

[First Reprint]

## **ASSEMBLY, No. 20**

# **STATE OF NEW JERSEY**

## **219th LEGISLATURE**

INTRODUCED JUNE 25, 2020

**Sponsored by:**

**Assemblyman CRAIG J. COUGHLIN**

**District 18 (Middlesex)**

**Assemblywoman NANCY J. PINKIN**

**District 18 (Middlesex)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Assemblywoman MILA M. JASEY**

**District 27 (Essex and Morris)**

**Assemblywoman BETTYLOU DECROCE**

**District 26 (Essex, Morris and Passaic)**

**Co-Sponsored by:**

**Assemblymen McKeon, Johnson, Daniels, Assemblywoman Carter,**

**Assemblymen Freiman, Scharfenberger, Assemblywoman Swain,**

**Assemblyman Tully, Assemblywoman Quijano, Assemblyman Bramnick,**

**Assemblywomen N.Munoz, Dunn and Assemblyman Greenwald**

**SYNOPSIS**

Requires SEHBP and eligible employers that do not participate in the SEHBP to provide certain plans for public education employees and certain public education retirees.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 25, 2020, with amendments.

(Sponsorship Updated As Of: 6/29/2020)

1 AN ACT concerning the health care benefits plans provided by the  
 2 School Employees' Health Benefits Program and eligible  
 3 employers that do not participate in the program, and  
 4 supplementing P.L.2007, c.103 (C.52:14-17.46.1 et seq.) and  
 5 P.L.1979, c.391 (C.18A:16-12 et seq.).

6  
 7 **BE IT ENACTED** by the Senate and General Assembly of the State  
 8 of New Jersey:

9  
 10 1. This section shall apply to the School Employees' Health  
 11 Benefits Program (SEHBP) and to those employers defined  
 12 pursuant to section 32 of P.L.2007, c.103 (C.52:14-17.46.2) that  
 13 participate in the program.

14 a. <sup>1</sup>**[**Notwithstanding the provisions of any other law, rule, or  
 15 regulation to the contrary, each plan year for the School Employees'  
 16 Health Benefits Program shall commence on each July 1 and end on  
 17 June 30 of the following year, commencing on July 1, 2020 and on  
 18 each July 1 thereafter.

19 b. <sup>1</sup>**]** (1) Notwithstanding the provisions of any other law, rule,  
 20 or regulation to the contrary, beginning with the plan year that  
 21 commences <sup>1</sup>**[**July 1, 2020**]** January 1, 2021<sup>1</sup> and for each plan year  
 22 thereafter, the School Employees' Health Benefits Program shall  
 23 offer only three plans that provide medical and prescription drug  
 24 benefits for employees, and retirees who are not Medicare-eligible,  
 25 and their dependents if any. All other plans offered prior to <sup>1</sup>**[**July  
 26 1, 2020**]** January 1, 2021<sup>1</sup> for employees, and retirees who are not  
 27 Medicare-eligible, and their dependents if any, shall be terminated.

28 The three plans shall be the New Jersey Educators Health Plan as  
 29 developed by the School Employees' Health Benefits Plan Design  
 30 Committee in accordance with subsection <sup>1</sup>**[**g.**]** f.<sup>1</sup> of this section  
 31 <sup>1</sup>which sets forth the plan design of the New Jersey Educators  
 32 Health Plan<sup>1</sup>; the SEHBP NJ Direct 10 plan as adopted and  
 33 implemented by the School Employees' Health Benefits  
 34 Commission for the plan year that began January 1, 2020; and the  
 35 SEHBP NJ Direct 15 plan as adopted and implemented by the  
 36 School Employees' Health Benefits Commission for the plan year  
 37 that began January 1, 2020.

38 <sup>1</sup>Employers that participate in the School Employees' Health  
 39 Benefits Program shall retain the ability to enter the program for  
 40 medical only plans and may separately purchase pharmacy and  
 41 dental benefits outside of the program without limitation or  
 42 restriction.<sup>1</sup>

43 (2) Only the plans set forth in this section shall be offered by the  
 44 program regardless of any collective negotiations agreement  
 45 between a participating employer and its employees in effect on the

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AAP committee amendments adopted June 25, 2020.

1 effective date of this act, P.L. , c. (pending before the  
 2 Legislature as this bill), that provides for enrollment in other plans  
 3 that were offered by the program prior to <sup>1</sup>**July 1, 2020** January 1,  
 4 2021<sup>1</sup>.

5 <sup>1</sup>**[(3)** The School Employees' Health Benefits Commission  
 6 may delay the date of implementation of plan offerings, plan  
 7 terminations, and enrollments as set forth in this section until a date  
 8 after July 1, 2020, but not later than August 1, 2020, if the  
 9 commission deems the delay to be necessary. The commission may  
 10 delay implementation until a date, as soon as possible, after July 1,  
 11 2020 by which date the commission determines that implementation  
 12 will be practicable. The commission shall state in writing the  
 13 reasons for the delay. Under no circumstances shall implementation  
 14 occur later than August 1, 2020.

15 c.] b.<sup>1</sup> Prior to <sup>1</sup>**July 1, 2020** January 1, 2021<sup>1</sup>, the  
 16 program, through the Division of Pensions and Benefits in the  
 17 Department of the Treasury, shall provide for <sup>1</sup>**[a special]** an<sup>1</sup>  
 18 enrollment period during which all employees <sup>1</sup>who commenced  
 19 employment prior to the effective date of this act<sup>1</sup> shall be required  
 20 to select affirmatively one of the three plans specified in subsection  
 21 <sup>1</sup>**[b.] a.**<sup>1</sup> of this section. If an employee fails to select affirmatively  
 22 a plan during this <sup>1</sup>**[special]**<sup>1</sup> enrollment period, the program shall  
 23 enroll the employee, and the employee's dependents if any, in the  
 24 New Jersey Educators Health Plan for the plan year beginning  
 25 <sup>1</sup>**July 1, 2020 and ending June 30, 2021** January 1, 2021 and  
 26 ending December 31, 2021<sup>1</sup>.

27 During the <sup>1</sup>**[special]**<sup>1</sup> enrollment period, any person who is  
 28 enrolled in a plan offered by the program and who is paying the full  
 29 cost of health care benefits coverage shall also be required to select  
 30 affirmatively one of the three plans specified in subsection <sup>1</sup>**[b.] a.**<sup>1</sup>  
 31 of this section. If a person fails to select affirmatively a plan during  
 32 this <sup>1</sup>**[special]**<sup>1</sup> enrollment period, the program shall enroll the  
 33 person, and the person's dependents if any, in the New Jersey  
 34 Educators Health Plan for the plan year beginning <sup>1</sup>**July 1, 2020**  
 35 and ending June 30, 2021 January 1, 2021 and ending December  
 36 31, 2021<sup>1</sup>. Any such person shall continue to pay the full cost of  
 37 coverage and shall not be subject to the contribution schedule or  
 38 any mandatory enrollment period as set forth in this section and  
 39 section 2 of this act.

40 <sup>1</sup>**[d.] c.**<sup>1</sup> (1) <sup>1</sup>**[An]** Beginning on January 1, 2021, an<sup>1</sup>  
 41 employee commencing employment on or after <sup>1</sup>**July 1, 2020** the  
 42 effective date of this act<sup>1</sup> but before <sup>1</sup>**July 1, 2027** January 1,  
 43 2028<sup>1</sup> who does not waive coverage shall be enrolled by the  
 44 program, with the employee's dependents if any, in the New Jersey  
 45 Educators Health Plan <sup>1</sup>, or the Garden State Health Plan if selected  
 46 by the employee<sup>1</sup>. The employee shall remain enrolled in <sup>1</sup>**[that**

1 plan either the New Jersey Educators Health Plan or the Garden  
2 State Health Plan selected by the employee at the annual open  
3 enrollment<sup>1</sup> for each plan year through the plan year that ends  
4 <sup>1</sup>June 30, 2027 December 31, 2027, provided that the employee  
5 during this period may waive coverage as an employee and select  
6 and change the type of coverage received under the plan following a  
7 qualifying life event, in accordance with the program regulations<sup>1</sup>.

8 For the plan year beginning <sup>1</sup>July 1, 2027 January 1, 2028<sup>1</sup>, the  
9 employee may select, during any open enrollment period or at such  
10 other times or under such conditions as the program may provide,  
11 any plan offered by the program.

12 (2) For the plan year beginning <sup>1</sup>July 1, 2020 January 1,  
13 2021<sup>1</sup>, the program shall enroll a retiree who is not Medicare-  
14 eligible, and the retiree's dependents if any, in the New Jersey  
15 Educators Health Plan for health care benefits coverage as a retiree,  
16 if the retiree does not waive coverage. The retiree shall remain  
17 enrolled in that plan for each plan year through the plan year that  
18 ends <sup>1</sup>June 30, 2027 December 31, 2027<sup>1</sup> or until the retiree  
19 becomes eligible for Medicare, whichever comes first. The retiree  
20 who becomes eligible for Medicare shall no longer be eligible for  
21 enrollment in the New Jersey Educators Health Plan<sup>1</sup>, except that  
22 any dependent of the retiree who is not eligible for Medicare may  
23 remain eligible for coverage under the New Jersey Educators Health  
24 Plan<sup>1</sup>. For the plan year beginning <sup>1</sup>July 1, 2027 January 1,  
25 2028<sup>1</sup>, that retiree who is not Medicare-eligible may select, during  
26 any open enrollment period or at such other times or under such  
27 conditions as the program may provide, any plan offered by the  
28 program.

29 (3) Except as otherwise provided in this subsection or  
30 subsection <sup>1</sup>[c.] b.<sup>1</sup> of this section, selection of a plan shall be at  
31 the sole discretion of the employee or retiree who is not Medicare-  
32 eligible.

33 <sup>1</sup>[e.] d.<sup>1</sup> Beginning <sup>1</sup>[with the plan year that commences]<sup>1</sup>  
34 July 1, 2021 and for each plan year thereafter, the program shall  
35 offer a fourth plan to be called the Garden State Health Plan. The  
36 plan shall be developed by the School Employees' Health Benefits  
37 Plan Design Committee. If the committee does not adopt a design  
38 for the Garden State Health Plan by December 31, 2020, the  
39 Division of Pensions and Benefits in the Department of the  
40 Treasury shall develop the Garden State Health Plan.

41 The Garden State Health Plan shall provide medical and  
42 prescription drug benefits that are equivalent to the level of medical  
43 and prescription drug benefits provided by the New Jersey  
44 Educators Health Plan, except that the benefits under the Garden  
45 State Health Plan shall be available only from providers located in  
46 the State of New Jersey.

1       Access to a service provider that is located outside of the State  
2       shall be available only under such 'terms,' conditions, restrictions,  
3       and limitations as the plan design committee or the division, as  
4       appropriate, shall provide 'in the plan governing documents'.  
5       'Employers that participate in the School Employees' Health  
6       Benefits Program shall retain the ability to enter the program for  
7       medical only plans and may separately purchase pharmacy and  
8       dental benefits outside of the program without limitation or  
9       restriction.'  
10       '[f.] e.' The '[level of benefits in] plan design of' the New  
11       Jersey Educators Health Plan, the Garden State Health Plan, the NJ  
12       Direct 10 plan, and the NJ Direct 15 plan as those '[plans] plan  
13       designs' are specified in subsection '[b., e., and g.] a., d., and f.' of  
14       this section shall remain unchanged until '[June 30, 2027]  
15       December 31, 2027'. No change in the '[level of benefits in] plan  
16       design of' those plans shall be made before that date unless such a  
17       change 'in plan design' is required by federal or State law to  
18       governmental health care benefits plans or to both governmental  
19       and non-governmental health care benefits plans.  
20       For the plan year that commences '[July 1, 2027] January 1,  
21       2028' and for each plan year thereafter, the '[level of benefits in]  
22       plan design of' the New Jersey Educators Health Plan, the Garden  
23       State Health Plan, the NJ Direct 10 plan, and the NJ Direct 15 plan  
24       as those '[plans] plan designs' are specified in subsection '[b., e.,  
25       and g.] a., d., and f.' of this section may be modified by the School  
26       Employees' Health Benefits Plan Design Committee.  
27       'Modifications to plan design of the plans set forth in this section  
28       made by the School Employees' Health Benefits Plan Design  
29       Committee or the State Treasurer pursuant to section 7 of this act  
30       shall be implemented by the program for the purposes of this  
31       section commencing January 1, 2024.'  
32       '[g.] f.' The '[benefits in] plan design of' the New Jersey  
33       Educators Health Plan shall '[include] be' the following:

In Network Benefits	Coverage
Member Coinsurance:	10%, Applies Only to Emergency Transportation Care and Durable Medical Equipment
Deductible:	N/A
Out-of-Pocket Maximum:	\$500 Single/ \$1,000 Family (covers all <u>'in network'</u> copayments, coinsurance,

and deductible)

Emergency Room Copayment: \$125 (To be Waived if Admitted)

PCP Office Visit Copayment: \$10

Specialist Office Visit Copayment \$15

Out-of-Network Benefits Coverage

Member Coinsurance: 30% of the Out-of-Network Fee Schedule

Deductible: \$350 / \$700

Out-of-Pocket Maximum: \$2,000 Single / \$5,000 Family

Routine Lab: Paid at Out-of-Network Benefit Level

Out-of-Network Fee Schedule: 200% of CMS - Medicare

Pharmacy

Out-of-Pocket Maximum: \$1,600 Single / \$3,200 Family (Indexed Annually Pursuant to Federal Law)

Generic Copayment: \$5 Retail 30 Day Supply / \$10 Mail 90 Day Supply

Brand Copayment: \$10 Retail 30 Day Supply/ \$20 Mail 90 Day Supply

Mandatory Generic: Member Pays Difference in Cost Between Generic and Brand, Plus Brand Copayment

Formulary: <sup>1</sup>**['PBM's']<sup>1</sup>** Closed Formulary <sup>1</sup>as contracted with the Pharmacy Benefit Manager and the School Employees' Health Benefits Commission<sup>1</sup>

Other

Chiropractic, Physical Therapy, and Acupuncture: Subject to 'the same' Out-of-Network Limits as for the State Health Benefits Program 'as were in effect on June 1, 2020' to take effect as of '[April] July' 1, 2020, or as soon thereafter as reasonably practicable.

1

2 Under a patient centered medical home model, there shall be no  
3 office visit copay for primary care for participants who select and  
4 '[lock into] commit to' a patient centered medical home for  
5 primary care 'in accordance with plan rules and regulations'.  
6

6

7 '[h.] g.' Any plan offered by the School Employees' Health  
8 Benefits Program shall require that chiropractic, physical therapy,  
9 and acupuncture benefits shall be subject to the same out-of-  
10 network limits as for the State Health Benefits Program that '[are]  
11 were in effect on June 1, 2020' to take effect as of '[April] July' 1,  
12 2020 or as soon thereafter as reasonably practicable.  
13

13

14 2. a. Each employee, and retiree who is not Medicare-eligible  
15 and who is required by another provision of law to contribute in  
16 retirement toward the cost of health care benefits coverage under  
17 the program, shall contribute annually toward the cost of health care  
18 benefits coverage for the employee and retiree, and dependents if  
19 any, under the New Jersey Educators Health Plan offered by the  
20 School Employees' Health Benefits Program an amount equal to a  
21 percentage of the employee's annual base salary or retiree's annual  
22 retirement allowance<sup>1</sup>, including any cost of living adjustments to  
23 that allowance'. The contribution shall be withheld by the  
24 employer from the salary of the employee or by the retirement  
25 system from the retirement allowance<sup>1</sup>, including any cost of living  
26 adjustments to that allowance.' of the retiree who is not Medicare-  
27 eligible. The percent to be contributed shall be as follows 'with the  
28 retirement allowance including any cost of living adjustments to  
29 that allowance':  
30

30

31 For Base Salary or Retirement Allowance of \$40,000 or Less: 1.7%  
32 for Single Coverage; 2.2% for Parent and Child(ren) Coverage;  
33 2.8% for Employee and Spouse Coverage; and 3.3% for Family  
34 Coverage

1 For Base Salary or Retirement Allowance of more than \$40,000 to  
 2 \$50,000: 1.9% for Single Coverage; 2.5% for Parent and Child(ren)  
 3 Coverage; 3.3% for Employee and Spouse Coverage; and 3.9% for  
 4 Family Coverage

5  
 6 For Base Salary or Retirement Allowance of more than \$50,000 to  
 7 \$60,000: 2.2% for Single Coverage; 2.8% for Parent and Child(ren)  
 8 Coverage; 3.9% for Employee and Spouse Coverage; and 4.4% for  
 9 Family Coverage

10  
 11 For Base Salary or Retirement Allowance of more than \$60,000 to  
 12 \$70,000: 2.5% for Single Coverage; 3% for Parent and Child(ren)  
 13 Coverage; 4.4% for Employee and Spouse Coverage; and 5% for  
 14 Family Coverage

15  
 16 For Base Salary or Retirement Allowance of more than \$70,000 to  
 17 \$80,000: 2.8% for Single Coverage; 3.3% for Parent and Child(ren)  
 18 Coverage; 5% for Employee and Spouse Coverage; and 5.5% for  
 19 Family Coverage

20  
 21 For Base Salary or Retirement Allowance of more than \$80,000 to  
 22 \$90,000: 3% for Single Coverage; 3.6% for Parent and Child(ren)  
 23 Coverage; 5.5% for Employee and Spouse Coverage; and 6% for  
 24 Family Coverage

25  
 26 For Base Salary or Retirement Allowance of more than \$90,000 to  
 27 \$100,000: 3.3% for Single Coverage; 3.9% for Parent and  
 28 Child(ren) Coverage; 6% for Employee and Spouse Coverage; and  
 29 6.6% for Family Coverage

30  
 31 For Base Salary or Retirement Allowance of more than \$100,000 to  
 32 \$125,000: 3.6% for Single Coverage; 4.4% for Parent and  
 33 Child(ren) Coverage; 6.6% for Employee and Spouse Coverage;  
 34 and 7.2% for Family Coverage

35  
 36 When the base salary or retirement allowance is more than  
 37 \$125,000, the percent to be contributed shall be the same as for a  
 38 base salary or retirement allowance of \$125,000.

39  
 40 b. Each employee, and retiree who is not Medicare-eligible and  
 41 who is required by another provision of law to contribute in  
 42 retirement toward the cost of health care benefits coverage under  
 43 the program, shall contribute annually toward the cost of health care  
 44 benefits coverage for the employee and retiree, and dependents if  
 45 any, under the Garden State Health Plan offered by the School  
 46 Employees' Health Benefits Program an amount equal to a  
 47 percentage of the employee's annual salary or retiree's annual  
 48 retirement allowance<sup>1</sup>, including any cost of living adjustments to



1 that allowance<sup>1</sup>. The contribution shall be withheld by the  
2 employer from the salary of the employee or by the retirement  
3 system from the retirement allowance<sup>1</sup>, including any cost of living  
4 adjustments to that allowance,<sup>1</sup> of the retiree who is not Medicare-  
5 eligible. The percent to be contributed shall be one-half of the  
6 percentage set forth in subsection a. of this section for the salary or  
7 retirement allowance range and type of coverage, except that the  
8 contribution specified in this subsection shall not be less than the  
9 minimum annual contribution for health care benefits coverage of  
10 1.5% of salary or retirement allowance<sup>1</sup>, including any cost of  
11 living adjustments to that allowance,<sup>1</sup> as required by law.

12 c. (1) An employee enrolled in the New Jersey Educators  
13 Health Plan or the Garden State Health Plan shall be required to pay  
14 only the contribution specified in subsection a. or b. of this section,  
15 notwithstanding any other provision of law, rule, or regulation to  
16 the contrary requiring contributions by employees toward the cost  
17 of health care benefits coverage under the program, except as  
18 provided in subsection b. of this section. No other contribution may  
19 be required by collective negotiations agreement, except as set forth  
20 in subsection h. of this section.

21 (2) Only those retirees who are not Medicare-eligible and who  
22 are required by another provision of law to contribute in retirement  
23 toward the cost of health care coverage under the program shall be  
24 required to pay the contribution specified in subsection a. or b. of  
25 this section for coverage under the New Jersey Educators Health  
26 Plan or the Garden State Health Plan.

27 A retiree who is not Medicare-eligible, who is enrolled in the  
28 New Jersey Educators Health Plan or the Garden State Health Plan,  
29 and who is required by another provision of law to contribute in  
30 retirement toward the cost of health care coverage under the  
31 program shall be required to pay only the contribution specified in  
32 subsection a. or b. of this section, notwithstanding the provisions of  
33 section 77 of P.L.2011, c.78 (C.52:14-17.28e), section 3 of  
34 P.L.1987, c.384 (C.52:14-17.32f), section 2 of P.L.1992, c.126  
35 (C.52:14-17.32f1), or section 1 of P.L.1995, c.357 (C.52:14-  
36 17.32f2) to the contrary requiring contributions by retirees toward  
37 the cost of health care benefits coverage under the program, except  
38 as provided in subsection b. of this section.

39 d. Employees who are not enrolled in the New Jersey  
40 Educators Health Plan or the Garden State Health Plan shall  
41 continue, after the effective date of this act, P.L. , c. (pending  
42 before the Legislature as this bill), to contribute to health care  
43 benefits coverage and those contributions shall be determined in  
44 accordance with what is permitted or required by provisions of law.

45 An employee who is enrolled in a plan other than the New Jersey  
46 Educators Health Plan or the Garden State Health Plan shall be  
47 required to contribute toward the cost of health care benefits

1 coverage under the program (a) in accordance with a collective  
2 negotiations agreement applicable to that employee as negotiated  
3 prior to or after the effective date of this act, P.L. , c. (pending  
4 before the Legislature as this bill), pursuant to the requirements that  
5 were set forth in law on the day next preceding that effective date;  
6 (b) as may be required at the discretion of the employer; or (c) as  
7 required by a provision of law, whichever is applicable to that  
8 employee.

9 With regard to contributions by an employee who is enrolled in a  
10 plan other than the New Jersey Educators Health Plan or the Garden  
11 State Health Plan, no provision in this section shall be deemed to  
12 modify, alter, impair, or terminate the requirement in sections 77  
13 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-17.28e), as  
14 applicable, that a public employer and employees who were in  
15 negotiations for the collective negotiations agreement to be  
16 executed after the employees in that unit had reached full  
17 implementation of the premium share set forth in section 39 of  
18 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations  
19 concerning contributions for health care benefits as if the full  
20 premium share was included in the prior contract. Nothing in this  
21 act shall be deemed to modify, alter, impair, or terminate the  
22 continued compliance after the effective date of this act with that  
23 requirement for negotiations for any collections negotiations  
24 agreement for employee contributions for plans other than the New  
25 Jersey Educators Health Plan or the Garden State Health Plan.

26 e. For an employee, the annual base salary paid by the  
27 employer for the position held by the employee shall be used to  
28 identify the percentage to be used to calculate the annual  
29 contribution required under subsections a. and b. of section 2 of this  
30 act. For a retiree who is not Medicare-eligible, the annual  
31 retirement allowance<sup>1</sup>, including any cost of living adjustments to  
32 that allowance,<sup>1</sup> received by the retiree shall be used to identify the  
33 percentage to be used to calculate the annual contribution required  
34 under subsections a. and b. of section 2 of this act.

35 f. The annual contribution by an employee or a retiree who is  
36 not Medicare-eligible as calculated in accordance with subsection a.  
37 or b. of this section shall not exceed the amount as calculated in  
38 accordance with section 4 of this act, P.L. , c. (C. )(pending  
39 before the Legislature as this bill).

40 g. The contributions required by this section shall apply to  
41 employees for whom the employer has assumed a health care  
42 benefits payment obligation, to require that such employees pay the  
43 amount of contribution specified in this section for health care  
44 benefits coverage. The contributions required by this section shall  
45 apply to retirees for whom the State has assumed a health care  
46 benefits payment obligation but who are required by law to  
47 contribute toward the cost of health care benefits coverage under  
48 the program, to require that such retirees pay the amount of

1 contribution specified in this section for health care benefits  
2 coverage.

3 h. For the plan year that commences on <sup>1</sup>~~July 1, 2027~~  
4 January 1, 2028<sup>1</sup> and for each plan year thereafter, the contributions  
5 required pursuant to subsections a. and b. of this section for  
6 employees enrolled in the New Jersey Educators Health Plan or the  
7 Garden State Health Plan may be modified through collective  
8 negotiations agreements entered into between the employers who  
9 participate in the School Employees' Health Benefits Program and  
10 their employees. The contributions required pursuant to subsections  
11 a. and b. of this section shall become part of the parties' collective  
12 negotiations and shall then be subject to collective negotiations in a  
13 manner similar to other negotiable items between the parties.  
14 Negotiations concerning contributions for health care benefits shall  
15 be conducted as if the contributions required pursuant to  
16 subsections a. and b. of this section were included in the prior  
17 contract. The contribution scheme of percentage of base salary set  
18 forth in those subsections may be modified or a new contribution  
19 scheme or method other than a percentage of salary may be  
20 provided for in accordance with a collective negotiations  
21 agreement.

22 <sup>1</sup>i. Modifications to the contribution rates set forth in this  
23 section made by the School Employees' Health Benefits Plan  
24 Design Committee or the State Treasurer pursuant to section 7 of  
25 this act shall be implemented by the program for the purposes of  
26 this section commencing January 1, 2024.<sup>1</sup>  
27

28 3. a. The School Employees' Health Benefits Commission  
29 shall prepare, in coordination with the Division of Pensions and  
30 Benefits in the Department of the Treasury, a guidance tool to  
31 provide employees and retirees who <sup>1</sup>~~is~~ are<sup>1</sup> not Medicare-  
32 eligible with confidential consultations online with regard to the  
33 employee's or retiree's decision to select a plan during a period of  
34 open enrollment or at other times. The guidance tool shall operate  
35 using information supplied by the employee or retiree as answers to  
36 questions concerning the health care needs of the employee or  
37 retiree, and the employee's or retiree's dependents if any.

38 b. <sup>1</sup>~~The School Employees' Health Benefits Plan Design~~  
39 ~~Committee shall develop a~~ <sup>1</sup>A<sup>1</sup> comprehensive health and wellness  
40 plan intended to provide biometric screening services, chronic  
41 condition coaching services, and smoking cessation services <sup>1</sup>~~shall~~  
42 be available to all members of the School Employees' Health  
43 Benefits Program, including all members of the New Jersey  
44 Educators Health Plan and the Garden State Health Plan<sup>1</sup>.

45 The School Employees' Health Benefits Commission shall  
46 provide, through a contract, for the services of wellness related  
47 providers for employees and retirees, and their dependents if any,

1 enrolled in the program. The contract awarded by the commission  
2 shall <sup>1</sup>~~provide access to those services for~~ be offered to<sup>1</sup>  
3 employers, as defined in section 32 of P.L.2007, c.103 (C.52:14-  
4 17.46.2), who do not participate in the program so that their  
5 employees may have access to the same services and under same  
6 terms, conditions, and costs as the employees of employers who do  
7 participate.

8 The School Employees' Health Benefits Program shall promote,  
9 on an on-going basis, the expansion of the use of patient centered  
10 medical homes.

11 The School Employees' Health Benefits Plan Design Committee  
12 shall seek also to adopt, on an on-going basis, efforts and measures  
13 to support expanded population health arrangements that manage  
14 costs and prevent inappropriate utilization.

15 c. All provisions of law regarding the School Employees'  
16 Health Benefits Program shall remain applicable to the extent not  
17 inconsistent with, and shall not be interpreted in a manner that  
18 creates a direct impediment to the implementation of, this section  
19 and sections 1, 2, and 4 of this act, P.L. , c. (C. )(pending  
20 before the Legislature as this bill).

21  
22 4. For employees and retirees who are not Medicare-eligible  
23 who are required to make a contribution pursuant to subsection a. or  
24 b. of section 2, or subsection d. of section 5, of this act, P.L. ,  
25 c. (C. )(pending before the Legislature as this bill), due to  
26 enrollment in the New Jersey Educators Health Plan or the Garden  
27 State Health Plan, or the equivalent plan, as appropriate, a  
28 calculation shall be made in accordance with this section. The  
29 employee or retiree shall be required to contribute the lesser of: the  
30 amount calculated for that employee or retiree in accordance with  
31 subsection a. or b. of section 2, or in accordance subsection d. of  
32 section 5, of this act, as appropriate; or the amount calculated for  
33 that employee or retiree in accordance with this section.

34  
35 for family coverage or its equivalent -

36 an employee or retiree who earns less than \$25,000 shall pay 3  
37 percent of the cost of coverage;

38 an employee or retiree who earns \$25,000 or more but less than  
39 \$30,000 shall pay 4 percent of the cost of coverage;

40 an employee or retiree who earns \$30,000 or more but less than  
41 \$35,000 shall pay 5 percent of the cost of coverage;

42 an employee or retiree who earns \$35,000 or more but less than  
43 \$40,000 shall pay 6 percent of the cost of coverage;

44 an employee or retiree who earns \$40,000 or more but less than  
45 \$45,000 shall pay 7 percent of the cost of coverage;

46 an employee or retiree who earns \$45,000 or more but less than  
47 \$50,000 shall pay 9 percent of the cost of coverage;

1       an employee or retiree who earns \$50,000 or more but less than  
2       \$55,000 shall pay 12 percent of the cost of coverage;  
3       an employee or retiree who earns \$55,000 or more but less than  
4       \$60,000 shall pay 14 percent of the cost of coverage;  
5       an employee or retiree who earns \$60,000 or more but less than  
6       \$65,000 shall pay 17 percent of the cost of coverage;  
7       an employee or retiree who earns \$65,000 or more but less than  
8       \$70,000 shall pay 19 percent of the cost of coverage;  
9       an employee or retiree who earns \$70,000 or more but less than  
10       \$75,000 shall pay 22 percent of the cost of coverage;  
11       an employee or retiree who earns \$75,000 or more but less than  
12       \$80,000 shall pay 23 percent of the cost of coverage;  
13       an employee or retiree who earns \$80,000 or more but less than  
14       \$85,000 shall pay 24 percent of the cost of coverage;  
15       an employee or retiree who earns \$85,000 or more but less than  
16       \$90,000 shall pay 26 percent of the cost of coverage;  
17       an employee or retiree who earns \$90,000 or more but less than  
18       \$95,000 shall pay 28 percent of the cost of coverage;  
19       an employee or retiree who earns \$95,000 or more but less than  
20       \$100,000 shall pay 29 percent of the cost of coverage;  
21       an employee or retiree who earns \$100,000 or more but less than  
22       \$110,000 shall pay 32 percent of the cost of coverage;  
23       an employee or retiree who earns \$110,000 or more shall pay 35  
24       percent of the cost of coverage  
25  
26       for individual coverage or its equivalent -  
27       an employee or retiree who earns less than \$20,000 shall pay 4.5  
28       percent of the cost of coverage;  
29       an employee or retiree who earns \$20,000 or more but less than  
30       \$25,000 shall pay 5.5 percent of the cost of coverage;  
31       an employee or retiree who earns \$25,000 or more but less than  
32       \$30,000 shall pay 7.5 percent of the cost of coverage;  
33       an employee or retiree who earns \$30,000 or more but less than  
34       \$35,000 shall pay 10 percent of the cost of coverage;  
35       an employee or retiree who earns \$35,000 or more but less than  
36       \$40,000 shall pay 11 percent of the cost of coverage;  
37       an employee or retiree who earns \$40,000 or more but less than  
38       \$45,000 shall pay 12 percent of the cost of coverage;  
39       an employee or retiree who earns \$45,000 or more but less than  
40       \$50,000 shall pay 14 percent of the cost of coverage;  
41       an employee or retiree who earns \$50,000 or more but less than  
42       \$55,000 shall pay 20 percent of the cost of coverage;  
43       an employee or retiree who earns \$55,000 or more but less than  
44       \$60,000 shall pay 23 percent of the cost of coverage;  
45       an employee or retiree who earns \$60,000 or more but less than  
46       \$65,000 shall pay 27 percent of the cost of coverage;  
47       an employee or retiree who earns \$65,000 or more but less than  
48       \$70,000 shall pay 29 percent of the cost of coverage;

1 an employee or retiree who earns \$70,000 or more but less than  
2 \$75,000 shall pay 32 percent of the cost of coverage;

3 an employee or retiree who earns \$75,000 or more but less than  
4 \$80,000 shall pay 33 percent of the cost of coverage;

5 an employee or retiree who earns \$80,000 or more but less than  
6 \$95,000 shall pay 34 percent of the cost of coverage;

7 an employee or retiree who earns \$95,000 or more shall pay 35  
8 percent of the cost of coverage;

9  
10 for member with child or spouse coverage or its equivalent -

11 an employee or retiree who earns less than \$25,000 shall pay 3.5  
12 percent of the cost of coverage;

13 an employee or retiree who earns \$25,000 or more but less than  
14 \$30,000 shall pay 4.5 percent of the cost of coverage;

15 an employee or retiree who earns \$30,000 or more but less than  
16 \$35,000 shall pay 6 percent of the cost of coverage;

17 an employee or retiree who earns \$35,000 or more but less than  
18 \$40,000 shall pay 7 percent of the cost of coverage;

19 an employee or retiree who earns \$40,000 or more but less than  
20 \$45,000 shall pay 8 percent of the cost of coverage;

21 an employee or retiree who earns \$45,000 or more but less than  
22 \$50,000 shall pay 10 percent of the cost of coverage;

23 an employee or retiree who earns \$50,000 or more but less than  
24 \$55,000 shall pay 15 percent of the cost of coverage;

25 an employee or retiree who earns \$55,000 or more but less than  
26 \$60,000 shall pay 17 percent of the cost of coverage;

27 an employee or retiree who earns \$60,000 or more but less than  
28 \$65,000 shall pay 21 percent of the cost of coverage;

29 an employee or retiree who earns \$65,000 or more but less than  
30 \$70,000 shall pay 23 percent of the cost of coverage;

31 an employee or retiree who earns \$70,000 or more but less than  
32 \$75,000 shall pay 26 percent of the cost of coverage;

33 an employee or retiree who earns \$75,000 or more but less than  
34 \$80,000 shall pay 27 percent of the cost of coverage;

35 an employee or retiree who earns \$80,000 or more but less than  
36 \$85,000 shall pay 28 percent of the cost of coverage;

37 an employee or retiree who earns \$85,000 or more but less than  
38 \$100,000 shall pay 30 percent of the cost of coverage.

39 an employee or retiree who earns \$100,000 or more shall pay 35  
40 percent of the cost of coverage.

41  
42 The annual base salary of an employee shall be used to  
43 determine what the employee earns for the purpose of determining  
44 the percent of the cost of coverage. The annual retirement  
45 allowance<sup>1</sup>, including any cost of living adjustments to that  
46 allowance,<sup>1</sup> of a retiree who is not Medicare-eligible shall be used  
47 to determine what the retiree earns for the purpose of determining  
48 the percent of the cost of coverage.

1 As used in this section, "cost of coverage" means the premium or  
2 periodic charges for medical and prescription drug plan coverage,  
3 but not for dental, vision, or other health care, provided: (1) under  
4 the New Jersey Educators Health Plan or the Garden State Health  
5 Plan offered by the School Employees' Health Benefits Program  
6 pursuant to section 1 of P.L. , c. (C. )(pending before the  
7 Legislature as this bill); or (2) under the equivalent New Jersey  
8 Educators Health Plan or the equivalent Garden State Health Plan  
9 offered by an employer pursuant to section 5 of  
10 P.L. c. (C. (pending before the Legislature as this bill)  
11 when that employer is not a participant in the School Employees'  
12 Health Benefits Program.

13  
14 5. This section shall apply to local boards of education and  
15 employers, as specified in subsection j. of this section, who do not  
16 participate in the School Employees' Health Benefits Program.

17 a. (1) Notwithstanding the provisions of any other law, rule, or  
18 regulation to the contrary, beginning <sup>1</sup>~~July 1, 2020~~ January 1,  
19 2021<sup>1</sup> and for each plan year thereafter, a board of education as an  
20 employer providing health care benefits coverage for its employees,  
21 and their dependents if any, in accordance with P.L.1979, c.391  
22 (C.18A:16-12 et seq.) shall offer to its employees, and their  
23 dependents if any, the equivalent of the New Jersey Educators  
24 Health Plan in the School Employees' Health Benefits Program as  
25 that plan <sup>1</sup>design<sup>1</sup> is described in <sup>1</sup>subsection f. of<sup>1</sup> section 1 of  
26 P.L. , c. (C. )(pending before the Legislature as this bill).

27 Beginning July 1, 2021 and for each plan year thereafter, a board  
28 of education as an employer providing health care benefits coverage  
29 for its employees, and their dependents if any, in accordance with  
30 P.L.1979, c.391 (C.18A:16-12 et seq.) shall also offer a plan for its  
31 employees, and their dependents if any, that is the equivalent of the  
32 Garden State Health Plan in the School Employees' Health Benefits  
33 Program.

34 (2) The plans under this section shall be offered by the employer  
35 regardless of any collective negotiations agreement between the  
36 employer and its employees in effect on the effective date of this  
37 act, P.L. , c. (pending before the Legislature as this bill), that  
38 provides for enrollment in other plans offered by the employer.

39 No new health care benefits plans, other than those specified in  
40 paragraph (1) of this subsection, shall be added by the employer  
41 from <sup>1</sup>~~July 1, 2020 through June 30, 2027~~ January 1, 2021  
42 through December 31, 2027<sup>1</sup> unless the provisions of any collective  
43 negotiations agreement entered into before or after the effective  
44 date of this act, P.L. , c. (pending before the Legislature as  
45 this bill), result in additional premium cost reductions. Nothing in  
46 this section shall prohibit an employer from offering health care  
47 benefits plans that existed prior to the effective date of this act.

1 (3) Commencing <sup>1</sup>~~July 1, 2027~~ January 1, 2028<sup>1</sup>, the  
 2 employer may offer such other plans as may be required in  
 3 accordance with any collective negotiations agreement between the  
 4 employer and its employees.

5 <sup>1</sup>~~[(4)~~ An employer may delay implementation of plan  
 6 offerings and enrollments as set forth in this section until a date  
 7 after July 1, 2020, but not later than August 1, 2020, if the employer  
 8 deems the delay to be necessary. The employer may delay  
 9 implementation until a date, as soon as possible, after July 1, 2020  
 10 by which date the employer determines that implementation will be  
 11 practicable. The employer shall state in writing the reasons for the  
 12 delay and shall submit that statement to the School Employees'  
 13 Health Benefits Commission. Under no circumstances shall  
 14 implementation occur later than August 1, 2020.]<sup>1</sup>

15 b. Prior to <sup>1</sup>~~July 1, 2020~~ January 1, 2021<sup>1</sup>, each employer  
 16 shall provide <sup>1</sup>~~a special~~ an<sup>1</sup> enrollment period during which all  
 17 employees <sup>1</sup>who commenced employment prior to the effective date  
 18 of this act<sup>1</sup> shall be required to select affirmatively a plan provided  
 19 by the employer. If an employee fails to select affirmatively a plan  
 20 during this <sup>1</sup>~~special~~<sup>1</sup> enrollment period, the employer shall enroll  
 21 the employee, and the employee's dependents if any, in the  
 22 equivalent New Jersey Educators Health Plan <sup>1</sup>offered pursuant to  
 23 subsection a. of this section<sup>1</sup> for the year <sup>1</sup>~~July 1, 2020 until June~~  
 24 ~~30, 2021~~ January 1, 2021 until December 31, 2021<sup>1</sup>.

25 During the <sup>1</sup>~~special~~<sup>1</sup> enrollment period, each person who is  
 26 enrolled in a plan offered by the employer and who is paying the  
 27 full cost of coverage shall also be required to select affirmatively a  
 28 plan provided by the employer. If a person fails to select  
 29 affirmatively a plan during this <sup>1</sup>~~special~~<sup>1</sup> enrollment period, the  
 30 employer shall enroll the person, and the person's dependents if  
 31 any, in the equivalent New Jersey Educators Health Plan <sup>1</sup>offered  
 32 pursuant to subsection a. of this section<sup>1</sup> for the year <sup>1</sup>~~July 1, 2020~~  
 33 ~~until June 30, 2021~~ January 1, 2021 until December 31, 2021<sup>1</sup>.  
 34 Any such person shall continue to pay the full cost of coverage and  
 35 shall not be subject to the contribution schedule or any mandatory  
 36 enrollment period as set forth in this section.

37 c. (1) <sup>1</sup>~~An~~ Beginning on January 1, 2021, an<sup>1</sup> employee  
 38 commencing employment on or after <sup>1</sup>~~July 1, 2020~~ the effective  
 39 date of this act<sup>1</sup> but before <sup>1</sup>~~July 1, 2027~~ January 1, 2028<sup>1</sup> who  
 40 does not waive coverage, shall be enrolled by the employer in the  
 41 equivalent New Jersey Educators Health Plan <sup>1</sup>, or the equivalent  
 42 Garden State Health Plan if selected by the employee, as those  
 43 plans are offered pursuant to subsection a. of this section<sup>1</sup>. The  
 44 employee shall remain enrolled in <sup>1</sup>~~that plan~~ either the equivalent  
 45 New Jersey Educators Health Plan or the equivalent Garden State  
 46 Health Plan selected by the employee at the annual open



1 enrollment<sup>1</sup> for each plan year until <sup>1</sup>~~June 30, 2027~~ December  
2 31, 2027, provided that the employee during this period may waive  
3 coverage as an employee and select and change the type of  
4 coverage received under the plan following a qualifying life event,  
5 in accordance with the plan regulations<sup>1</sup>. Beginning <sup>1</sup>~~July 1,~~  
6 ~~2027~~ January 1, 2028<sup>1</sup>, the employee may select, during any open  
7 enrollment period or at such other times or under such conditions as  
8 the employer may provide, any plan offered by the employer.

9 (2) Except as otherwise provided in this subsection or  
10 subsection b. of this section, selection of a plan shall be at the sole  
11 discretion of the employee.

12 d. An employee shall contribute annually toward the cost of  
13 health care benefits coverage for the employee, and employee's  
14 dependents if any, the amount specified, in the manner specified, in  
15 subsection a. or b. of section 2 of this act, P.L. ,  
16 c. (C. )(pending before the Legislature as this bill) if the  
17 employee, and the employee's dependents if any, are enrolled in the  
18 equivalent New Jersey Educators Health Plan or the equivalent  
19 Garden State Health Plan <sup>1</sup>offered pursuant to subsection a. of this  
20 section<sup>1</sup>. An employee's contribution toward the cost of coverage  
21 under the equivalent Garden State Health Plan <sup>1</sup>offered pursuant to  
22 subsection a. of this section<sup>1</sup> shall be the amount required in  
23 subsection b. of section 2 of this act, except that the contribution  
24 specified in that subsection shall not be less than the minimum  
25 annual contribution for health care benefits coverage of 1.5% of  
26 salary as required by law.

27 e. (1) An employee enrolled in the equivalent New Jersey  
28 Educators Health Plan or the equivalent Garden State Health Plan  
29 <sup>1</sup>offered pursuant to subsection a. of this section<sup>1</sup> shall be required  
30 to pay only the contribution specified in subsections a. and b. of  
31 section 2 of this act, notwithstanding any other provision of law,  
32 rule, or regulation to the contrary requiring contributions by  
33 employees toward the cost of health care benefits coverage  
34 provided by an employer, except as provided in subsection d. of this  
35 section. No other contribution may be required by collective  
36 negotiations agreement, except as set forth in subsection i. of this  
37 section.

38 (2) Employees who are not enrolled in the equivalent New  
39 Jersey Educators Health Plan or the equivalent Garden State Health  
40 Plan <sup>1</sup>offered pursuant to subsection a. of this section<sup>1</sup> shall  
41 continue, after the effective date of this act, P.L. , c. (pending  
42 before the Legislature as this bill), to contribute to health care  
43 benefits coverage and those contributions shall be determined in  
44 accordance with what is permitted or required by provisions of law.

45 An employee who is enrolled in a plan other than the equivalent  
46 New Jersey Educators Health Plan or the equivalent Garden State  
47 Health Plan <sup>1</sup>offered pursuant to subsection a. of this section<sup>1</sup> shall

1 be required to contribute toward the cost of health care benefits  
2 coverage offered by the employer (a) in accordance with a  
3 collective negotiations agreement applicable to that employee as  
4 negotiated prior to or after the effective date of this act pursuant to  
5 the requirements that were set forth in law on the day next  
6 preceding that effective date; (b) as may be required at the  
7 discretion of the employer; or (c) as required by a provision of law,  
8 whichever is applicable to that employee.

9 With regard to contributions by an employee who is enrolled in a  
10 plan other than the equivalent New Jersey Educators Health Plan or  
11 the equivalent Garden State Health Plan <sup>1</sup>offered pursuant to  
12 subsection a. of this section<sup>1</sup>, no provision in this section shall be  
13 deemed to modify, alter, impair, or terminate the requirement in  
14 sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-  
15 17.28e), as applicable, that a public employer and employees who  
16 are in negotiations for the collective negotiations agreement to be  
17 executed after the employees in that unit had reached full  
18 implementation of the premium share set forth in section 39 of  
19 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations  
20 concerning contributions for health care benefits as if the full  
21 premium share was included in the prior contract. Nothing in this  
22 act shall be deemed to modify, alter, impair, or terminate the  
23 continued compliance after the effective date of this act with that  
24 requirement for negotiations for any collective negotiations  
25 agreement for employee contributions for plans other than the  
26 equivalent New Jersey Educators Health Plan or the equivalent  
27 Garden State Health Plan <sup>1</sup>offered pursuant to subsection a. of this  
28 section<sup>1</sup>.

29 (3) For an employee, the annual base salary paid by the  
30 employer for the position held by the employee shall be used to  
31 identify the percentage to be used to calculate the annual  
32 contribution required under subsections a. and b. of section 2 of this  
33 act.

34 f. The annual contribution by an employee as calculated in  
35 accordance with subsection a. or b. of section 2 of this act shall not  
36 exceed the amount as calculated in accordance with section 4 of this  
37 act.

38 g. The contributions required by this section shall apply to  
39 employees for whom the employer has assumed a health care  
40 benefits payment obligation, to require that such employees pay the  
41 amount of contribution specified in this section for health care  
42 benefits coverage.

43 h. The level of benefits in the equivalent New Jersey Educators  
44 Health Plan and the equivalent Garden State Health Plan offered by  
45 the employer shall remain unchanged until <sup>1</sup>**[June 30, 2027]**  
46 **December 31, 2027**<sup>1</sup>. No change in the level of benefits in those  
47 plans shall be made before that date unless such a change is

1 required by federal or State law to governmental health care  
2 benefits plans or to both governmental and non-governmental health  
3 care benefits plans.

4 Commencing ~~'[July 1, 2027]~~ January 1, 2028<sup>1</sup> and for each plan  
5 year thereafter, the level of benefits in the equivalent New Jersey  
6 Educators Health Plan and the equivalent Garden State Health Plan  
7 offered by the employer may be modified by the employer in  
8 accordance with collective negotiations agreements entered into  
9 between the employers who do not participate in the School  
10 Employees' Health Benefits Program and their employees, or as  
11 otherwise permitted by law.

12 i. Commencing ~~'[July 1, 2027]~~ January 1, 2028<sup>1</sup> and for each  
13 plan thereafter, the contributions required pursuant to subsections a.  
14 and b. of section 2 of this act for employees enrolled in the  
15 equivalent New Jersey Educators Health Plan or the equivalent  
16 Garden State Health Plan <sup>1</sup>offered pursuant to subsection a. of this  
17 section<sup>1</sup> may be modified in accordance with collective negotiations  
18 agreements ~~'[enter]~~ entered<sup>1</sup> into between the employers who do  
19 not participate in the School Employees' Health Benefits Program  
20 and their employees. The contributions required pursuant to  
21 subsections a. and b. of section 2 of this act shall become part of the  
22 parties' collective negotiations and shall then be subject to  
23 collective negotiations in a manner similar to other negotiable items  
24 between the parties. Negotiations concerning contributions for  
25 health care benefits shall be conducted as if the contributions  
26 required pursuant to subsections a. and b. of section 2 of this act  
27 were included in the prior contract. The contribution scheme of the  
28 percentage of base salary set forth in those subsections may be  
29 modified or a new contribution scheme or method other than a  
30 percentage of salary may be provided for in accordance with a  
31 collective negotiations agreement.

32 j. <sup>1</sup>Modifications to plan design of the plans set forth in section  
33 1 of this act, P.L. , c. (C. )(pending before the Legislature as  
34 this bill), or adjustments to the employee contribution rates set forth  
35 in subsections a. and b. of section 2 of this act, made by the School  
36 Employees' Health Benefits Plan Design Committee or the State  
37 Treasurer pursuant to section 7 of this act shall be implemented for  
38 the purposes of this section by the employer commencing January  
39 1, 2024.

40 k.<sup>1</sup> This section shall also apply also when health care benefits  
41 coverage is provided though an insurance fund or joint insurance  
42 fund or any other manner. This section shall apply to any  
43 employer, as that term is defined in section 32 of P.L.2007, c.103  
44 (C.52:14-17.46.2), that is not a participating employer in the School  
45 Employees' Health Benefits Program.

1       6. a. Actual savings realized by a school district as a result of  
2 the implementation of the provisions of P.L. \_\_\_\_\_,  
3 c. (C. \_\_\_\_\_)(pending before the Legislature as this bill) shall be  
4 used solely and exclusively by the school district for the purpose of  
5 reducing the amount that is required to be raised by the local  
6 property tax levy by the school district for school district purposes,  
7 except when a school district is spending below adequacy as  
8 calculated in accordance with section 1 of P.L.2018, c.67  
9 (C.18A:7F-70).

10       When a cap on the annual increase in the property tax levy for a  
11 school district is imposed by law, the savings realized shall be  
12 deducted from the adjusted tax levy for the previous budget year  
13 and that reduced amount shall serve as the basis for calculating the  
14 adjusted tax levy for the next school year.

15       b. To enable tracking of health care cost savings by school  
16 districts, each school district shall submit an annual data sheet for  
17 both the current and prior year showing the Total Annual Cost of  
18 Health Benefits for Active Employees, the Total Employee Cost-  
19 Sharing Contribution, and the Net Cost to the School District for  
20 Health Benefits, including the Number of Covered Employees, the  
21 Annual Cost Estimate Per Employee, and the Total Cost for each  
22 coverage category – Single Coverage, Parent and Child, Employee  
23 and Spouse, and Family.

24       In addition, school districts shall provide separate breakouts of  
25 the same categories of data for health care coverage under all health  
26 care benefits plans offered by the employer. The datasheet shall also  
27 indicate whether the school district is enrolled in the School  
28 Employees' Health Benefits Program for <sup>1</sup>medical or<sup>1</sup> medical and  
29 prescription drug benefits coverage. Reports shall be due no later  
30 than 60 days following each enrollment period to the Department of  
31 Education, the Division of Pensions and Benefits in the Department  
32 of the Treasury, and the Legislature.

33  
34       <sup>1</sup>7. Within 30 calendar days after June 30, 2023, the State's  
35 actuary for the School Employees' Health Benefits Program shall  
36 issue an actuarial report validating a net annualized savings of at  
37 least \$300 million comparing plan year 2020, 2021, and 2022 that  
38 shall measure the implementation of the New Jersey Educators Plan  
39 and Garden State Health Plan, and the SEHBP NJ Direct 10 and the  
40 SEHBP NJ Direct 15 plans, provided by those school districts and  
41 county colleges both that participate and that do not participate in  
42 the School Employees' Health Benefits Program, inclusive of pre-  
43 Medicare retirees paid for by the State and the value of early plan  
44 design changes implemented in Fiscal Year 2020.

45       In the event that the net annualized savings Statewide were less  
46 than \$300 million, the School Employees' Health Benefits Plan  
47 Design Committee shall, within 60 days from the issuance of the  
48 actuary's report, make plan design changes, or adjustments to

1 employee contributions, or both, for the New Jersey Educators  
2 Health Plan, or the Garden State Health Plan, or both, or also plan  
3 design changes to the SEHBP NJ Direct 10 or SEHBP NJ Direct 15  
4 plans, or both, to make up the estimated shortfall over the  
5 remaining duration of the period covered by this act, P.L. \_\_\_\_\_,  
6 c. \_\_\_\_\_)(pending before the Legislature as this bill), ending  
7 December 31, 2027.

8 In the event that the committee is unable to agree upon the  
9 needed plan design changes or adjustments to employee  
10 contributions, or both, within the 60-day period to achieve the \$300  
11 million in net annualized savings, the State Treasurer shall construct  
12 and implement, within 45 days, plan design changes or adjustments  
13 to employee contributions, or both, necessary to achieve the  
14 savings, as validated by the State's actuary for the program, and  
15 implement such changes and adjustments.

16 In the event there is a shortfall, the committee or the State  
17 Treasurer shall have a resolution for any shortfall no later than  
18 October 1, 2023 for implementation for January 1, 2024.

19 No monies from the claims stabilization reserve fund or  
20 equivalent fund established or maintained for the School  
21 Employees' Health Benefits Program to pay incurred claims that  
22 have not yet been settled, shall be used for the actuary's  
23 calculations required by this section.<sup>1</sup>

24  
25 <sup>1</sup>8. With regard to employers that have collective negotiation  
26 agreements in effect on the effective date of this act, P.L. \_\_\_\_\_,  
27 c. \_\_\_\_\_ (pending before the Legislature as this bill), that include  
28 health care benefits coverage available to employees when the net  
29 cost to the employer is lower than the cost to the employer would be  
30 compared to the New Jersey Educators Health Plan, the employer  
31 and the majority representative shall engage in collective  
32 negotiations over the financial impact of the difference.<sup>1</sup>

33  
34 <sup>1</sup>**[7.] 9.**<sup>1</sup> This act shall take effect immediately.