

A Guide to Choosing a SHBP Health Plan

Information About the New Health Plans for Eligible Participants of the SHBP

The Division of Pensions and Benefits ♦ www.state.nj.us/treasury/pensions ♦ Plan Year 2008

As a result of recent labor agreements and the passage of Chapter 103, P.L. 2007, the New Jersey State Health Benefits Program (SHBP) will provide active and retired members with new medical plans effective April 1, 2008.

To help members with the transition to the new medical plans, we present the following guide which offers a basic overview of the design of the new plans.

The Plans

The SHBP is offering two types of medical plans, a **Preferred Provider Organization** and **Health Maintenance Organizations (HMO)**.

NJ DIRECT

The Preferred Provider Organization includes two options named **NJ DIRECT10** and **NJ DIRECT15** and is administered for the SHBP by Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ).

- **NJ DIRECT10** replaces the Traditional Plan; and
- **NJ DIRECT15** replaces NJ PLUS.

Both **NJ DIRECT10** and **NJ DIRECT15** are similar in design to the current NJ PLUS plan, providing *in-network* and *out-of-network* medical care. NJ DIRECT differs from NJ PLUS in that NJ DIRECT is available nationwide, you are not required to choose a primary care physician, and you do not need a referral for *in-network* services.

NJ DIRECT10 is available to:

- Employees and retirees of Local Education employers and Local Government employers; and
- State retirees who pay the *full cost* of retired SHBP coverage **or** who attained 25 years of service *on or before* June 30, 2007 **or** retired on a disability retirement on or before July 1, 2007.

NJ DIRECT15 is available to:

- All employees and retirees.

In-Network Benefits

If the physician participates in the Horizon BCBSNJ Managed Care Network, members will only pay the

appropriate copayment for eligible services (certain services may also require pre-certification from Horizon BCBSNJ¹). Members living outside of New Jersey can utilize physicians participating in the national Blue Cross Blue Shield network. If the physician does not participate in the Horizon BCBSNJ Managed Care or national networks, the services will be considered out-of-network.

Out-of-Network Benefits

Out-of-network benefits allow you to utilize any licensed physician; however, you are required to file a claim form with Horizon BCBSNJ.

Most eligible out-of-network care is reimbursed at the applicable percentage of “reasonable and customary” allowances after a member’s annual deductible is met. Out-of-network hospital admissions are also subject to a deductible².

NJ DIRECT Copayments and Deductibles

The *in-network* copayment for most services³ is \$10 in **NJ DIRECT10** and \$15 in **NJ DIRECT15**.

Once the *in-network* out-of-pocket cost for coinsurance⁴ totals \$400 per individual or \$1,000 per family, those covered benefits are paid at 100 percent through the remainder of the calendar year. Only pre-certified treatment counts toward the maximum out-of-pocket expense level.

For both **NJ DIRECT10** and **NJ DIRECT15** the annual deductible for *out-of-network* services is \$100 for single coverage; \$200 (\$100 per person) for member/spouse-partner or parent/child coverage, and an aggregate family deductible of \$250 for family coverage, or parent/children coverage (more than two individuals). There is also a \$200 deductible for each out-of-network inpatient hospital stay².

¹ Services that require a pre-certification, but are not pre-certified, will be paid at out-of-network benefit levels and will not count towards out-of-pocket maximums.

² Employees and retirees of Education employers are not subject to the hospital deductible.

³ Certain in-network covered benefits, such as durable medical equipment, require 10% member coinsurance.

⁴ Coinsurance and copayments for Local Education members.

After deductibles are met, covered *out-of-network* claims are paid at the applicable percentage of the "reasonable and customary" allowance.

In addition, the member is responsible for the full cost of any services over the "reasonable and customary" allowance or costs not otherwise covered by the plan.

Once the *out-of-pocket* cost for coinsurance totals \$2,000 per individual or \$5,000 per family, covered benefits are paid at 100 percent of the "reasonable and customary" allowance through the remainder of the calendar year. Only pre-certified treatment counts toward the maximum out-of-pocket expense level.

Health Maintenance Organizations (HMO)

Two HMO plans — **Aetna HMO** and **CIGNA HealthCare** — are available to all employees and retirees.

Please note: **AmeriHealth, Health Net, and Oxford are no longer part of the State Health Benefits Program (SHBP).** See "Plan Assignment and Special Open Enrollment" on page 3.

Aetna HMO and **CIGNA HealthCare** have expanded their networks and will now provide services nationwide. When you enroll in an HMO you select a Primary Care Physician (PCP) from a group of participating providers contracted by the HMO. All services, except emergencies, are coordinated through your PCP.

For more information about finding a participating provider contact the plan or see "Unified Provider Directory" on page 3.

If you require the care of a specialist, your PCP will refer you to a specialist who participates in the HMO network. Both HMOs now offer electronic referrals which facilitates the use of specialists.

HMOs have no deductibles or claim forms to file, however, you are required to pay a copayment for visits to your PCP or a referred specialist.

HMO Copayments

- For **Local Education** or **Local Government employees**, and **all Retirees**, the HMO copayment for services provided by a participating physician is \$10.
- For **State employees** the HMO copayment for services provided by a participating physician is \$15.

Plan Costs

New premium rates were set by the State Health Benefits Commission for the remainder of 2008. The rates are available on the SHBP Web site at:

www.state.nj.us/treasury/pensions/shbp.htm

- Most **State active employees** pay a health contribution of 1.5% of salary for SHBP medical plan coverage regardless of the chosen plan or selected level of coverage.
- For **Local Education** or **Local Government employees**, the cost for any part of the premiums is determined under the labor contracts with the employer. Rate charts were distributed to employers and are available on the SHBP Web site.

NJ DIRECT COPAYMENTS AND OUT-OF-POCKET COSTS

PLAN	In-Network Copayments	Maximum Out-of-Pocket In-Network	Out-of-Network Coinsurance	Maximum Out-of-Pocket Out-of-Network
NJ DIRECT10	\$10	\$400/individual; \$1,000/family	20% of reasonable and customary charges after deductible	\$2,000/individual; \$5,000 family
NJ DIRECT15	\$15	\$400/individual; \$1,000/family	30% of reasonable and customary charges after deductible	\$2,000/individual; \$5,000 family

Note: Annual maximum out-of-pocket rules differ for Education employees and retirees. The NJ DIRECT Member Handbook will provide additional information.

- **Retirees** who pay the full cost of SHBP coverage, or share the cost with the State or the employer, will receive notification of the new rates in the mail. Retiree rates can also be found on the SHBP Web site.
- **Certain State retirees** who attained 25 years of service after June 30, 2007 or retired on a disability retirement on or after August 1, 2007 will pay a health contribution of 1.5% of the retirement benefit, unless enrolled in the Retiree Wellness Plan currently being developed by the SHBP.

Plan Assignment and Special Open Enrollment

The following list details how members will be *automatically assigned* to a medical plan. Plan changes are effective April 1, 2008 (March 29, 2008 for State biweekly employees).

If, after reviewing the information, you are satisfied with your assigned medical plan you should do nothing. The plan assignment will occur and you will receive new ID cards in late March.

However, if you would like to change to a different plan, see the "Special Open Enrollment" section for more information.

The automatic plan assignments are as follows:

- **State active employees** in the Traditional Plan or NJ PLUS will be automatically transferred to **NJ DIRECT15**. NJ DIRECT10 is not offered to State active employees.
- **Local Education and Local Government active employees** and **all Retired members** in the Traditional Plan will be automatically transferred to **NJ DIRECT10**. (State retirees who attain 25 years of service credit or retired on a disability retirement after July 1, 2007 are not eligible for NJ DIRECT10 and will be automatically transferred to **NJ DIRECT15**.)
- **Local Education and Local Government active employees** and **all Retired members** in NJ PLUS will be automatically transferred to **NJ DIRECT15**.
- **Any member** currently enrolled in either **Aetna HMO** or **CIGNA HealthCare** will remain in that HMO plan.
- **Members of AmeriHealth, Health Net, or Oxford** will be automatically transferred to **NJ DIRECT15**.

Special Open Enrollment

If you would like to enroll into a *different* medical plan than the one to which you will be automatically assigned, you should submit a *SHBP Application* during the **Special Open Enrollment period** which is being held from **January 28 to February 15, 2008**.

Changes made during the Special Open Enrollment will be effective April 1, 2008. (March 29, 2008 for State employees paid through the Centralized Payroll Unit.)

- Active employees should submit a *SHBP Application* directly to their human resources representative or benefits administrator by February 15, 2008.
- Retirees should send a *SHBP Retired Status Application* directly to the SHBP by February 15, 2008.

SHBP applications, revised for the new plans, are available on the Division's Web site at: www.state.nj.us/treasury/pensions/shbp.htm

The Special Open Enrollment is **ONLY** for changing to a different medical plan. You cannot add dependents, change coverage levels, or make changes to dental or prescription drug plans as the dental and prescription plans are not changing as of April 2008.

Please note: Certain State employees covered by labor contracts that are not yet ratified will remain in the Traditional Plan or NJ PLUS until new contracts

Unified Provider Directory

The Unified Provider Directory is available through the Internet and contains medical provider information currently included in the provider directories of each of the SHBP's participating medical plans. The information is consolidated in a uniform, easy to access format making it easy for members to find providers and their plan affiliations in one location.

The directory can be found on the State Health Benefits Program Web site at:

www.state.nj.us/treasury/pensions/shbp.htm

NEW JERSEY STATE HEALTH BENEFITS PROGRAM MEDICAL PLANS

Plan Name	Web Address	Plan#	Phone#
NJ DIRECT10	www.horizonblue.com/shbp	050	1-800-414-7427
NJ DIRECT15	www.horizonblue.com/shbp	150	1-800-414-7427
<i>Administered by Horizon Blue Cross Blue Shield of New Jersey</i>			
Health Maintenance Organizations			
Aetna HMO	www.aetna.com/statenj	019	1-877-STATE NJ
CIGNA HealthCare	www.cigna.com	020	1-800-564-7642

All plans are available nationwide. There are no longer specific service areas in different states; however, you should check with your medical provider to verify his or her plan participation.

are settled and may not change plans at this time. These employees include State Police (law enforcement officers), some Department of Corrections employees and some State Judiciary employees. **Employees in these bargaining groups who are enrolled in AmeriHealth, Health Net, or Oxford will be automatically assigned to NJ PLUS, unless they submit a SHBP Application to enroll in another medical plan.**

For More Information

For questions about specific plan benefits:

- Contact the plan directly (see the chart above); or
- See the *SHBP Plan Comparison Summary*, available from your employer, the Division of Pensions and Benefits, or on the SHBP Web site at: www.state.nj.us/treasury/pensions/shbp.htm

If you wish to make a change in your medical plan other than the automatic assignment described in this Guide:

- Local Education, Local Government, or State employees should submit the *SHBP Application* to their human resources representative or benefits administrator.
- Retired members should submit a *SHBP Retired Status Application* directly to the State Health Benefits Program, Division of Pensions and Benefits, PO Box 299, Trenton, NJ 08625-0299.

SHBP applications, revised for the new plans, are available on the Division's Web site at:

www.state.nj.us/treasury/pensions/shbp.htm

News and updates about the SHBP, can be found on the SHBP Web site at: www.state.nj.us/treasury/pensions/shbp.htm

Plan handbooks, claim forms, and other plan materials will be available as the new plans begin providing services in April 2008.

New Jersey State Health Benefits Program

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Division of Pensions and Benefits

A Guide to Choosing a SHBP Health Plan is published for State, municipal, county, and school board employees and retirees who are enrolled in the State Health Benefits Program and is designed to inform those members about the various benefits available through their health benefits program.

The selections in this publication are for information purposes only and while every attempt at accuracy is made, it cannot be guaranteed. If you have questions or need more specific information call your health plan directly or contact the Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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