through the plan year that ends June 30, 2027 or until the retiree  
39 becomes eligible for Medicare, whichever comes first. The retiree  
40 who becomes eligible for Medicare shall no longer be eligible for  
41 enrollment in the New Jersey Educators Health Plan. For the plan  
42 year beginning July 1, 2027, that retiree who is not Medicare-eligible  
43 may select, during any open enrollment period or at such other times  
44 or under such conditions as the program may provide, any plan  
45 offered by the program.

46 (3) Except as otherwise provided in this subsection or subsection  
47 c. of this section, selection of a plan shall be at the sole discretion of  
48 the employee or retiree who is not Medicare-eligible.

1 e. Beginning with the plan year that commences July 1, 2021  
2 and for each plan year thereafter, the program shall offer a fourth plan  
3 to be called the Garden State Health Plan. The plan shall be  
4 developed by the School Employees' Health Benefits Plan Design  
5 Committee. If the committee does not adopt a design for the Garden  
6 State Health Plan by December 31, 2020, the Division of Pensions  
7 and Benefits in the Department of the Treasury shall develop the  
8 Garden State Health Plan.

9 The Garden State Health Plan shall provide medical and  
10 prescription drug benefits that are equivalent to the level of medical  
11 and prescription drug benefits provided by the New Jersey Educators  
12 Health Plan, except that the benefits under the Garden State Health  
13 Plan shall be available only from providers located in the State of  
14 New Jersey.

15 Access to a service provider that is located outside of the State  
16 shall be available only under such conditions, restrictions, and  
17 limitations as the plan design committee or the division, as  
18 appropriate, shall provide.

19 f. The level of benefits in the New Jersey Educators Health Plan,  
20 the Garden State Health Plan, the NJ Direct 10 plan, and the NJ Direct  
21 15 plan as those plans are specified in subsection b., e., and g. of this  
22 section shall remain unchanged until June 30, 2027. No change in  
23 the level of benefits in those plans shall be made before that date  
24 unless such a change is required by federal or State law to  
25 governmental health care benefits plans or to both governmental and  
26 non-governmental health care benefits plans.

27 For the plan year that commences July 1, 2027 and for each plan  
28 year thereafter, the level of benefits in the New Jersey Educators  
29 Health Plan, the Garden State Health Plan, the NJ Direct 10 plan, and  
30 the NJ Direct 15 plan as those plans are specified in subsection b., e.,  
31 and g. of this section may be modified by the School Employees'  
32 Health Benefits Plan Design Committee.

33 g. The benefits in the New Jersey Educators Health Plan shall  
34 include the following:

|                        |                                                                                         |
|------------------------|-----------------------------------------------------------------------------------------|
| 35                     |                                                                                         |
| In Network Benefits    | Coverage                                                                                |
| Member Coinsurance:    | 10%, Applies Only to<br>Emergency Transportation Care<br>and Durable Medical Equipment  |
| Deductible:            | N/A                                                                                     |
| Out-of-Pocket Maximum: | \$500 Single/ \$1,000 Family<br>(covers all copayments,<br>coinsurance, and deductible) |

**A20 COUGHLIN, PINKIN**

5

Emergency Room Copayment:     \$125    (To    be    Waived    if  
Admitted)

PCP Office Visit Copayment:     \$10

Specialist        Office        Visit    \$15  
Copayment

Out-of-Network Benefits            Coverage

Member Coinsurance:               30% of the Out-of-Network Fee  
Schedule

Deductible:                             \$350 / \$700

Out-of-Pocket Maximum:            \$2,000 Single / \$5,000 Family

Routine Lab:                            Paid at Out-of-Network Benefit  
Level

Out-of-Network Fee Schedule:     200% of CMS - Medicare

Pharmacy

Out-of-Pocket Maximum:            \$1,600 Single / \$3,200 Family  
(Indexed Annually Pursuant to  
Federal Law)

Generic Copayment:                 \$5 Retail 30 Day Supply / \$10  
Mail 90 Day Supply

Brand Copayment:                    \$10 Retail 30 Day Supply/ \$20  
Mail 90 Day Supply

Mandatory Generic:                  Member Pays Difference in Cost  
Between Generic and Brand,  
Plus Brand Copayment

Formulary:                              PBM's Closed Formulary

Other

Chiropractic, Physical Therapy,    Subject    to    Out-of-Network  
and Acupuncture:                    Limits as for the State Health  
Benefits Program to take effect  
as of April 1, 2020, or as soon  
thereafter    as    reasonably  
practicable.

1 Under a patient centered medical home model, there shall be no  
2 office visit copay for primary care for participants who select and  
3 lock into a patient centered medical home for primary care.

4  
5 h. Any plan offered by the School Employees' Health Benefits  
6 Program shall require that chiropractic, physical therapy, and  
7 acupuncture benefits shall be subject to the same out-of-network  
8 limits as for the State Health Benefits Program that are to take effect  
9 as of April 1, 2020 or as soon thereafter as reasonably practicable.

10  
11 2. a. Each employee, and retiree who is not Medicare-eligible  
12 and who is required by another provision of law to contribute in  
13 retirement toward the cost of health care benefits coverage under the  
14 program, shall contribute annually toward the cost of health care  
15 benefits coverage for the employee and retiree, and dependents if  
16 any, under the New Jersey Educators Health Plan offered by the  
17 School Employees' Health Benefits Program an amount equal to a  
18 percentage of the employee's annual base salary or retiree's annual  
19 retirement allowance. The contribution shall be withheld by the  
20 employer from the salary of the employee or by the retirement system  
21 from the retirement allowance of the retiree who is not Medicare-  
22 eligible. The percent to be contributed shall be as follows:

23  
24 For Base Salary or Retirement Allowance of \$40,000 or Less: 1.7%  
25 for Single Coverage; 2.2% for Parent and Child(ren) Coverage; 2.8%  
26 for Employee and Spouse Coverage; and 3.3% for Family Coverage

27  
28 For Base Salary or Retirement Allowance of more than \$40,000 to  
29 \$50,000: 1.9% for Single Coverage; 2.5% for Parent and Child(ren)  
30 Coverage; 3.3% for Employee and Spouse Coverage; and 3.9% for  
31 Family Coverage

32  
33 For Base Salary or Retirement Allowance of more than \$50,000 to  
34 \$60,000: 2.2% for Single Coverage; 2.8% for Parent and Child(ren)  
35 Coverage; 3.9% for Employee and Spouse Coverage; and 4.4% for  
36 Family Coverage

37  
38 For Base Salary or Retirement Allowance of more than \$60,000 to  
39 \$70,000: 2.5% for Single Coverage; 3% for Parent and Child(ren)  
40 Coverage; 4.4% for Employee and Spouse Coverage; and 5% for  
41 Family Coverage

42  
43 For Base Salary or Retirement Allowance of more than \$70,000 to  
44 \$80,000: 2.8% for Single Coverage; 3.3% for Parent and Child(ren)  
45 Coverage; 5% for Employee and Spouse Coverage; and 5.5% for  
46 Family Coverage

1 For Base Salary or Retirement Allowance of more than \$80,000 to  
2 \$90,000: 3% for Single Coverage; 3.6% for Parent and Child(ren)  
3 Coverage; 5.5% for Employee and Spouse Coverage; and 6% for  
4 Family Coverage

5  
6 For Base Salary or Retirement Allowance of more than \$90,000 to  
7 \$100,000: 3.3% for Single Coverage; 3.9% for Parent and Child(ren)  
8 Coverage; 6% for Employee and Spouse Coverage; and 6.6% for  
9 Family Coverage

10  
11 For Base Salary or Retirement Allowance of more than \$100,000 to  
12 \$125,000:  
13 3.6% for Single Coverage; 4.4% for Parent and Child(ren) Coverage;  
14 6.6% for Employee and Spouse Coverage; and 7.2% for Family  
15 Coverage

16  
17 When the base salary or retirement allowance is more than  
18 \$125,000, the percent to be contributed shall be the same as for a base  
19 salary or retirement allowance of \$125,000.

20  
21 b. Each employee, and retiree who is not Medicare-eligible and  
22 who is required by another provision of law to contribute in  
23 retirement toward the cost of health care benefits coverage under the  
24 program, shall contribute annually toward the cost of health care  
25 benefits coverage for the employee and retiree, and dependents if  
26 any, under the Garden State Health Plan offered by the School  
27 Employees' Health Benefits Program an amount equal to a  
28 percentage of the employee's annual salary or retiree's annual  
29 retirement allowance. The contribution shall be withheld by the  
30 employer from the salary of the employee or by the retirement system  
31 from the retirement allowance of the retiree who is not Medicare-  
32 eligible. The percent to be contributed shall be one-half of the  
33 percentage set forth in subsection a. of this section for the salary or  
34 retirement allowance range and type of coverage, except that the  
35 contribution specified in this subsection shall not be less than the  
36 minimum annual contribution for health care benefits coverage of  
37 1.5% of salary or retirement allowance as required by law.

38 c. (1) An employee enrolled in the New Jersey Educators Health  
39 Plan or the Garden State Health Plan shall be required to pay only the  
40 contribution specified in subsection a. or b. of this section,  
41 notwithstanding any other provision of law, rule, or regulation to the  
42 contrary requiring contributions by employees toward the cost of  
43 health care benefits coverage under the program, except as provided  
44 in subsection b. of this section. No other contribution may be  
45 required by collective negotiations agreement, except as set forth in  
46 subsection h. of this section.

47 (2) Only those retirees who are not Medicare-eligible and who are  
48 required by another provision of law to contribute in retirement

1 toward the cost of health care coverage under the program shall be  
2 required to pay the contribution specified in subsection a. or b. of this  
3 section for coverage under the New Jersey Educators Health Plan or  
4 the Garden State Health Plan.

5 A retiree who is not Medicare-eligible, who is enrolled in the New  
6 Jersey Educators Health Plan or the Garden State Health Plan, and  
7 who is required by another provision of law to contribute in  
8 retirement toward the cost of health care coverage under the program  
9 shall be required to pay only the contribution specified in subsection  
10 a. or b. of this section, notwithstanding the provisions of section 77  
11 of P.L.2011, c.78 (C.52:14-17.28e), section 3 of P.L.1987, c.384  
12 (C.52:14-17.32f), section 2 of P.L.1992, c.126 (C.52:14-17.32f1), or  
13 section 1 of P.L.1995, c.357 (C.52:14-17.32f2) to the contrary  
14 requiring contributions by retirees toward the cost of health care  
15 benefits coverage under the program, except as provided in  
16 subsection b. of this section.

17 d. Employees who are not enrolled in the New Jersey Educators  
18 Health Plan or the Garden State Health Plan shall continue, after the  
19 effective date of this act, P.L. , c. (pending before the Legislature  
20 as this bill), to contribute to health care benefits coverage and those  
21 contributions shall be determined in accordance with what is  
22 permitted or required by provisions of law.

23 An employee who is enrolled in a plan other than the New Jersey  
24 Educators Health Plan or the Garden State Health Plan shall be  
25 required to contribute toward the cost of health care benefits  
26 coverage under the program (a) in accordance with a collective  
27 negotiations agreement applicable to that employee as negotiated  
28 prior to or after the effective date of this act, P.L. , c. (pending  
29 before the Legislature as this bill), pursuant to the requirements that  
30 were set forth in law on the day next preceding that effective date;  
31 (b) as may be required at the discretion of the employer; or (c) as  
32 required by a provision of law, whichever is applicable to that  
33 employee.

34 With regard to contributions by an employee who is enrolled in a  
35 plan other than the New Jersey Educators Health Plan or the Garden  
36 State Health Plan, no provision in this section shall be deemed to  
37 modify, alter, impair, or terminate the requirement in sections 77 and  
38 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-17.28e), as  
39 applicable, that a public employer and employees who were in  
40 negotiations for the collective negotiations agreement to be executed  
41 after the employees in that unit had reached full implementation of  
42 the premium share set forth in section 39 of P.L.2011, c.78 (C.52:14-  
43 17.28c) shall conduct negotiations concerning contributions for  
44 health care benefits as if the full premium share was included in the  
45 prior contract. Nothing in this act shall be deemed to modify, alter,  
46 impair, or terminate the continued compliance after the effective date  
47 of this act with that requirement for negotiations for any collections  
48 negotiations agreement for employee contributions for plans other

1 than the New Jersey Educators Health Plan or the Garden State  
2 Health Plan.

3 e. For an employee, the annual base salary paid by the employer  
4 for the position held by the employee shall be used to identify the  
5 percentage to be used to calculate the annual contribution required  
6 under subsections a. and b. of section 2 of this act. For a retiree who  
7 is not Medicare-eligible, the annual retirement allowance received by  
8 the retiree shall be used to identify the percentage to be used to  
9 calculate the annual contribution required under subsections a. and b.  
10 of section 2 of this act.

11 f. The annual contribution by an employee or a retiree who is  
12 not Medicare-eligible as calculated in accordance with subsection a.  
13 or b. of this section shall not exceed the amount as calculated in  
14 accordance with section 4 of this act, P.L. , c. (C. )(pending  
15 before the Legislature as this bill).

16 g. The contributions required by this section shall apply to  
17 employees for whom the employer has assumed a health care benefits  
18 payment obligation, to require that such employees pay the amount  
19 of contribution specified in this section for health care benefits  
20 coverage. The contributions required by this section shall apply to  
21 retirees for whom the State has assumed a health care benefits  
22 payment obligation but who are required by law to contribute toward  
23 the cost of health care benefits coverage under the program, to require  
24 that such retirees pay the amount of contribution specified in this  
25 section for health care benefits coverage.

26 h. For the plan year that commences on July 1, 2027 and for each  
27 plan year thereafter, the contributions required pursuant to  
28 subsections a. and b. of this section for employees enrolled in the  
29 New Jersey Educators Health Plan or the Garden State Health Plan  
30 may be modified through collective negotiations agreements entered  
31 into between the employers who participate in the School  
32 Employees' Health Benefits Program and their employees. The  
33 contributions required pursuant to subsections a. and b. of this section  
34 shall become part of the parties' collective negotiations and shall then  
35 be subject to collective negotiations in a manner similar to other  
36 negotiable items between the parties. Negotiations concerning  
37 contributions for health care benefits shall be conducted as if the  
38 contributions required pursuant to subsections a. and b. of this section  
39 were included in the prior contract. The contribution scheme of  
40 percentage of base salary set forth in those subsections may be  
41 modified or a new contribution scheme or method other than a  
42 percentage of salary may be provided for in accordance with a  
43 collective negotiations agreement.  
44

45 3. a. The School Employees' Health Benefits Commission shall  
46 prepare, in coordination with the Division of Pensions and Benefits  
47 in the Department of the Treasury, a guidance tool to provide  
48 employees and retirees who is not Medicare-eligible with

1 confidential consultations online with regard to the employee's or  
2 retiree's decision to select a plan during a period of open enrollment  
3 or at other times. The guidance tool shall operate using information  
4 supplied by the employee or retiree as answers to questions  
5 concerning the health care needs of the employee or retiree, and the  
6 employee's or retiree's dependents if any.

7 b. The School Employees' Health Benefits Plan Design  
8 Committee shall develop a comprehensive health and wellness plan  
9 intended to provide biometric screening services, chronic condition  
10 coaching services, and smoking cessation services.

11 The School Employees' Health Benefits Commission shall  
12 provide, through a contract, for the services of wellness related  
13 providers for employees and retirees, and their dependents if any,  
14 enrolled in the program. The contract awarded by the commission  
15 shall provide access to those services for employers, as defined in  
16 section 32 of P.L.2007, c.103 (C.52:14-17.46.2), who do not  
17 participate in the program so that their employees may have access  
18 to the same services and under same terms, conditions, and costs as  
19 the employees of employers who do participate.

20 The School Employees' Health Benefits Program shall promote,  
21 on an on-going basis, the expansion of the use of patient centered  
22 medical homes.

23 The School Employees' Health Benefits Plan Design Committee  
24 shall seek also to adopt, on an on-going basis, efforts and measures  
25 to support expanded population health arrangements that manage  
26 costs and prevent inappropriate utilization.

27 c. All provisions of law regarding the School Employees' Health  
28 Benefits Program shall remain applicable to the extent not  
29 inconsistent with, and shall not be interpreted in a manner that creates  
30 a direct impediment to the implementation of, this section and  
31 sections 1, 2, and 4 of this act, P.L. , c. (C. )(pending before  
32 the Legislature as this bill).

33  
34 4. For employees and retirees who are not Medicare-eligible  
35 who are required to make a contribution pursuant to subsection a. or  
36 b. of section 2, or subsection d. of section 5, of this act, P.L. ,  
37 c. (C. )(pending before the Legislature as this bill), due to  
38 enrollment in the New Jersey Educators Health Plan or the Garden  
39 State Health Plan, or the equivalent plan, as appropriate, a calculation  
40 shall be made in accordance with this section. The employee or  
41 retiree shall be required to contribute the lesser of: the amount  
42 calculated for that employee or retiree in accordance with subsection  
43 a. or b. of section 2, or in accordance subsection d. of section 5, of  
44 this act, as appropriate; or the amount calculated for that employee  
45 or retiree in accordance with this section.

46  
47 for family coverage or its equivalent -

1       an employee or retiree who earns less than \$25,000 shall pay 3  
2 percent of the cost of coverage;  
3       an employee or retiree who earns \$25,000 or more but less than  
4 \$30,000 shall pay 4 percent of the cost of coverage;  
5       an employee or retiree who earns \$30,000 or more but less than  
6 \$35,000 shall pay 5 percent of the cost of coverage;  
7       an employee or retiree who earns \$35,000 or more but less than  
8 \$40,000 shall pay 6 percent of the cost of coverage;  
9       an employee or retiree who earns \$40,000 or more but less than  
10 \$45,000 shall pay 7 percent of the cost of coverage;  
11       an employee or retiree who earns \$45,000 or more but less than  
12 \$50,000 shall pay 9 percent of the cost of coverage;  
13       an employee or retiree who earns \$50,000 or more but less than  
14 \$55,000 shall pay 12 percent of the cost of coverage;  
15       an employee or retiree who earns \$55,000 or more but less than  
16 \$60,000 shall pay 14 percent of the cost of coverage;  
17       an employee or retiree who earns \$60,000 or more but less than  
18 \$65,000 shall pay 17 percent of the cost of coverage;  
19       an employee or retiree who earns \$65,000 or more but less than  
20 \$70,000 shall pay 19 percent of the cost of coverage;  
21       an employee or retiree who earns \$70,000 or more but less than  
22 \$75,000 shall pay 22 percent of the cost of coverage;  
23       an employee or retiree who earns \$75,000 or more but less than  
24 \$80,000 shall pay 23 percent of the cost of coverage;  
25       an employee or retiree who earns \$80,000 or more but less than  
26 \$85,000 shall pay 24 percent of the cost of coverage;  
27       an employee or retiree who earns \$85,000 or more but less than  
28 \$90,000 shall pay 26 percent of the cost of coverage;  
29       an employee or retiree who earns \$90,000 or more but less than  
30 \$95,000 shall pay 28 percent of the cost of coverage;  
31       an employee or retiree who earns \$95,000 or more but less than  
32 \$100,000 shall pay 29 percent of the cost of coverage;  
33       an employee or retiree who earns \$100,000 or more but less than  
34 \$110,000 shall pay 32 percent of the cost of coverage;  
35       an employee or retiree who earns \$110,000 or more shall pay 35  
36 percent of the cost of coverage  
37  
38       for individual coverage or its equivalent -  
39       an employee or retiree who earns less than \$20,000 shall pay 4.5  
40 percent of the cost of coverage;  
41       an employee or retiree who earns \$20,000 or more but less than  
42 \$25,000 shall pay 5.5 percent of the cost of coverage;  
43       an employee or retiree who earns \$25,000 or more but less than  
44 \$30,000 shall pay 7.5 percent of the cost of coverage;  
45       an employee or retiree who earns \$30,000 or more but less than  
46 \$35,000 shall pay 10 percent of the cost of coverage;  
47       an employee or retiree who earns \$35,000 or more but less than  
48 \$40,000 shall pay 11 percent of the cost of coverage;

1       an employee or retiree who earns \$40,000 or more but less than  
2 \$45,000 shall pay 12 percent of the cost of coverage;  
3       an employee or retiree who earns \$45,000 or more but less than  
4 \$50,000 shall pay 14 percent of the cost of coverage;  
5       an employee or retiree who earns \$50,000 or more but less than  
6 \$55,000 shall pay 20 percent of the cost of coverage;  
7       an employee or retiree who earns \$55,000 or more but less than  
8 \$60,000 shall pay 23 percent of the cost of coverage;  
9       an employee or retiree who earns \$60,000 or more but less than  
10 \$65,000 shall pay 27 percent of the cost of coverage;  
11       an employee or retiree who earns \$65,000 or more but less than  
12 \$70,000 shall pay 29 percent of the cost of coverage;  
13       an employee or retiree who earns \$70,000 or more but less than  
14 \$75,000 shall pay 32 percent of the cost of coverage;  
15       an employee or retiree who earns \$75,000 or more but less than  
16 \$80,000 shall pay 33 percent of the cost of coverage;  
17       an employee or retiree who earns \$80,000 or more but less than  
18 \$95,000 shall pay 34 percent of the cost of coverage;  
19       an employee or retiree who earns \$95,000 or more shall pay 35  
20 percent of the cost of coverage;  
21  
22       for member with child or spouse coverage or its equivalent -  
23       an employee or retiree who earns less than \$25,000 shall pay 3.5  
24 percent of the cost of coverage;  
25       an employee or retiree who earns \$25,000 or more but less than  
26 \$30,000 shall pay 4.5 percent of the cost of coverage;  
27       an employee or retiree who earns \$30,000 or more but less than  
28 \$35,000 shall pay 6 percent of the cost of coverage;  
29       an employee or retiree who earns \$35,000 or more but less than  
30 \$40,000 shall pay 7 percent of the cost of coverage;  
31       an employee or retiree who earns \$40,000 or more but less than  
32 \$45,000 shall pay 8 percent of the cost of coverage;  
33       an employee or retiree who earns \$45,000 or more but less than  
34 \$50,000 shall pay 10 percent of the cost of coverage;  
35       an employee or retiree who earns \$50,000 or more but less than  
36 \$55,000 shall pay 15 percent of the cost of coverage;  
37       an employee or retiree who earns \$55,000 or more but less than  
38 \$60,000 shall pay 17 percent of the cost of coverage;  
39       an employee or retiree who earns \$60,000 or more but less than  
40 \$65,000 shall pay 21 percent of the cost of coverage;  
41       an employee or retiree who earns \$65,000 or more but less than  
42 \$70,000 shall pay 23 percent of the cost of coverage;  
43       an employee or retiree who earns \$70,000 or more but less than  
44 \$75,000 shall pay 26 percent of the cost of coverage;  
45       an employee or retiree who earns \$75,000 or more but less than  
46 \$80,000 shall pay 27 percent of the cost of coverage;  
47       an employee or retiree who earns \$80,000 or more but less than  
48 \$85,000 shall pay 28 percent of the cost of coverage;

1 an employee or retiree who earns \$85,000 or more but less than  
2 \$100,000 shall pay 30 percent of the cost of coverage.

3 an employee or retiree who earns \$100,000 or more shall pay 35  
4 percent of the cost of coverage.

5  
6 The annual base salary of an employee shall be used to determine  
7 what the employee earns for the purpose of determining the percent  
8 of the cost of coverage. The annual retirement allowance of a retiree  
9 who is not Medicare-eligible shall be used to determine what the  
10 retiree earns for the purpose of determining the percent of the cost of  
11 coverage.

12 As used in this section, "cost of coverage" means the premium or  
13 periodic charges for medical and prescription drug plan coverage, but  
14 not for dental, vision, or other health care, provided: (1) under the  
15 New Jersey Educators Health Plan or the Garden State Health Plan  
16 offered by the School Employees' Health Benefits Program pursuant  
17 to section 1 of P.L. , c. (C. )(pending before the Legislature as  
18 this bill); or (2) under the equivalent New Jersey Educators Health  
19 Plan or the equivalent Garden State Health Plan offered by an  
20 employer pursuant to section 5 of P.L. c. (C. (pending  
21 before the Legislature as this bill) when that employer is not a  
22 participant in the School Employees' Health Benefits Program.

23  
24 5. This section shall apply to local boards of education and  
25 employers, as specified in subsection j. of this section, who do not  
26 participate in the School Employees' Health Benefits Program.

27 a. (1) Notwithstanding the provisions of any other law, rule, or  
28 regulation to the contrary, beginning July 1, 2020 and for each plan  
29 year thereafter, a board of education as an employer providing health  
30 care benefits coverage for its employees, and their dependents if any,  
31 in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall offer  
32 to its employees, and their dependents if any, the equivalent of the  
33 New Jersey Educators Health Plan in the School Employees' Health  
34 Benefits Program as that plan is described in section 1 of P.L. , c.  
35 (C. )(pending before the Legislature as this bill).

36 Beginning July 1, 2021 and for each plan year thereafter, a board  
37 of education as an employer providing health care benefits coverage  
38 for its employees, and their dependents if any, in accordance with  
39 P.L.1979, c.391 (C.18A:16-12 et seq.) shall also offer a plan for its  
40 employees, and their dependents if any, that is the equivalent of the  
41 Garden State Health Plan in the School Employees' Health Benefits  
42 Program.

43 (2) The plans under this section shall be offered by the employer  
44 regardless of any collective negotiations agreement between the  
45 employer and its employees in effect on the effective date of this act,  
46 P.L. , c. (pending before the Legislature as this bill), that provides  
47 for enrollment in other plans offered by the employer.

1 No new health care benefits plans, other than those specified in  
2 paragraph (1) of this subsection, shall be added by the employer from  
3 July 1, 2020 through June 30, 2027 unless the provisions of any  
4 collective negotiations agreement entered into before or after the  
5 effective date of this act, P.L. , c. (pending before the Legislature  
6 as this bill), result in additional premium cost reductions. Nothing in  
7 this section shall prohibit an employer from offering health care  
8 benefits plans that existed prior to the effective date of this act.

9 (3) Commencing July 1, 2027, the employer may offer such other  
10 plans as may be required in accordance with any collective  
11 negotiations agreement between the employer and its employees.

12 (4) An employer may delay implementation of plan offerings and  
13 enrollments as set forth in this section until a date after July 1, 2020,  
14 but not later than August 1, 2020, if the employer deems the delay to  
15 be necessary. The employer may delay implementation until a date,  
16 as soon as possible, after July 1, 2020 by which date the employer  
17 determines that implementation will be practicable. The employer  
18 shall state in writing the reasons for the delay and shall submit that  
19 statement to the School Employees' Health Benefits Commission.  
20 Under no circumstances shall implementation occur later than  
21 August 1, 2020.

22 b. Prior to July 1, 2020, each employer shall provide a special  
23 enrollment period during which all employees shall be required to  
24 select affirmatively a plan provided by the employer. If an employee  
25 fails to select affirmatively a plan during this special enrollment  
26 period, the employer shall enroll the employee, and the employee's  
27 dependents if any, in the equivalent New Jersey Educators Health  
28 Plan for the year July 1, 2020 until June 30, 2021.

29 During the special enrollment period, each person who is enrolled  
30 in a plan offered by the employer and who is paying the full cost of  
31 coverage shall also be required to select affirmatively a plan provided  
32 by the employer. If a person fails to select affirmatively a plan during  
33 this special enrollment period, the employer shall enroll the person,  
34 and the person's dependents if any, in the equivalent New Jersey  
35 Educators Health Plan for the year July 1, 2020 until June 30, 2021.  
36 Any such person shall continue to pay the full cost of coverage and  
37 shall not be subject to the contribution schedule or any mandatory  
38 enrollment period as set forth in this section.

39 c. (1) An employee commencing employment on or after July  
40 1, 2020 but before July 1, 2027 who does not waive coverage, shall  
41 be enrolled by the employer in the equivalent New Jersey Educators  
42 Health Plan. The employee shall remain enrolled in that plan for each  
43 plan year until June 30, 2027. Beginning July 1, 2027, the employee  
44 may select, during any open enrollment period or at such other times  
45 or under such conditions as the employer may provide, any plan  
46 offered by the employer.

1 (2) Except as otherwise provided in this subsection or subsection  
2 b. of this section, selection of a plan shall be at the sole discretion of  
3 the employee.

4 d. An employee shall contribute annually toward the cost of  
5 health care benefits coverage for the employee, and employee's  
6 dependents if any, the amount specified, in the manner specified, in  
7 subsection a. or b. of section 2 of this act, P.L. , c. (C. )(pending  
8 before the Legislature as this bill), if the employee, and the  
9 employee's dependents if any, are enrolled in the equivalent New  
10 Jersey Educators Health Plan or the equivalent Garden State Health  
11 Plan. An employee's contribution toward the cost of coverage under  
12 the equivalent Garden State Health Plan shall be the amount required  
13 in subsection b. of section 2 of this act, except that the contribution  
14 specified in that subsection shall not be less than the minimum annual  
15 contribution for health care benefits coverage of 1.5% of salary as  
16 required by law.

17 e. (1) An employee enrolled in the equivalent New Jersey  
18 Educators Health Plan or the equivalent Garden State Health Plan  
19 shall be required to pay only the contribution specified in subsections  
20 a. and b. of section 2 of this act, notwithstanding any other provision  
21 of law, rule, or regulation to the contrary requiring contributions by  
22 employees toward the cost of health care benefits coverage provided  
23 by an employer, except as provided in subsection d. of this section.  
24 No other contribution may be required by collective negotiations  
25 agreement, except as set forth in subsection i. of this section.

26 (2) Employees who are not enrolled in the equivalent New Jersey  
27 Educators Health Plan or the equivalent Garden State Health Plan  
28 shall continue, after the effective date of this act, P.L. , c.  
29 (pending before the Legislature as this bill), to contribute to health  
30 care benefits coverage and those contributions shall be determined in  
31 accordance with what is permitted or required by provisions of law.

32 An employee who is enrolled in a plan other than the equivalent  
33 New Jersey Educators Health Plan or the equivalent Garden State  
34 Health Plan shall be required to contribute toward the cost of health  
35 care benefits coverage offered by the employer (a) in accordance with  
36 a collective negotiations agreement applicable to that employee as  
37 negotiated prior to or after the effective date of this act pursuant to  
38 the requirements that were set forth in law on the day next preceding  
39 that effective date; (b) as may be required at the discretion of the  
40 employer; or (c) as required by a provision of law, whichever is  
41 applicable to that employee.

42 With regard to contributions by an employee who is enrolled in a  
43 plan other than the equivalent New Jersey Educators Health Plan or  
44 the equivalent Garden State Health Plan, no provision in this section  
45 shall be deemed to modify, alter, impair, or terminate the requirement  
46 in sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-  
47 17.28e), as applicable, that a public employer and employees who are  
48 in negotiations for the collective negotiations agreement to be

1 executed after the employees in that unit had reached full  
2 implementation of the premium share set forth in section 39 of  
3 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations  
4 concerning contributions for health care benefits as if the full  
5 premium share was included in the prior contract. Nothing in this act  
6 shall be deemed to modify, alter, impair, or terminate the continued  
7 compliance after the effective date of this act with that requirement  
8 for negotiations for any collective negotiations agreement for  
9 employee contributions for plans other than the equivalent New  
10 Jersey Educators Health Plan or the equivalent Garden State Health  
11 Plan.

12 (3) For an employee, the annual base salary paid by the employer  
13 for the position held by the employee shall be used to identify the  
14 percentage to be used to calculate the annual contribution required  
15 under subsections a. and b. of section 2 of this act.

16 f. The annual contribution by an employee as calculated in  
17 accordance with subsection a. or b. of section 2 of this act shall not  
18 exceed the amount as calculated in accordance with section 4 of this  
19 act.

20 g. The contributions required by this section shall apply to  
21 employees for whom the employer has assumed a health care benefits  
22 payment obligation, to require that such employees pay the amount  
23 of contribution specified in this section for health care benefits  
24 coverage.

25 h. The level of benefits in the equivalent New Jersey Educators  
26 Health Plan and the equivalent Garden State Health Plan offered by  
27 the employer shall remain unchanged until June 30, 2027. No change  
28 in the level of benefits in those plans shall be made before that date  
29 unless such a change is required by federal or State law to  
30 governmental health care benefits plans or to both governmental and  
31 non-governmental health care benefits plans.

32 Commencing July 1, 2027 and for each plan year thereafter, the  
33 level of benefits in the equivalent New Jersey Educators Health Plan  
34 and the equivalent Garden State Health Plan offered by the employer  
35 may be modified by the employer in accordance with collective  
36 negotiations agreements entered into between the employers who do  
37 not participate in the School Employees' Health Benefits Program  
38 and their employees, or as otherwise permitted by law.

39 i. Commencing July 1, 2027 and for each plan thereafter, the  
40 contributions required pursuant to subsections a. and b. of section 2  
41 of this act for employees enrolled in the equivalent New Jersey  
42 Educators Health Plan or the equivalent Garden State Health Plan  
43 may be modified in accordance with collective negotiations  
44 agreements enter into between the employers who do not participate  
45 in the School Employees' Health Benefits Program and their  
46 employees. The contributions required pursuant to subsections a. and  
47 b. of section 2 of this act shall become part of the parties' collective  
48 negotiations and shall then be subject to collective negotiations in a

1 manner similar to other negotiable items between the parties.  
2 Negotiations concerning contributions for health care benefits shall  
3 be conducted as if the contributions required pursuant to subsections  
4 a. and b. of section 2 of this act were included in the prior contract.  
5 The contribution scheme of the percentage of base salary set forth in  
6 those subsections may be modified or a new contribution scheme or  
7 method other than a percentage of salary may be provided for in  
8 accordance with a collective negotiations agreement.

9 j. This section shall also apply also when health care benefits  
10 coverage is provided through an insurance fund or joint insurance  
11 fund or any other manner. This section shall apply to any employer,  
12 as that term is defined in section 32 of P.L.2007, c.103 (C.52:14-  
13 17.46.2), that is not a participating employer in the School  
14 Employees' Health Benefits Program.  
15

16 6. a. Actual savings realized by a school district as a result of  
17 the implementation of the provisions of P.L. , c. (C. )(pending  
18 before the Legislature as this bill) shall be used solely and  
19 exclusively by the school district for the purpose of reducing the  
20 amount that is required to be raised by the local property tax levy by  
21 the school district for school district purposes, except when a school  
22 district is spending below adequacy as calculated in accordance with  
23 section 1 of P.L.2018, c.67 (C.18A:7F-70).

24 When a cap on the annual increase in the property tax levy for a  
25 school district is imposed by law, the savings realized shall be  
26 deducted from the adjusted tax levy for the previous budget year and  
27 that reduced amount shall serve as the basis for calculating the  
28 adjusted tax levy for the next school year.

29 b. To enable tracking of health care cost savings by school  
30 districts, each school district shall submit an annual data sheet for  
31 both the current and prior year showing the Total Annual Cost of  
32 Health Benefits for Active Employees, the Total Employee Cost-  
33 Sharing Contribution, and the Net Cost to the School District for  
34 Health Benefits, including the Number of Covered Employees, the  
35 Annual Cost Estimate Per Employee, and the Total Cost for each  
36 coverage category – Single Coverage, Parent and Child, Employee  
37 and Spouse, and Family.

38 In addition, school districts shall provide separate breakouts of the  
39 same categories of data for health care coverage under all health care  
40 benefits plans offered by the employer. The datasheet shall also  
41 indicate whether the school district is enrolled in the School  
42 Employees' Health Benefits Program for medical and prescription  
43 drug benefits coverage. Reports shall be due no later than 60 days  
44 following each enrollment period to the Department of Education,  
45 the Division of Pensions and Benefits in the Department of the  
46 Treasury, and the Legislature.  
47

48 7. This act shall take effect immediately.

## STATEMENT

This bill requires the School Employees' Health Benefits Program (SEHBP) to offer only three plans, beginning on July 1, 2020, for medical and prescription benefits coverage. The three plans will be the New Jersey Educators Health Plan; the SEHBP NJ Direct 10 plan as adopted and implemented by the School Employees' Health Benefits Commission for plan year 2020; and the SEHBP NJ Direct 15 plan as adopted and implemented by the School Employees' Health Benefits Commission for plan year 2020.

The SEHBP applies to the following employers who elect to participate in the SEHBP: local school district, regional school district, county vocational school district, county special services school district, jointure commission, educational services commission, State-operated school district, charter school, county college, any officer, board, or commission under the authority of the Commissioner of Education or of the State Board of Education, and any other public entity which is established pursuant to authority provided by Title 18A of the New Jersey Statutes, but excluding the State public institutions of higher education and excluding those public entities where the employer is the State of New Jersey. The provisions of this bill also apply under section 5 to these same employers even if they do not elect to participate in the SEHBP.

The New Jersey Educators Health Plan will have the benefits specified in the bill.

The plan offerings, plan terminations, and enrollments required by July 1, 2020, as set forth in this bill, may be delayed until a date after July 1, 2020, but not later than August 1, 2020, if the School Employees' Health Benefits Commission, or an employer that does not participate in the SEHBP, deems the delay to be necessary. The commission or employer may delay implementation until a date the commission or employer determines that implementation will be practicable. The commission or employer must state in writing the reasons for the delay. Under no circumstances shall implementation occur later than August 1, 2020.

The bill requires the SEHBP to provide a special enrollment period during which all employees will be required to select affirmatively one of the three plans. If an employee fails to select affirmatively a plan during this special enrollment period, the SEHBP will enroll the employee, and their dependents if any, in the New Jersey Educators Health Plan for plan year beginning July 1, 2020 and ending June 30, 2021.

The bill requires the SEHBP to enroll an employee who commences employment on or after July 1, 2020 but before July 1, 2027 in the New Jersey Educators Health Plan. For the plan year that commences July 1, 2027, the employee may select, during any open enrollment period, any one of the three plans provided by the SEHBP.

1       The bill requires the program, for the plan year beginning July 1,  
2       2020, to enroll any retiree who is not Medicare-eligible, and the  
3       retiree's dependents if any, in the New Jersey Educators Health Plan  
4       for health care benefits as a retiree. The retiree must remain in that  
5       plan until June 30, 2027 or until the retiree become eligible for  
6       Medicare, whichever comes first.

7       For the plan year that commences July 1, 2021, the SEHBP must  
8       also offer a Garden State Health Plan. The plan will be developed by  
9       the School Employees' Health Benefits Plan Design Committee. The  
10      Garden State Health Plan will provide medical and prescription drug  
11      benefits that are equivalent to the level of medical and prescription  
12      drug benefits provided by the New Jersey Educators Health Plan,  
13      except that the benefits under the Garden State Health Plan will be  
14      available only from providers located in the State of New Jersey with  
15      certain exceptions.

16      The level of benefits in the New Jersey Educators Health Plan, the  
17      Garden State Health Plan, the NJ Direct 10, and the NJ Direct 15 plan  
18      will remain unchanged until June 30, 2027. For the plan year that  
19      commences July 1, 2027, the benefits in the plans may be modified  
20      by the plan design committee. Employers that do not participate in  
21      the SEHBP may modify, through collective negotiations agreements,  
22      the employee contributions required for New Jersey Educators  
23      Health Plan and the Garden State Health Plan, beginning for the plan  
24      year that starts July 1, 2027 and thereafter.

25      The bill requires an employee, or a retiree who is not Medicare-  
26      eligible and who is required by law to contribute in retirement toward  
27      the cost of health care coverage under the program, to contribute  
28      annually a percentage of base salary or retirement allowance toward  
29      the cost of the health care benefits coverage under the New Jersey  
30      Educators Health Plan and the Garden State Health Plan. The  
31      percentages are specified in the bill. However, the contribution  
32      cannot be less than the contribution of 1.5% of salary that is required  
33      by current law.

34      The required contribution toward the cost of health care benefits  
35      coverage under the Garden State Health Plan will be one half of the  
36      percentages required for the New Jersey Educators Health Plan.  
37      However, the contribution cannot be less than the contribution of  
38      1.5% of salary that is required by current law.

39      The amount of the annual contribution for either plan cannot  
40      exceed the amount that is the result of a calculation using the chart  
41      established under P.L.2011, c.78 that was formerly applicable to  
42      determine a contribution that was a percentage of premium.

43      An employee who selects a plan other than the New Jersey  
44      Educators Health Plan or the Garden State Health Plan will be  
45      required to contribute toward the cost of coverage (1) in accordance  
46      with a collective negotiations agreement applicable to that employee  
47      as negotiated in accordance with certain requirements of P.L.2011,  
48      c.78; (2) as may be required at the discretion of the employer; or (3)

1 as required by a provision of law, whichever is applicable to that  
2 employee.

3 The bill requires eligible employers that do not participate in the  
4 SEHBP to also offer the equivalent of the New Jersey Educators  
5 Health Plan beginning July 1, 2020, and the equivalent of the Garden  
6 State Health Plan beginning July 1, 2021, until June 30, 2027. The  
7 level of benefits in these two plans will remain unchanged through  
8 June 30, 2027.

9 No new plans, other than the New Jersey Educators Health Plan  
10 and the Garden State Health Plan, may be provided during that period  
11 unless the provisions of collective negotiations agreements entered  
12 into before or after the effective of this bill result in additional  
13 premium cost reductions. Health care benefits plans that existed  
14 before the effective date of the bill may continue to be offered by  
15 employers that do not participate in the SEHBP.

16 The employees of employers that do not participate in the SEHBP  
17 will also be required to make the contributions described above if  
18 they enroll in the equivalent New Jersey Educators Health Plan or the  
19 equivalent Garden State Health Plan. Eligible employers may  
20 modify, through collective negotiations agreements, the two plans  
21 and the contributions required for those plans, for the year beginning  
22 July 1, 2027 and thereafter. The enrollment provisions required for  
23 these employers for the new plans will be the same as those for the  
24 employers who participate in the SEHBP.

25 The bill requires that actual savings realized by a school district  
26 as a result of the implementation of this bill be used solely and  
27 exclusively by the school district for the purpose of reducing the  
28 amount that is required to be raised by the local property tax levy by  
29 the school district for school district purposes, except when a school  
30 district is spending below adequacy as calculated in accordance with  
31 N.J.S.A.18A:7F-70. When a cap on the annual increase in the  
32 property tax levy for a school district is imposed by law, the savings  
33 realized shall be deducted from the adjusted tax levy for the previous  
34 budget year and the difference shall serve as the basis for calculating  
35 the adjusted tax levy for the next year.

36 The bill requires certain annual reports from school districts.

37 The bill also requires the SEHBP to:

38 develop a guidance tool to provide employees and retirees with  
39 confidential consultations online with regard to the employee's or  
40 retiree's decision to select a plan during the period of open  
41 enrollment or at other times.

42 develop a comprehensive health and wellness plan intended to  
43 provide biometric screening services, chronic condition coaching  
44 services, and smoking cessation services.

45 provide for the services, through a contract, of wellness related  
46 providers for employees and retirees, and their dependent, enrolled  
47 in the program, with access to those service for employers who do  
48 not participate in the SEHBP.

- 1        promote, on an on-going basis, the expansion of the use of patient
- 2        centered medical homes.
- 3        seek to adopt, on an on-going basis, efforts and measures to
- 4        support expanded population health arrangements that manage costs
- 5        and prevent inappropriate utilization.