

SHBP PDC RESOLUTION # 2023-11

**RESOLUTION OF THE STATE HEALTH BENEFITS PLAN DESIGN COMMITTEE
TO REPLACE THE NJ DIRECT HD1500 WITH THE NJ DIRECT HDLOW**

WHEREAS, pursuant to N.J.S.A. 52:14-17.25 to -17.46a, the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State of New Jersey (State) and participating local employers; and

WHEREAS, the SHBP was created in 1961 to provide affordable 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 the money paid out for benefits comes directly from a SHBP fund supplied by the State, participating local employers, and member premiums; and

WHEREAS, the SHBP currently offers a high deductible health plan (“HDHP”) known as the NJ Direct HD1500 plan;

WHEREAS, the NJ Direct HD1500 plan has a \$1,500 deductible for single and \$3,000 for family coverage;

WHEREAS, effective for plan year 2024, the Internal Revenue Service (“IRS”) HDHP minimum deductible is \$1,600 for single and \$3,200 for family coverage;

WHEREAS, if the SHBP Plan Design Committee does not alter the plan design of the SHBP plan currently known as the NJ Direct HD1500 plan, then the plan will not meet the minimum deductible to contribute to a qualified Health Savings Account (“HSA”) under IRS rules;

WHEREAS, pursuant to N.J.S.A. 52:14-17.29(D), the SHBP Plan Design Committee finds it in the best interest of the State, local employers, and employees to replace the NJ Direct HD1500 with a new plan known as the NJ Direct HDLow, which will be automatically indexed to the IRS’s HDHP minimum deductible.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Effective for plan year 2024, the SHBP will replace the NJ Direct HD1500 with the NJ Direct HDLow plan.
2. The deductible for the NJ Direct HDLow will be the HDHP minimum deductible set by the IRS for each plan year (i.e., the deductible for plan year 2024 will be \$1,600 for single and \$3,200 for family coverage);
3. The HSA contribution limit for the NJ Direct HDLow will be the HSA contribution limit set by the IRS for each plan year (i.e., the HSA contribution limit for plan year 2024 will be \$4,150 for single and \$8,300 for family coverage);
4. The HSA employer contribution will be \$300 for each plan year.
5. The HSA catch-up contribution limit for the NJ Direct HDLow for persons age 55 or older will be the amount set by the IRS for each plan year (i.e., the HSA catch-up contribution limit for plan year 2024 will be \$1,000);

6. The in-network out-of-pocket maximum for single coverage under the NJ Direct HDLow will be \$1,000 more than the HDHP minimum deductible set by the IRS for each plan year (i.e., the in-network out-of-pocket maximum for plan year 2024 will be \$2,600 for single coverage). The in-network out-of-pocket maximum for family coverage under the NJ Direct HDLow will be twice the in-network out-of-pocket maximum for single coverage (i.e., the in-network out-of-pocket maximum for plan year 2024 will be \$5,200 for family coverage).

The out-of-network out-of-pocket maximum for the NJ Direct HDLow will be indexed to the HDHP minimum deductible set by the IRS for each plan year. The out-of-network out-of-pocket maximum for single coverage under the NJ Direct HDLow will be \$2,000 more than the HDHP minimum deductible set by the IRS for each plan year (i.e., the out-of-network out-of-pocket maximum for plan year 2024 will be \$3,600 for single coverage). The out-of-network out-of-pocket maximum for family coverage under the NJ Direct HDLow will be twice the out-of-network out-of-pocket maximum for single coverage (i.e., the out-of-network out-of-pocket maximum for plan year 2024 will be \$7,200 for family coverage).

The combined maximum out-of-pocket amount for the NJ Direct HDLow may never exceed the maximum out-of-pocket amount set by the IRS for each plan year.

7. The rest of the terms applicable to NJ Direct HD1500 plan shall apply to the NJ Direct HDLow.
8. The SHBP will offer the NJ Direct HDLow plan for plan year 2024 and every plan year thereafter until an affirmative majority vote of the SHBP Plan Design Committee determines otherwise.

DATED: August 23, 2023