

A Guide to Choosing a Medical Plan

Information About the Medical Plans for Eligible Participants of the SHBP and SEHBP

The Division of Pensions and Benefits ♦ www.state.nj.us/treasury/pensions ♦ Plan Year 2011

To help members select a State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) medical plan, we present the following guide which offers a basic overview of the plans.

The Plans

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

NJ DIRECT

NJ DIRECT is a Preferred Provider Organization administered by Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ). Two plan options are offered named **NJ DIRECT10** and **NJ DIRECT15**.

NJ DIRECT10 is available to:

- Employees and retirees of Local Government employers that participate in the SHBP;
- Employees and retirees of Local Education employers that participate in the SEHBP;
- Certain retirees of Local Education employers who are eligible for Medicare; 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 eligible for coverage in the SHBP or SEHBP.

Both **NJ DIRECT10** and **NJ DIRECT15** provide *in-network* and *out-of-network* medical care.

In-Network Benefits

Under NJ DIRECT *in-network* benefits you are not required to choose a primary care physician, and you do not need a referral for *in-network* services. 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 BlueCard® PPO network. If the physician does not participate in the Horizon BCBSNJ Managed Care or national BlueCard® PPO networks, the services will be considered out-of-network.

Out-of-Network Benefits

NJ DIRECT *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 Local Education employers are not subject to the hospital deductible

³ Certain in-network covered benefits, such as durable medical equipment, require a 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. 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 — **CIGNA HealthCare** and **Aetna HMO (Aetna Medicare HMO** for retirees with Medicare, see below) — are available to all employees and retirees. Both the CIGNA HealthCare and Aetna HMOs have expanded networks that provide services nationwide.

When you enroll in an HMO you select a Primary Care Physician (PCP) from a group of participating providers. All services, except emergencies, are coordinated through your PCP. If you require the care of a specialist, your PCP will refer you to a specialist who participates in the HMO network. Electronic referrals are used by the HMOs so no paperwork is required.

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. There are no out-of-network benefits or out-of-pocket maximum amounts under an HMO plan.

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.

Aetna Medicare HMO is a Medicare Advantage HMO plan available to retirees enrolled in Medicare. Members must maintain Medicare Part A and Part B coverage, but Aetna Medicare HMO pays eligible expenses directly, replacing the need for claims to first be paid by Medicare and then by a secondary plan.

Members must select a Primary Care Physician and use providers enrolled in the Aetna Medicare HMO network. When selecting a provider, always verify that the provider participates in the Aetna Medicare HMO.

Multiple SHBP/SEHBP Coverage is Prohibited

State statute specifically prohibits two members who are each enrolled in SHBP/SEHBP plans from covering each other. Therefore, an eligible individual may only enroll in the SHBP/SEHBP as an employee or retiree, or be covered as a dependent.

Eligible children may only be covered by one participating subscriber.

For example, a husband and wife both have coverage based on their employment and have children eligible for coverage. One may choose Family coverage, making the spouse and children the dependents and inel-

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 Local Education employees and retirees. See the NJ DIRECT Member Handbook for additional information.

eligible for any other SHBP/SEHBP coverage; or one may choose Single coverage and the spouse may choose Parent/Child(ren) coverage.

Plan Premium Rates

In addition to copayments and any other out-of-pocket costs such as deductibles or coinsurance, some employees and retirees may be required to pay all, or part, of the plan premiums.

- Most **State active employees** pay a health contribution of 1.5% of salary for medical plan coverage regardless of the chosen plan or selected level of coverage.
- For **Local Education employees** or **Local Government employees**, the cost for any part of the premiums is determined under the labor contracts with the employer. Rate charts are distributed to employers and are available on the Division of Pensions and Benefits Web site.
- **Retirees who pay the full cost** of SHBP or SEHBP coverage, or who share the cost with the State or their former employer, receive notification of medical plan rates in the mail. Retiree rates can also be found on the Division of Pensions and Benefits 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 pay a health contribution of 1.5% of the retirement benefit, unless enrolled in the Retiree Wellness Plan that is offered by their medical plan.

Premium rates are set annually by the State Health Benefits Commission and the School Employees' Health Benefits Commission. Current medical plan rates can be found on the Division of Pensions and Benefits Web site (see page 4).

Additional Benefit Plans

In addition to the medical plans, employees and retirees have access to prescription drug and dental benefits.

Prescription Drug Administrator

Medco Health Solutions, Inc., is the SHBP and SEHBP's pharmacy benefits administrator for all employee and retiree prescription drug benefits.

Employee Prescription Drug Plans

State Employees are eligible for the **Employee Prescription Drug Plan** as a separate prescription drug benefit.

The Employee Prescription Drug Plan provides a 30-day supply of prescription drugs from a retail pharmacy for a set copayment. Mail order service for up to a 90-day supply of prescription drugs at a reduced copayment is also available. Copayment amounts vary for generic or brand name drugs. See the *Employee Prescription Drug Plan Member Handbook* for details.

Local Government and **Local Education** employers have the option of offering the **Employee Prescription Drug Plan** to their employees, or they may offer another drug plan as a separate prescription drug benefit. Check with your employer for details.

If no separate prescription drug plan is provided by the employer, prescription drug coverage is provided as part of the SHBP or SEHBP medical plan. Copayments and out-of-pocket costs vary depending on the plan. For more information see the medical plan *Member Handbooks*.

Retiree Prescription Drugs

All SHBP and SEHBP retiree medical plans include prescription drug benefits. Prescription drug copayments and out-of-pocket costs vary depending on the medical plan. For more information see the medical plan *Member Handbooks*.

Medicare Part D — Current SHBP/SEHBP retiree prescription drug benefits meet the Medicare Part D prescription drug coverage standards. Most Medicare eligible retirees and/or their Medicare eligible dependents need not enroll in Medicare Part D. While some members who qualify for low income subsidy programs may find it beneficial to enroll in Medicare Part D, members need to be aware that once you and/or your dependents enroll in Medicare Part D, the person enrolled in Medicare Part D will lose their SHBP or SEHBP prescription drug coverage. In addition, the SHBP and SEHBP will not cover the costs of any drugs that are not covered by the Medicare Part D plan.

SHBP AND SEHBP MEDICAL PLAN CONTACT INFORMATION

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>			
<u>Health Maintenance Organizations</u>			
CIGNA HealthCare	www.cigna.com/stateofnj	020	1-800-564-7642
Aetna HMO	www.aetna.com/statenj	019	1-877-STATE NJ
Aetna Medicare HMO*	www.aetna.com/statenj	019	1-866-234-3129

**For retirees enrolled in Medicare*

All medical 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.

Employee Dental Plans

State employees are eligible to enroll in the **Employee Dental Plans** as a separate dental benefit.

The Employee Dental Plans offer two basic types of plan: a selection of **Dental Plan Organizations (DPOs)** and the **Dental Expense Plan**. Copayments, deductibles, and coinsurance apply and vary depending on the plan. If enrolled in a dental plan, the premium cost is shared between the employee and the State. For more information, see the *Employee Dental Plans Member Handbook*.

Local Government and **Local Education** employers *have the option of* offering the **Employee Dental Plans**, or *another* dental plan, as a separate dental benefit. Check with your employer for details.

Retiree Dental Expense Plan

Retirees who are eligible for enrollment in a SHBP or SEHBP medical plan are also eligible at the time of retirement for the **Retiree Dental Expense Plan**. Retirees enrolled in the Retiree Dental Expense Plan are responsible for paying the full cost of the coverage for themselves and any covered dependents. For more information, see the *Retiree Dental Expense Plan Member Handbook*.

Additional Information

Plan handbooks, forms, general information, and plan news can be found on the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions/health-benefits.shtml

For questions about eligibility or enrollment contact the Division of Pensions and Benefits, Office of Client Services at (609) 292-7524 or by e-mail to: pensions.nj@treas.state.nj.us

For questions about claims or specific plan benefits contact the medical plan directly. Plan Web addresses and member service telephone numbers are listed in the chart at the top of this page.

New Jersey Division of Pensions and Benefits

A Guide To Choosing a Medical Plan

A Guide to Choosing a Medical Plan is published for State, municipal, county, and school board employees and retirees who are enrolled in the State Health Benefits Program or School Employees' Health Benefits Program to inform those members about the benefits available through the health benefits programs.

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 detailed 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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