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September 2014

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

FROM: NJ Division of Pensions and Benefits

SUBJECT: SEHBP OPEN ENROLLMENT

The School Employees' Health Benefits Program (SEHBP) Open Enrollment period for Local Education employees will begin on October 1, 2014, and ends on October 31, 2014.

During the Open Enrollment period employees can make general changes (adding or deleting dependents, changing coverage levels, etc.) or enroll in a different medical or dental plan. All changes to coverage made during this Open Enrollment period will be effective on January 1, 2015.

Completed employer-certified health benefits and/or dental applications must arrive at the Health Benefits Bureau no later than November 14, 2014, to ensure processing for the start of the 2015 plan year.

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

DENTAL PLANS

The following information is for Local Education employers who provide employee dental coverage through the **Employee Dental Plans**:

Two Dental Plan Organizations (DPO), BeneCare and Community Dental Associates, will no longer be offered in Plan Year 2015. In addition, a new DPO, Metlife, will be available to employees beginning in January.

Dental coverage is offered to *all* eligible State employees through the Employee Dental Plans. Six different dental plans are offered based on one of two different plan designs — Dental Plan Organizations (DPO) and a Dental Expense Plan (PPO).

Benecare and Community Dental Associates participants must choose a new dental carrier by October 31 in order to continue dental coverage in 2015.

- Five DPOs are available: Aetna DMO; CIGNA DHMO; Healthplex; Horizon Dental Choice; and MetLife.
- DPOs contract with a network of providers for dental services. When an employee or dependent uses a DPO dentist, diagnostic and preventive services are covered in full. Most other eligible expenses require a small copayment.

Members must use a provider that participates with the DPO selected to receive coverage. Be sure to confirm that the dentist or dental facility selected is taking new patients and participates with the Employee Dental Plans, since DPOs also service other organizations.

- The Dental Expense Plan is a PPO plan that allows members to obtain services from any dentist; however, as a PPO, using an in-network provider will reduce an employee's costs. After satisfying an annual deductible (no deductible for preventive services), members are reimbursed a percentage of the reasonable and customary charges for eligible services.

The employee cost for coverage under a dental plan is 50 percent of the actual dental plan premium. Therefore, the employee cost varies depending on which dental plan an employee chooses; however, the rate for coverage under a DPO remains considerably less expensive than the Dental Expense Plan.

Dental Plan Rates for 2015 were approved by the State Health Benefits Commission and rate charts for dental coverage for the Local Education Group are posted online at: www.nj.gov/treasury/pensions/health-benefits.shtml

AVAILABLE MEDICAL PLANS

Both Aetna and Horizon Blue Cross Blue Shield of New Jersey will offer Local Education employees Preferred Provider Organization (PPO) plans, Health Maintenance Organization (HMO) plans, and High Deductible Health Plans for the 2015 plan year.

The following medical plans are available to Local Education employees:

- **PPO Plans:** Aetna Freedom10; Aetna Freedom15; Aetna Freedom1525; Aetna Freedom2030; Aetna Freedom2030; NJ DIRECT10; NJ DIRECT15; NJ DIRECT1525; NJ DIRECT2030; NJ DIRECT2035.
- **HMO Plans:** Aetna HMO; Aetna HMO 1525; Aetna HMO 2030; Aetna HMO 2035; Horizon HMO; Horizon HMO 1525; Horizon HMO 2030; Horizon HMO 2035.
- **High Deductible Health Plans:** Aetna Value HD1500; NJ DIRECT HD1500.

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

NJWELL PROGRAM

NJWELL — a wellness program designed to help you and your employees live a healthy lifestyle — is open to employees who are enrolled in the SEHBP. Spouses and eligible partners can also participate, as long as they are covered by the SEHBP plan.

In 2014, the focus of NJWELL is to help participants understand their current health status by knowing your numbers. Employees and their covered spouses or partners will each receive a \$100 gift card when they earn 250 Wellness Points by October 31, 2014.

Increased employee participation in NJWELL will decrease employer costs — For Plan Year 2015, additional information will be sent out this fall explaining how employers can save on health benefits costs by encouraging their employees to participate in NJWELL.

Also in 2015, Employees and their covered spouses or partners can receive a gift card worth up to \$200 for earning anywhere from 300 to 500 or more points. Watch your mail and e-mail for upcoming information about NJWELL in 2015. Information about NJWELL will also be posted on the Division's Web site through links at: www.nj.gov/njwell

PAYROLL DEDUCTIONS AVAILABLE FOR HDHP PARTICIPANTS

Employees participating in the one of the High Deductible Health Plans (HDHP) are able to have tax deferred contributions from their paychecks to fund their Health Savings Account (HSA). If one of your employees chooses (or is currently enrolled) in one of the HDHP, Aetna or Horizon will contact you to assist in setting up the payroll deductions. A sample of the *HSA Contribution Form* is included with this letter.

SUMMARIES OF BENEFITS AND COVERAGE

Detailed information about the SEHBP's medical plans is available through new *Summaries of Benefits and Coverage* which are posted online at: www.nj.gov/treasury/pensions/hb-sbc-home.shtml

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

PLAN RATES

Plan rates for 2015 were approved by the School Employees' Health Benefits Commission. Rate charts for the Local Education Group are attached and are also posted online at: www.nj.gov/treasury/pensions/health-benefits.shtml

EMPLOYEE CONTRIBUTIONS FOR SEHBP COVERAGE

Pursuant to the Pension and Health Benefit Reform (Chapter 78, P.L. 2011) and with the expiration, renewal, or extension of collective negotiations agreements, employees must pay a percentage of the medical and prescription plan.

Most Local Education employees are currently contributing under a four-year phase-in of contribution rates. Employers should advise their employees of the current phased-in contribution level so they can correctly determine the required contributions when considering plan choices.

Percentage of premium contribution worksheets and online calculators have been revised for 2015 plan selections and rates, and are available through links at: www.nj.gov/treasury/pensions/health-benefits.shtml

The increase in plan premiums for 2015 will increase the employee contribution for medical and prescription coverage. Employees who are considering a change of medical plan based on cost should review the contribution amounts for both the current contribution phase-in level and for the next phased-in level — when the required contribution amount will increase.

WAIVING SEHBP COVERAGE

Local Education employees are permitted to waive SEHBP medical *and* prescription coverage if they have other employer-provided or retiree coverage, or other coverage as a dependent.

Employers are permitted to offer an incentive to employees who waive SEHBP coverage. Under Chapter 2, P.L. 2010, the incentive amount for waivers is limited to 25 percent of the amount saved by the employer or \$5,000, whichever is less. In addition, because multiple coverage under the SHBP/SEHBP is prohibited, waiver incentives are only payable if the other coverage is through a non-SHBP/SEHBP plan.

To waive coverage a *Waiver Form for Local Employees* and a *Health Benefit Application* must be completed and submitted during the Open Enrollment. To waive coverage effective January 1, 2015, employees should indicate "Open Enrollment" on the waiver form; otherwise, the waiver will be effective *before* January 1st.

DISTRIBUTION OF OPEN ENROLLMENT MATERIALS

As of this mailing, Open Enrollment informational materials are being prepared for posting to our Web site for the October 1st Open Enrollment starting date.

As most Open Enrollment items are available in electronic format only, employers should direct their employees to the Open Enrollment information online at the Division of Pensions and Benefits Web site. Included with this letter is an announcement flier with directions to the Division's Web site that can be distributed to employees.

Items available on our Web site for Open Enrollment include the *Health Capsule* newsletter which details plan changes and other Open Enrollment news, *Summaries of Benefits and Coverage* (discussed earlier in this letter), rate information for plan year 2015, and revised *Health Benefits Program Applications*.

- Employers should note that in addition to the Local Education employee *Health Benefits Program Applications* for **Medical** and **Dental** plans, a separate application and contribution form are required for enrollment into any of the **High Deductible Health Plans**. Please be certain that your employees are aware of, and have access to, all three types of application.

Plan Marketing Contacts — included with this letter you will find a listing of employer marketing contacts for the medical and dental plans. Use these contacts to obtain plan specific information and literature for your employees. These telephone numbers are not for member services. Please do not give these telephone numbers to your employees. (Phone numbers and Web address contacts *for employees* are provided in the *Health Capsule* newsletter and on the Division of Pensions and Benefits Web site.)

Certifying Officers should check the Division's Web site and watch for further e-mail notification of any updated information or publications and forward the information to their Human Resources staff, Benefits Administrators, or any other staff members responsible for the communication and administration of health benefits for your employees.

SOCIAL MEDIA

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

www.facebook.com/NJDPB
www.twitter.com/NJDPB1
www.youtube.com/DPBNJ

ADDITIONAL INFORMATION

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

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

Enclosure

Local Education Health Benefits Rates
Local Government Active Employees Medical Plan Design Chart
Local Education Active Group Health Benefits Applications
HSA Contribution Form
Notice of Summaries of Benefits and Coverage
Health Capsule Newsletter
Open Enrollment Flier for Online Access
Medical and Dental Plan Marketing Contacts