

[First Reprint]

SENATE, No. 3487

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 4, 2021

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Changes effective date of Garden State Health Plan; exempts certain charter and renaissance schools from certain healthcare plan requirements; requires certain negotiations over certain health care costs.

CURRENT VERSION OF TEXT

As reported by the Senate State Government, Wagering, Tourism & Historic Preservation Committee on June 3, 2021, with amendments.



1 **AN ACT** concerning health care benefits plans provided to public
 2 employees by the School Employees' Health Benefits Program
 3 and certain boards of educations and amending P.L.2020, c.44.

4
 5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*

7
 8 ¹**[**1. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to
 9 read as follows:

10 5. This section shall apply to local boards of education and
 11 employers, as specified in subsection **[j]** k. of this section, who do
 12 not participate in the School Employees' Health Benefits Program.

13 a. (1) Notwithstanding the provisions of any other law, rule, or
 14 regulation to the contrary, beginning January 1, 2021 and for each
 15 plan year thereafter, a board of education as an employer providing
 16 health care benefits coverage for its employees, and their
 17 dependents if any, in accordance with P.L.1979, c.391 (C.18A:16-
 18 12 et seq.) shall offer to its employees, and their dependents if any,
 19 the equivalent of the New Jersey Educators Health Plan in the
 20 School Employees' Health Benefits Program as that plan design is
 21 described in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-
 22 17.46.13).

23 Beginning **[**July 1, 2021**]** January 1, 2022 and for each plan year
 24 thereafter, a board of education as an employer providing health
 25 care benefits coverage for its employees, and their dependents if
 26 any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall
 27 also offer a plan for its employees, and their dependents if any, that
 28 is the equivalent of the Garden State Health Plan in the School
 29 Employees' Health Benefits Program. The board shall provide an
 30 enrollment period prior to January 1, 2022.

31 (2) The plans under this section shall be offered by the employer
 32 regardless of any collective negotiations agreement between the
 33 employer and its employees in effect on the effective date of this
 34 act, P.L.2020, c.44, that provides for enrollment in other plans
 35 offered by the employer.

36 No new health care benefits plans, other than those specified in
 37 paragraph (1) of this subsection, shall be added by the employer
 38 from January 1, 2021 through December 31, 2027 unless the
 39 provisions of any collective negotiations agreement entered into
 40 before or after the effective date of this act, P.L.2020, c.44, result in
 41 additional premium cost reductions. Nothing in this section shall
 42 prohibit an employer from offering health care benefits plans that
 43 existed prior to the effective date of this act.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted June 3, 2021.

1 (3) Commencing January 1, 2028, the employer may offer such
2 other plans as may be required in accordance with any collective
3 negotiations agreement between the employer and its employees.

4 b. Prior to January 1, 2021, each employer shall provide an
5 enrollment period during which all employees who commenced
6 employment prior to the effective date of this act shall be required
7 to select affirmatively a plan provided by the employer. If an
8 employee fails to select affirmatively a plan during this enrollment
9 period, the employer shall enroll the employee, and the employee's
10 dependents if any, in the equivalent New Jersey Educators Health
11 Plan offered pursuant to subsection a. of this section for the year
12 January 1, 2021 until December 31, 2021.

13 During the enrollment period, each person who is enrolled in a
14 plan offered by the employer and who is paying the full cost of
15 coverage shall also be required to select affirmatively a plan
16 provided by the employer. If a person fails to select affirmatively a
17 plan during this enrollment period, the employer shall enroll the
18 person, and the person's dependents if any, in the equivalent New
19 Jersey Educators Health Plan offered pursuant to subsection a. of
20 this section for the year January 1, 2021 until December 31, 2021.
21 Any such person shall continue to pay the full cost of coverage and
22 shall not be subject to the contribution schedule or any mandatory
23 enrollment period as set forth in this section.

24 c. (1) Beginning on January 1, 2021, an employee commencing
25 employment on or after the effective date of this act but before
26 January 1, 2028 who does not waive coverage, shall be enrolled by
27 the employer in the equivalent New Jersey Educators Health Plan,
28 or the equivalent Garden State Health Plan if selected by the
29 employee, as those plans are offered pursuant to subsection a. of
30 this section. The employee shall remain enrolled in either the
31 equivalent New Jersey Educators Health Plan or the equivalent
32 Garden State Health Plan selected by the employee at the annual
33 open enrollment for each plan year until December 31, 2027,
34 provided that the employee during this period may waive coverage
35 as an employee and select and change the type of coverage received
36 under the plan following a qualifying life event, in accordance with
37 the plan regulations. Beginning January 1, 2028, the employee may
38 select, during any open enrollment period or at such other times or
39 under such conditions as the employer may provide, any plan
40 offered by the employer.

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

44 d. An employee shall contribute annually toward the cost of
45 health care benefits coverage for the employee, and employee's
46 dependents if any, the amount specified, in the manner specified, in
47 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-
48 17.46.14) if the employee, and the employee's dependents if any,

1 are enrolled in the equivalent New Jersey Educators Health Plan or
2 the equivalent Garden State Health Plan offered pursuant to
3 subsection a. of this section. An employee's contribution toward the
4 cost of coverage under the equivalent Garden State Health Plan
5 offered pursuant to subsection a. of this section shall be the amount
6 required in subsection b. of section 2 of this act, except that the
7 contribution specified in that subsection shall not be less than the
8 minimum annual contribution for health care benefits coverage of
9 1.5% of salary as required by law.

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

21 (2) Employees who are not enrolled in the equivalent New
22 Jersey Educators Health Plan or the equivalent Garden State Health
23 Plan offered pursuant to subsection a. of this section shall continue,
24 after the effective date of this act, P.L.2020, c.44, to contribute to
25 health care benefits coverage and those contributions shall be
26 determined in accordance with what is permitted or required by
27 provisions of law.

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

39 With regard to contributions by an employee who is enrolled in a
40 plan other than the equivalent New Jersey Educators Health Plan or
41 the equivalent Garden State Health Plan offered pursuant to
42 subsection a. of this section, no provision in this section shall be
43 deemed to modify, alter, impair, or terminate the requirement in
44 sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-
45 17.28e), as applicable, that a public employer and employees who
46 are in negotiations for the collective negotiations agreement to be
47 executed after the employees in that unit had reached full
48 implementation of the premium share set forth in section 39 of

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

11 (3) For an employee, the annual base salary paid by the
12 employer for the position held by the employee shall be used to
13 identify the percentage to be used to calculate the annual
14 contribution required under subsections a. and b. of section 2 of this
15 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
22 benefits payment obligation, to require that such employees pay the
23 amount of contribution specified in this section for health care
24 benefits 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 December 31, 2027. No
28 change in the level of benefits in those plans shall be made before
29 that date unless such a change is required by federal or State law to
30 governmental health care benefits plans or to both governmental
31 and non-governmental health care benefits plans.

32 Commencing January 1, 2028 and for each plan year thereafter,
33 the level of benefits in the equivalent New Jersey Educators Health
34 Plan and the equivalent Garden State Health Plan offered by the
35 employer may be modified by the employer in accordance with
36 collective negotiations agreements entered into between the
37 employers who do not participate in the School Employees' Health
38 Benefits Program and their employees, or as otherwise permitted by
39 law.

40 i. Commencing January 1, 2028 and for each plan year
41 thereafter, the contributions required pursuant to subsections a. and
42 b. of section 2 of this act for employees enrolled in the equivalent
43 New Jersey Educators Health Plan or the equivalent Garden State
44 Health Plan offered pursuant to subsection a. of this section may be
45 modified in accordance with collective negotiations agreements
46 entered into between the employers who do not participate in the
47 School Employees' Health Benefits Program and their employees.
48 The contributions required pursuant to subsections a. and b. of

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

12 j. Modifications to plan design of the plans set forth in section
13 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to
14 the employee contribution rates set forth in subsections a. and b. of
15 section 2 of this act, made by the School Employees' Health
16 Benefits Plan Design Committee or the State Treasurer pursuant to
17 section 7 of this act shall be implemented for the purposes of this
18 section by the employer commencing January 1, 2024.

19 k. This section shall also apply **【also】** when health care
20 benefits coverage is provided through an insurance fund or joint
21 insurance fund or any other manner. This section shall apply to any
22 employer, as that term is defined in section 32 of P.L.2007, c.103
23 (C.52:14-17.46.2), that is not a participating employer in the School
24 Employees' Health Benefits Program. This section shall not apply
25 to charter school employers unless they have a collective
26 negotiations agreement with any of their employees in effect on or
27 after the effective date of P.L.2020, c.44.

28 (cf: P.L.2020, c.44, s.5)**】¹**

29
30 ¹1. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to
31 read as follows:

32 5. This section shall apply to local boards of education and
33 employers, as specified in subsection **【j.】** k. of this section, who do
34 not participate in the School Employees' Health Benefits Program.

35 Any health insurance company may provide to local boards of
36 education and to those employers defined pursuant to section 32 of
37 P.L.2007, c.103 (C.52:14-17.46.2) who do not participate in the
38 School Employees' Health Benefits Program the equivalent of the
39 New Jersey Educators Health Plan in the School Employees' Health
40 Benefits Program as that plan design is described in subsection f. of
41 section 1 of P.L.2020, c.44 (C.52:14-17.46.13) and the Garden State
42 Health Plan as that plan design is described in subsection d. of
43 section 1 of P.L.2020, c.44 (C.52:14-17.46.13), notwithstanding the
44 provisions of any other law, rule, or regulation, including any
45 regulation of the New Jersey Department of Banking and Insurance,
46 to the contrary. As used in this subsection, "health insurance
47 company" means and includes a health, hospital, and medical

1 service corporation; commercial individual, small employer, and
2 larger group health insurer; and a health maintenance organization.

3 a. (1) Notwithstanding the provisions of any other law, rule, or
4 regulation to the contrary, beginning January 1, 2021 and for each
5 plan year thereafter, a board of education as an employer providing
6 health care benefits coverage for its employees, and their
7 dependents if any, in accordance with P.L.1979, c.391 (C.18A:16-
8 12 et seq.) shall offer to its employees, and their dependents if any,
9 the equivalent of the New Jersey Educators Health Plan in the
10 School Employees' Health Benefits Program as that plan design is
11 described in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-
12 17.46.13).

13 Beginning **【July 1, 2021】** January 1, 2022 and for each plan year
14 thereafter, a board of education as an employer providing health
15 care benefits coverage for its employees, and their dependents if
16 any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall
17 also offer a plan for its employees, and their dependents if any, that
18 is the equivalent of the Garden State Health Plan in the School
19 Employees' Health Benefits Program. The board shall provide an
20 enrollment period prior to January 1, 2022.

21 (2) The plans under this section shall be offered by the employer
22 regardless of any collective negotiations agreement between the
23 employer and its employees in effect on the effective date of this
24 act, P.L.2020, c.44, that provides for enrollment in other plans
25 offered by the employer.

26 No new health care benefits plans, other than those specified in
27 paragraph (1) of this subsection, shall be added by the employer
28 from January 1, 2021 through December 31, 2027 unless the
29 provisions of any collective negotiations agreement entered into
30 before or after the effective date of this act, P.L.2020, c.44, results
31 in additional premium cost reductions. Nothing in this section shall
32 prohibit an employer from offering health care benefits plans that
33 existed prior to the effective date of this act.

34 (3) Commencing January 1, 2028, the employer may offer such
35 other plans as may be required in accordance with any collective
36 negotiations agreement between the employer and its employees.

37 b. Prior to January 1, 2021, each employer shall provide an
38 enrollment period during which all employees who commenced
39 employment prior to the effective date of this act shall be required
40 to select affirmatively a plan provided by the employer. If an
41 employee fails to select affirmatively a plan during this enrollment
42 period, the employer shall enroll the employee, and the employee's
43 dependents if any, in the equivalent New Jersey Educators Health
44 Plan offered pursuant to subsection a. of this section for the year
45 January 1, 2021 until December 31, 2021.

46 During the enrollment period, each person who is enrolled in a
47 plan offered by the employer and who is paying the full cost of
48 coverage shall also be required to select affirmatively a plan

1 provided by the employer. If a person fails to select affirmatively a
2 plan during this enrollment period, the employer shall enroll the
3 person, and the person's dependents if any, in the equivalent New
4 Jersey Educators Health Plan offered pursuant to subsection a. of
5 this section for the year January 1, 2021 until December 31, 2021.
6 Any such person shall continue to pay the full cost of coverage and
7 shall not be subject to the contribution schedule or any mandatory
8 enrollment period as set forth in this section.

9 c. (1) Beginning on January 1, 2021, an employee commencing
10 employment on or after the effective date of this act but before
11 January 1, 2028 who does not waive coverage, shall be enrolled by
12 the employer in the equivalent New Jersey Educators Health Plan,
13 or the equivalent Garden State Health Plan if selected by the
14 employee, as those plans are offered pursuant to subsection a. of
15 this section. The employee shall remain enrolled in either the
16 equivalent New Jersey Educators Health Plan or the equivalent
17 Garden State Health Plan selected by the employee at the annual
18 open enrollment for each plan year until December 31, 2027,
19 provided that the employee during this period may waive coverage
20 as an employee and select and change the type of coverage received
21 under the plan following a qualifying life event, in accordance with
22 the plan regulations. Beginning January 1, 2028, the employee may
23 select, during any open enrollment period or at such other times or
24 under such conditions as the employer may provide, any plan
25 offered by the employer.

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

29 (3) The enrollment required by paragraph (1) of this subsection
30 shall not include an employee who commenced employment prior
31 to the effective date of P.L.2020, c.44 and who did not enroll, who
32 waived enrollment, or who was not eligible to enroll prior to that
33 effective date for health care coverage provided by the employer,
34 including, but not limited to, an employee who commenced
35 employment as a part-time employee prior to the effective date of
36 P.L.2020, c.44. If such an employee was required to enroll prior to
37 the effective date of P.L. , c. (pending before the
38 Legislature as this bill) in accordance with paragraph (1), the
39 employee shall be notified promptly in writing that enrollment is
40 not mandatory and shall be provided promptly with an opportunity
41 to select enrollment in another health care benefits plan.

42 d. An employee shall contribute annually toward the cost of
43 health care benefits coverage for the employee, and employee's
44 dependents if any, the amount specified, in the manner specified, in
45 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-
46 17.46.14) if the employee, and the employee's dependents if any,
47 are enrolled in the equivalent New Jersey Educators Health Plan or
48 the equivalent Garden State Health Plan offered pursuant to

1 subsection a. of this section. An employee's contribution toward the
2 cost of coverage under the equivalent Garden State Health Plan
3 offered pursuant to subsection a. of this section shall be the amount
4 required in subsection b. of section 2 of this act, except that the
5 contribution specified in that subsection shall not be less than the
6 minimum annual contribution for health care benefits coverage of
7 1.5% of salary as required by law.

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

19 (2) Employees who are not enrolled in the equivalent New
20 Jersey Educators Health Plan or the equivalent Garden State Health
21 Plan offered pursuant to subsection a. of this section shall continue,
22 after the effective date of this act, P.L.2020, c.44, to contribute to
23 health care benefits coverage and those contributions shall be
24 determined in accordance with what is permitted or required by
25 provisions of law.

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

37 With regard to contributions by an employee who is enrolled in a
38 plan other than the equivalent New Jersey Educators Health Plan or
39 the equivalent Garden State Health Plan offered pursuant to
40 subsection a. of this section, no provision in this section shall be
41 deemed to modify, alter, impair, or terminate the requirement in
42 sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-
43 17.28e), as applicable, that a public employer and employees who
44 are in negotiations for the collective negotiations agreement to be
45 executed after the employees in that unit had reached full
46 implementation of the premium share set forth in section 39 of
47 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations
48 concerning contributions for health care benefits as if the full

1 premium share was included in the prior contract. Nothing in this
2 act shall be deemed to modify, alter, impair, or terminate the
3 continued compliance after the effective date of this act with that
4 requirement for negotiations for any collective negotiations
5 agreement for employee contributions for plans other than the
6 equivalent New Jersey Educators Health Plan or the equivalent
7 Garden State Health Plan offered pursuant to subsection a. of this
8 section.

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

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

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

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

30 Commencing January 1, 2028 and for each plan year thereafter,
31 the level of benefits in the equivalent New Jersey Educators Health
32 Plan and the equivalent Garden State Health Plan offered by the
33 employer may be modified by the employer in accordance with
34 collective negotiations agreements entered into between the
35 employers who do not participate in the School Employees' Health
36 Benefits Program and their employees, or as otherwise permitted by
37 law.

38 i. Commencing January 1, 2028 and for each plan year
39 thereafter, the contributions required pursuant to subsections a. and
40 b. of section 2 of this act for employees enrolled in the equivalent
41 New Jersey Educators Health Plan or the equivalent Garden State
42 Health Plan offered pursuant to subsection a. of this section may be
43 modified in accordance with collective negotiations agreements
44 entered into between the employers who do not participate in the
45 School Employees' Health Benefits Program and their employees.
46 The contributions required pursuant to subsections a. and b. of
47 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
4 subsections a. and b. of section 2 of this act were included in the
5 prior contract. The contribution scheme of the percentage of base
6 salary set forth in those subsections may be modified or a new
7 contribution scheme or method other than a percentage of salary
8 may be provided for in accordance with a collective negotiations
9 agreement.

10 j. Modifications to plan design of the plans set forth in section
11 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to
12 the employee contribution rates set forth in subsections a. and b. of
13 section 2 of this act, made by the School Employees' Health
14 Benefits Plan Design Committee or the State Treasurer pursuant to
15 section 7 of this act shall be implemented for the purposes of this
16 section by the employer commencing January 1, 2024.

17 k. This section shall also apply when health care benefits
18 coverage is provided through an insurance fund or joint insurance
19 fund or any other manner. This section shall apply to any employer,
20 as that term is defined in section 32 of P.L.2007, c.103 (C.52:14-
21 17.46.2), that is not a participating employer in the School
22 Employees' Health Benefits Program. This section shall not apply
23 to charter school or renaissance school employers unless they had a
24 collective negotiations agreement with any of their employees in
25 effect on or before the effective date of P.L.2020, c.44.

26 l. Notwithstanding any provision of law, rule, or regulation to the
27 contrary, for any period of time during which the employer does not
28 have to pay a premium or periodic charge for any health care
29 benefits plan or program provided to its employees pursuant to this
30 section, pursuant to another law, or pursuant to a collective
31 bargaining agreement, an employee enrolled in such plan or
32 program shall not be required to make the employee's contribution
33 toward that premium or periodic charge during that period of time.¹

34 (cf: P.L.2020, c.137, s.2)

35
36 2. Section 1 of P.L.2020, c.44 (C.52:14-17.46.13) is amended
37 to read as follows:

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

42 a. (1) Notwithstanding the provisions of any other law, rule, or
43 regulation to the contrary, beginning with the plan year that
44 commences January 1, 2021 and for each plan year thereafter, the
45 School Employees' Health Benefits Program shall offer only three
46 plans that provide medical and prescription drug benefits for
47 employees, and retirees who are not Medicare-eligible, and their
48 dependents if any. All other plans offered prior to January 1, 2021

1 for employees, and retirees who are not Medicare-eligible, and their
2 dependents if any, shall be terminated.

3 The three plans shall be the New Jersey Educators Health Plan as
4 developed by the School Employees' Health Benefits Plan Design
5 Committee in accordance with subsection f. of this section which
6 sets forth the plan design of the New Jersey Educators Health Plan;
7 the SEHBP NJ Direct 10 plan as adopted and implemented by the
8 School Employees' Health Benefits Commission for the plan year
9 that began January 1, 2020; and the SEHBP NJ Direct 15 plan as
10 adopted and implemented by the School Employees' Health
11 Benefits Commission for the plan year that began January 1, 2020.

12 Employers that participate in the School Employees' Health
13 Benefits Program shall retain the ability to enter the program for
14 medical only plans and may separately purchase pharmacy and
15 dental benefits outside of the program without limitation or
16 restriction.

17 (2) Only the plans set forth in this section shall be offered by the
18 program regardless of any collective negotiations agreement
19 between a participating employer and its employees in effect on the
20 effective date of this act, P.L.2020, c.44, that provides for
21 enrollment in other plans that were offered by the program prior to
22 January 1, 2021.

23 b. Prior to January 1, 2021, the program, through the Division
24 of Pensions and Benefits in the Department of the Treasury, shall
25 provide for an enrollment period during which all employees who
26 commenced employment prior to the effective date of this act shall
27 be required to select affirmatively one of the three plans specified in
28 subsection a. of this section. If an employee fails to select
29 affirmatively a plan during this enrollment period, the program shall
30 enroll the employee, and the employee's dependents if any, in the
31 New Jersey Educators Health Plan for the plan year beginning
32 January 1, 2021 and ending December 31, 2021.

33 During the enrollment period, any person who is enrolled in a
34 plan offered by the program and who is paying the full cost of
35 health care benefits coverage shall also be required to select
36 affirmatively one of the three plans specified in subsection a. of this
37 section. If a person fails to select affirmatively a plan during this
38 enrollment period, the program shall enroll the person, and the
39 person's dependents if any, in the New Jersey Educators Health Plan
40 for the plan year beginning January 1, 2021 and ending December
41 31, 2021. Any such person shall continue to pay the full cost of
42 coverage and shall not be subject to the contribution schedule or
43 any mandatory enrollment period as set forth in this section.

44 c. (1) Beginning on January 1, 2021, an employee commencing
45 employment on or after the effective date of this act but before
46 January 1, 2028 who does not waive coverage shall be enrolled by
47 the program, with the employee's dependents if any, in the New
48 Jersey Educators Health Plan, or the Garden State Health Plan if

1 selected by the employee. The employee shall remain enrolled in
2 either the New Jersey Educators Health Plan or the Garden State
3 Health Plan selected by the employee at the annual open enrollment
4 for each plan year through the plan year that ends December 31,
5 2027, provided that the employee during this period may waive
6 coverage as an employee and select and change the type of
7 coverage received under the plan following a qualifying life event,
8 in accordance with the program regulations.

9 ¹The enrollment required by this paragraph shall not include an
10 employee who commenced employment prior to the effective date
11 of P.L.2020, c.44 and who did not enroll, who waived enrollment,
12 or who was not eligible to enroll prior to that effective date for
13 health care coverage provided by the employer, including, but not
14 limited to, an employee who commenced employment as a part-time
15 employee prior to the effective date of P.L.2020, c.44. If such an
16 employee was required to enroll prior to the effective date of
17 P.L. , c. (pending before the Legislature as this bill) in
18 accordance with this paragraph, the employee shall be notified
19 promptly in writing that enrollment is not mandatory and shall be
20 provided promptly with an opportunity to select enrollment in
21 another health care benefits plan.¹

22 For the plan year beginning January 1, 2028, the employee may
23 select, during any open enrollment period or at such other times or
24 under such conditions as the program may provide, any plan offered
25 by the program.

26 (2) For the plan year beginning January 1, 2021, the program
27 shall enroll a retiree who is not Medicare-eligible, and the retiree's
28 dependents if any, in the New Jersey Educators Health Plan for
29 health care benefits coverage as a retiree, if the retiree does not
30 waive coverage. The retiree shall remain enrolled in that plan for
31 each plan year through the plan year that ends December 31, 2027
32 or until the retiree becomes eligible for Medicare, whichever comes
33 first. The retiree who becomes eligible for Medicare shall no longer
34 be eligible for enrollment in the New Jersey Educators Health Plan,
35 except that any dependent of the retiree who is not eligible for
36 Medicare may remain eligible for coverage under the New Jersey
37 Educators Health Plan. For the plan year beginning January 1, 2028,
38 that retiree who is not Medicare-eligible may select, during any
39 open enrollment period or at such other times or under such
40 conditions as the program may provide, any plan offered by the
41 program.

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

45 d. Beginning **July 1, 2021** January 1, 2022 and for each plan
46 year thereafter, the program shall offer a fourth plan to be called the
47 Garden State Health Plan. The plan shall be developed by the
48 School Employees' Health Benefits Plan Design Committee. If the

1 committee does not adopt a design for the Garden State Health Plan
2 by December 31, 2020, the Division of Pensions and Benefits in the
3 Department of the Treasury **【shall】** may develop the Garden State
4 Health Plan. The program shall provide an enrollment period prior
5 to January 1, 2022.

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

12 Access to a service provider that is located outside of the State
13 shall be available only under such terms, conditions, restrictions,
14 and limitations as the plan design committee or the division, as
15 appropriate, shall provide in the plan governing documents.

16 Employers that participate in the School Employees' Health
17 Benefits Program shall retain the ability to enter the program for
18 medical only plans and may separately purchase pharmacy and
19 dental benefits outside of the program without limitation or
20 restriction.

21 e. The plan design of the New Jersey Educators Health Plan,
22 the Garden State Health Plan, the NJ Direct 10 plan, and the NJ
23 Direct 15 plan as those plan designs are specified in subsections a.,
24 d., and f. of this section shall remain unchanged until December 31,
25 2027. No change in the plan design of those plans shall be made
26 before that date unless such a change in plan design is required by
27 federal or State law to governmental health care benefits plans or to
28 both governmental and non-governmental health care benefits
29 plans.

30 For the plan year that commences January 1, 2028 and for each
31 plan year thereafter, the plan design of the New Jersey Educators
32 Health Plan, the Garden State Health Plan, the NJ Direct 10 plan,
33 and the NJ Direct 15 plan as those plan designs are specified in
34 subsections a., d., and f. of this section may be modified by the
35 School Employees' Health Benefits Plan Design Committee.

36 Modifications to plan design of the plans set forth in this section
37 made by the School Employees' Health Benefits Plan Design
38 Committee or the State Treasurer pursuant to section 7 of this act
39 shall be implemented by the program for the purposes of this
40 section commencing January 1, 2024.

41 f. The plan design of the New Jersey Educators Health Plan
42 shall be the following:

43 In Network Benefits

44 Coverage

45 Member Coinsurance:10%, Applies Only to Emergency
46 Transportation Care and Durable Medical Equipment

47 Deductible:N/A

1 Out-of-Pocket Maximum:\$500 Single/ \$1,000 Family (covers all in
 2 network copayments, coinsurance, and deductible)
 3 Emergency Room Copayment:\$125 (To be Waived if Admitted)
 4 PCP Office Visit Copayment:\$10
 5 Specialist Office Visit Copayment\$15Out-of-Network Benefits
 6 Coverage
 7 Member Coinsurance:30% of the Out-of-Network Fee Schedule
 8 Deductible:\$350 / \$700
 9 Out-of-Pocket Maximum:\$2,000 Single / \$5,000 Family Routine
 10 Lab:Paid at Out-of-Network Benefit Level
 11 Out-of-Network Fee Schedule:200% of CMS - MedicarePharmacy
 12 Out-of-Pocket Maximum:\$1,600 Single / \$3,200 Family (Indexed
 13 Annually Pursuant to Federal Law)Generic Copayment:\$5 Retail 30
 14 Day Supply / \$10 Mail 90 Day SupplyBrand Copayment:\$10 Retail
 15 30 Day Supply/ \$20 Mail 90 Day SupplyMandatory
 16 Generic:Member Pays Difference in Cost Between Generic and
 17 Brand, Plus Brand CopaymentFormulary: Closed Formulary as
 18 contracted with the Pharmacy Benefit Manager and the School
 19 Employees' Health Benefits CommissionOther
 20 Chiropractic, Physical Therapy, and Acupuncture:
 21 Subject to the same Out-of-Network Limits as for the State Health
 22 Benefits Program as were in effect on June 1, 2020 to take effect as
 23 of July 1, 2020, or as soon thereafter as reasonably practicable.

24 Under a patient centered medical home model, there shall be no
 25 office visit copay for primary care for participants who select and
 26 commit to a patient centered medical home for primary care in
 27 accordance with plan rules and regulations.

28 g. Any plan offered by the School Employees' Health Benefits
 29 Program shall require that chiropractic, physical therapy, and
 30 acupuncture benefits shall be subject to the same out-of-network
 31 limits as for the State Health Benefits Program that were in effect
 32 on June 1, 2020 to take effect as of July 1, 2020 or as soon
 33 thereafter as
 34 reasonably practicable.

35 ¹h. Notwithstanding any provision of law, rule, or regulation to
 36 the contrary, for any period of time during which the employer does
 37 not have to pay a premium or periodic charge for any health care
 38 benefits plan or program provided to its employees through the
 39 School Employees' Health Benefits Program, an employee enrolled
 40 in such plan or program shall not be required to make the
 41 employee's contribution toward that premium or periodic charge
 42 during that period of time.¹

43 (cf: P.L.2020, c.44, s.1)
 44

45 ¹3. Section 8 of P.L.2020, c.44 is amended to read as follows:

46 8. With regard to employers that have collective negotiation
 47 agreements in effect on the effective date of this act, P.L.2020, c.44,
 48 that include health care benefits coverage available to employees

1 when the net cost, which is the cost after deducting employee
2 contributions, to the employer is lower than the cost to the employer
3 would be compared to the New Jersey Educators Health Plan, the
4 employer and the majority representative shall engage in collective
5 negotiations **【over】**, that include all terms and conditions of
6 employment, to substantially mitigate the financial impact of the
7 difference as agreed to by the parties, which may include
8 modifications to plan level offerings or contributions for the New
9 Jersey Educators Health Plan or the equivalent plan, or to both plan
10 level offerings and contributions. Notwithstanding any provision of
11 law or regulation to the contrary, plan level offerings or
12 contributions for the New Jersey Educators Health Plan or the
13 equivalent plan, or both plan level offerings and contributions, may
14 be modified pursuant to collective negotiations required by this
15 section.

16 Any school district with an increase in net cost as defined above
17 as a result of changes by P.L.2020, c.44 (C.52:14-17.46.13 et al)
18 shall commence negotiations immediately, unless mutually agreed
19 upon by the employer and the majority representative to opt to
20 substantially mitigate the financial impact to the employer as part of
21 the next collective negotiations agreement which may include, but
22 not be limited to, salary increases, step guides, or other terms and
23 conditions of employment.¹

24 (cf: P.L.2020, c.44, s.8)

25
26 ¹**【3.】 4.**¹ This act shall take effect immediately.