

**SHBP PDC Resolution #2019-4**

**RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE CREATING A NEW CWA PPO PLAN & ALLOWING CERTAIN STATE PUBLIC EMPLOYEES & EARLY RETIREES ACCESS TO THE PLAN**

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State and participating local employers; and

WHEREAS, the SHBP was enacted in 1961 for the purpose of providing affordable, quality health care coverage for public employees on a cost-effective basis; and

WHEREAS, all SHBP plans, with the exception of Medicare Advantage plans, are self-funded, which means that the money paid out for benefits comes directly from an SHBP fund funded by State appropriations, participating local employers, and member premiums; and

WHEREAS, the SHBP Plan Design Committee (SHBP PDC) aims to encourage the use of in-network providers by creating a new PPO plan with revised out-of-network reimbursement amounts for the State Active Group and the Early Retiree Group as defined below;

WHEREAS, the Communication Workers of America (CWA) currently represents over 31,000 employees in State service; and

WHEREAS, the CWA worked with the Administration, the Office of Employee Relations, and the Division of Pensions and Benefits to negotiate a new health plan offering:

NOW, THEREFORE, BE IT RESOLVED:

1. A new PPO plan design for both medical and prescription drug coverage as outlined in Appendix 1, attached hereto and incorporated hereof, shall be created effective July 1, 2019 (State Monthly) and July 6, 2019 (State Biweekly), and offered through Horizon and Aetna (the "CWA PPO Plan").
2. The CWA PPO Plan shall be made available to:
  - a. Any State public employee for whom the CWA serves as the majority representative for collective negotiating; and
  - b. Pursuant to operation of law (i.e. N.J.S.A. 52:14-17.28b(b)), any early retiree, defined as a person who is not yet eligible for Medicare (the "Early Retiree Group"), who is a State public employee for whom the CWA served as the majority representative for collective negotiating, and who accrues 25 years of non-consecutive or consecutive service credit on or after July 2, 2019, and who retires on or after July 1, 2019.
3. The SHBP PDC directs the Division of Pensions and Benefits to take such steps as necessary in order to have the current vendors, Horizon and Aetna, offer the CWA PPO Plan.
4. The SHBP PDC further directs the Division of Pensions and Benefits to transfer all State public employees for whom the CWA serves as the majority representative for collective negotiating who are currently enrolled in one of the current PPO plans to the new CWA PPO Plan that is provided by the same carrier as currently used by such employee; and
5. The SHBP PDC additionally directs the Division of Pensions and Benefits to hold a special

open enrollment in order to allow impacted public employees and retirees who do not wish to be transferred to the CWA PPO Plan to enroll in another plan available to them. The special open enrollment shall also allow impacted employees who are enrolled in one of the other plans to enroll in the CWA PPO plan.

6. NJWell Incentive will be \$350.00 for eligible subscriber and eligible spouse/partner.
  
7. This resolution shall take effect immediately.

**CWA PPO PLAN**

**Appendix 1**

CWA PPO <sup>1</sup> Horizon & Aetna	
<b>Medical Cost Sharing</b>	
Primary Care Copayment	\$15
Specialist Care Copayment	\$15
Emergency Room Copayment <sup>2</sup>	\$150
In-Network Deductible <sup>3</sup>	\$100 (New hires only after 7/1/19)
In-Network Coinsurance <sup>4</sup>	10%
In-Network Coinsurance Maximum (Individual/Family)	\$800/\$2,000
In-Network Out-of-Pocket Maximum (Individual/Family)	\$6,320 / \$12,640
Out-of-Network Deductible (Individual/Family)	\$400/\$1,000
Out-of-Network Coinsurance <sup>5</sup>	30%
Out-of-Network Out-of- Pocket Maximum (Individual/Family)	\$2,000/\$5,000
Out-of-Network Inpatient Hospital Deductible	\$500
Out of Network Reimbursement Rate	175% CMS Exception <sup>6</sup> : Mental Health 195% CMS after reaching OON out of pocket max (through 12/31/2020)
<b>Prescription Drug Copayments</b>	
Retail: Generic	\$7
Retail: Brand	\$16
Retail: Multi-Source Brand	Member Pays the Difference <sup>7</sup>
Mail: Generic	\$18
Mail: Brand	\$40
Mail: Multi-Source Brand	Member Pays the Difference <sup>7</sup>
Prescription Drug Out-of-Pocket Maximum (Individual/Family)	\$1,580/\$3,160

<sup>1</sup> All other provisions of the PPO plans remain the same unless modified here.

<sup>2</sup> Pediatric (0-19) ER copayment is \$50 and for those directed to ER by primary care physician.

<sup>3</sup> The in-network deductible will have the following exclusions: preventive care, second wellness visit, obstetric services, pediatric services, ER visit copayment counts toward deductible.

<sup>4</sup> On select services including, but not limited to, durable medical equipment, ambulance transportation, oxygen therapy, etc.

<sup>5</sup> After deductible.

<sup>6</sup> Members receiving obstetric services as of July 1, 2019 will be reimbursed at the rate of 195% of CMS for duration of care.

<sup>7</sup> Member pays the applicable generic copayment listed above, plus the cost differential between the brand and the generic drug.