

[First Reprint]

ASSEMBLY, No. 5825

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 2, 2021

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

SYNOPSIS

Changes effective date of Garden State Health Plan; exempts certain charter and renaissance schools from certain healthcare plan requirements; requires certain negotiations over certain health care costs.

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on June 9, 2021, with amendments.



1 AN ACT concerning health care benefits plans provided to public
 2 employees by the School Employees' Health Benefits Program
 3 and certain boards of educations and amending P.L.2020, c.44.

4
 5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*

7
 8 ¹**[**1. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to
 9 read as follows:

10 5. This section shall apply to local boards of education and
 11 employers, as specified in subsection **[j.]** k. of this section, who do
 12 not participate in the School Employees' Health Benefits Program.

13 Any health insurance company may provide to local boards of
 14 education and to those employers defined pursuant to section 32 of
 15 P.L.2007, c.103 (C.52:14-17.46.2) who do not participate in the
 16 School Employees' Health Benefits Program the equivalent of the
 17 New Jersey Educators Health Plan in the School Employees' Health
 18 Benefits Program as that plan design is described in subsection f. of
 19 section 1 of P.L.2020, c.44 (C.52:14-17.46.13) and the Garden State
 20 Health Plan as that plan design is described in subsection d. of
 21 section 1 of P.L.2020, c.44 (C.52:14-17.46.13), notwithstanding the
 22 provisions of any other law, rule, or regulation, including any
 23 regulation of the New Jersey Department of Banking and Insurance,
 24 to the contrary. As used in this subsection, "health insurance
 25 company" means and includes a health, hospital, and medical
 26 service corporation; commercial individual, small employer, and
 27 larger group health insurer; and a health maintenance organization.

28 a. (1) Notwithstanding the provisions of any other law, rule, or
 29 regulation to the contrary, beginning January 1, 2021 and for each
 30 plan year thereafter, a board of education as an employer providing
 31 health care benefits coverage for its employees, and their
 32 dependents if any, in accordance with P.L.1979, c.391 (C.18A:16-
 33 12 et seq.) shall offer to its employees, and their dependents if any,
 34 the equivalent of the New Jersey Educators Health Plan in the
 35 School Employees' Health Benefits Program as that plan design is
 36 described in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-
 37 17.46.13).

38 Beginning **[July 1, 2021]** January 1, 2022 and for each plan year
 39 thereafter, a board of education as an employer providing health
 40 care benefits coverage for its employees, and their dependents if
 41 any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall
 42 also offer a plan for its employees, and their dependents if any, that
 43 is the equivalent of the Garden State Health Plan in the School
 44 Employees' Health Benefits Program. The board shall provide an
 45 enrollment period prior to January 1, 2022.

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:

¹Assembly ASL committee amendments adopted June 9, 2021.

1 (2) The plans under this section shall be offered by the employer
2 regardless of any collective negotiations agreement between the
3 employer and its employees in effect on the effective date of this
4 act, P.L.2020, c.44, that provides for enrollment in other plans
5 offered by the employer.

6 No new health care benefits plans, other than those specified in
7 paragraph (1) of this subsection, shall be added by the employer
8 from January 1, 2021 through December 31, 2027 unless the
9 provisions of any collective negotiations agreement entered into
10 before or after the effective date of this act, P.L.2020, c.44, results
11 in additional premium cost reductions. Nothing in this section shall
12 prohibit an employer from offering health care benefits plans that
13 existed prior to the effective date of this act.

14 (3) Commencing January 1, 2028, the employer may offer such
15 other plans as may be required in accordance with any collective
16 negotiations agreement between the employer and its employees.

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

26 During the enrollment period, each person who is enrolled in a
27 plan offered by the employer and who is paying the full cost of
28 coverage shall also be required to select affirmatively a plan
29 provided by the employer. If a person fails to select affirmatively a
30 plan during this enrollment period, the employer shall enroll the
31 person, and the person's dependents if any, in the equivalent New
32 Jersey Educators Health Plan offered pursuant to subsection a. of
33 this section for the year January 1, 2021 until December 31, 2021.
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) Beginning on January 1, 2021, an employee commencing
38 employment on or after the effective date of this act but before
39 January 1, 2028 who does not waive coverage, shall be enrolled by
40 the employer in the equivalent New Jersey Educators Health Plan,
41 or the equivalent Garden State Health Plan if selected by the
42 employee, as those plans are offered pursuant to subsection a. of
43 this section. The employee shall remain enrolled in either the
44 equivalent New Jersey Educators Health Plan or the equivalent
45 Garden State Health Plan selected by the employee at the annual
46 open enrollment for each plan year until December 31, 2027,
47 provided that the employee during this period may waive coverage
48 as an employee and select and change the type of coverage received

1 under the plan following a qualifying life event, in accordance with
2 the plan regulations. Beginning January 1, 2028, the employee may
3 select, during any open enrollment period or at such other times or
4 under such conditions as the employer may provide, any plan
5 offered by the employer.

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

9 d. An employee shall contribute annually toward the cost of
10 health care benefits coverage for the employee, and employee's
11 dependents if any, the amount specified, in the manner specified, in
12 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-
13 17.46.14) if the employee, and the employee's dependents if any,
14 are enrolled in the equivalent New Jersey Educators Health Plan or
15 the equivalent Garden State Health Plan offered pursuant to
16 subsection a. of this section. An employee's contribution toward the
17 cost of coverage under the equivalent Garden State Health Plan
18 offered pursuant to subsection a. of this section shall be the amount
19 required in subsection b. of section 2 of this act, except that the
20 contribution specified in that subsection shall not be less than the
21 minimum annual contribution for health care benefits coverage of
22 1.5% of salary as required by law.

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

34 (2) Employees who are not enrolled in the equivalent New
35 Jersey Educators Health Plan or the equivalent Garden State Health
36 Plan offered pursuant to subsection a. of this section shall continue,
37 after the effective date of this act, P.L.2020, c.44, to contribute to
38 health care benefits coverage and those contributions shall be
39 determined in accordance with what is permitted or required by
40 provisions of law.

41 An employee who is enrolled in a plan other than the equivalent
42 New Jersey Educators Health Plan or the equivalent Garden State
43 Health Plan offered pursuant to subsection a. of this section shall be
44 required to contribute toward the cost of health care benefits
45 coverage offered by the employer (a) in accordance with a
46 collective negotiations agreement applicable to that employee as
47 negotiated prior to or after the effective date of this act pursuant to
48 the requirements that were set forth in law on the day next

1 preceding that effective date; (b) as may be required at the
2 discretion of the employer; or (c) as required by a provision of law,
3 whichever is applicable to that employee.

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

24 (3) For an employee, the annual base salary paid by the
25 employer for the position held by the employee shall be used to
26 identify the percentage to be used to calculate the annual
27 contribution required under subsections a. and b. of section 2 of this
28 act.

29 f. The annual contribution by an employee as calculated in
30 accordance with subsection a. or b. of section 2 of this act shall not
31 exceed the amount as calculated in accordance with section 4 of this
32 act.

33 g. The contributions required by this section shall apply to
34 employees for whom the employer has assumed a health care
35 benefits payment obligation, to require that such employees pay the
36 amount of contribution specified in this section for health care
37 benefits coverage.

38 h. The level of benefits in the equivalent New Jersey Educators
39 Health Plan and the equivalent Garden State Health Plan offered by
40 the employer shall remain unchanged until December 31, 2027. No
41 change in the level of benefits in those plans shall be made before
42 that date unless such a change is required by federal or State law to
43 governmental health care benefits plans or to both governmental
44 and non-governmental health care benefits plans.

45 Commencing January 1, 2028 and for each plan year thereafter,
46 the level of benefits in the equivalent New Jersey Educators Health
47 Plan and the equivalent Garden State Health Plan offered by the
48 employer may be modified by the employer in accordance with

1 collective negotiations agreements entered into between the
2 employers who do not participate in the School Employees' Health
3 Benefits Program and their employees, or as otherwise permitted by
4 law.

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

25 j. Modifications to plan design of the plans set forth in section
26 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to
27 the employee contribution rates set forth in subsections a. and b. of
28 section 2 of this act, made by the School Employees' Health
29 Benefits Plan Design Committee or the State Treasurer pursuant to
30 section 7 of this act shall be implemented for the purposes of this
31 section by the employer commencing January 1, 2024.

32 k. This section shall also apply when health care benefits
33 coverage is provided through an insurance fund or joint insurance
34 fund or any other manner. This section shall apply to any employer,
35 as that term is defined in section 32 of P.L.2007, c.103 (C.52:14-
36 17.46.2), that is not a participating employer in the School
37 Employees' Health Benefits Program. This section shall not apply
38 to charter school employers unless they have a collective
39 negotiations agreement with any of their employees in effect on or
40 after the effective date of P.L.2020, c.44.

41 (cf: P.L.2020, c.137, s.2)]¹

42
43 ¹1. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to
44 read as follows:

45 5. This section shall apply to local boards of education and
46 employers, as specified in subsection [j.] k. of this section, who do
47 not participate in the School Employees' Health Benefits Program.

1 Any health insurance company may provide to local boards of
2 education and to those employers defined pursuant to section 32 of
3 P.L.2007, c.103 (C.52:14-17.46.2) who do not participate in the
4 School Employees' Health Benefits Program the equivalent of the
5 New Jersey Educators Health Plan in the School Employees' Health
6 Benefits Program as that plan design is described in subsection f. of
7 section 1 of P.L.2020, c.44 (C.52:14-17.46.13) and the Garden State
8 Health Plan as that plan design is described in subsection d. of
9 section 1 of P.L.2020, c.44 (C.52:14-17.46.13), notwithstanding the
10 provisions of any other law, rule, or regulation, including any
11 regulation of the New Jersey Department of Banking and Insurance,
12 to the contrary. As used in this subsection, "health insurance
13 company" means and includes a health, hospital, and medical
14 service corporation; commercial individual, small employer, and
15 larger group health insurer; and a health maintenance organization.

16 a. (1) Notwithstanding the provisions of any other law, rule, or
17 regulation to the contrary, beginning January 1, 2021 and for each
18 plan year thereafter, a board of education as an employer providing
19 health care benefits coverage for its employees, and their
20 dependents if any, in accordance with P.L.1979, c.391 (C.18A:16-
21 12 et seq.) shall offer to its employees, and their dependents if any,
22 the equivalent of the New Jersey Educators Health Plan in the
23 School Employees' Health Benefits Program as that plan design is
24 described in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-
25 17.46.13).

26 Beginning **July 1, 2021** January 1, 2022 and for each plan year
27 thereafter, a board of education as an employer providing health
28 care benefits coverage for its employees, and their dependents if
29 any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall
30 also offer a plan for its employees, and their dependents if any, that
31 is the equivalent of the Garden State Health Plan in the School
32 Employees' Health Benefits Program. The board shall provide an
33 enrollment period prior to January 1, 2022.

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.2020, c.44, that provides for enrollment in other plans
38 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 January 1, 2021 through December 31, 2027 unless the
42 provisions of any collective negotiations agreement entered into
43 before or after the effective date of this act, P.L.2020, c.44, results
44 in additional premium cost reductions. Nothing in this section shall
45 prohibit an employer from offering health care benefits plans that
46 existed prior to the effective date of this act.

1 (3) Commencing January 1, 2028, the employer may offer such
2 other plans as may be required in accordance with any collective
3 negotiations agreement between the employer and its employees.

4 b. Prior to January 1, 2021, each employer shall provide an
5 enrollment period during which all employees who commenced
6 employment prior to the effective date of this act shall be required
7 to select affirmatively a plan provided by the employer. If an
8 employee fails to select affirmatively a plan during this enrollment
9 period, the employer shall enroll the employee, and the employee's
10 dependents if any, in the equivalent New Jersey Educators Health
11 Plan offered pursuant to subsection a. of this section for the year
12 January 1, 2021 until December 31, 2021.

13 During the enrollment period, each person who is enrolled in a
14 plan offered by the employer and who is paying the full cost of
15 coverage shall also be required to select affirmatively a plan
16 provided by the employer. If a person fails to select affirmatively a
17 plan during this enrollment period, the employer shall enroll the
18 person, and the person's dependents if any, in the equivalent New
19 Jersey Educators Health Plan offered pursuant to subsection a. of
20 this section for the year January 1, 2021 until December 31, 2021.
21 Any such person shall continue to pay the full cost of coverage and
22 shall not be subject to the contribution schedule or any mandatory
23 enrollment period as set forth in this section.

24 c. (1) Beginning on January 1, 2021, an employee
25 commencing employment on or after the effective date of this act
26 but before January 1, 2028 who does not waive coverage, shall be
27 enrolled by the employer in the equivalent New Jersey Educators
28 Health Plan, or the equivalent Garden State Health Plan if selected
29 by the employee, as those plans are offered pursuant to subsection
30 a. of this section. The employee shall remain enrolled in either the
31 equivalent New Jersey Educators Health Plan or the equivalent
32 Garden State Health Plan selected by the employee at the annual
33 open enrollment for each plan year until December 31, 2027,
34 provided that the employee during this period may waive coverage
35 as an employee and select and change the type of coverage received
36 under the plan following a qualifying life event, in accordance with
37 the plan regulations. Beginning January 1, 2028, the employee may
38 select, during any open enrollment period or at such other times or
39 under such conditions as the employer may provide, any plan
40 offered by the employer.

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

44 (3) The enrollment required by paragraph (1) of this subsection
45 shall not include an employee who commenced employment prior
46 to the effective date of P.L.2020, c.44 and who did not enroll, who
47 waived enrollment, or who was not eligible to enroll prior to that
48 effective date for health care coverage provided by the employer,

1 including, but not limited to, an employee who commenced
2 employment as a part-time employee prior to the effective date of
3 P.L.2020, c.44. If such an employee was required to enroll prior to
4 the effective date of P.L. , c. (pending before the
5 Legislature as this bill) in accordance with paragraph (1), the
6 employee shall be notified promptly in writing that enrollment is
7 not mandatory and shall be provided promptly with an opportunity
8 to select enrollment in another health care benefits plan.

9 d. An employee shall contribute annually toward the cost of
10 health care benefits coverage for the employee, and employee's
11 dependents if any, the amount specified, in the manner specified, in
12 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-
13 17.46.14) if the employee, and the employee's dependents if any,
14 are enrolled in the equivalent New Jersey Educators Health Plan or
15 the equivalent Garden State Health Plan offered pursuant to
16 subsection a. of this section. An employee's contribution toward the
17 cost of coverage under the equivalent Garden State Health Plan
18 offered pursuant to subsection a. of this section shall be the amount
19 required in subsection b. of section 2 of this act, except that the
20 contribution specified in that subsection shall not be less than the
21 minimum annual contribution for health care benefits coverage of
22 1.5% of salary as required by law.

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

34 (2) Employees who are not enrolled in the equivalent New
35 Jersey Educators Health Plan or the equivalent Garden State Health
36 Plan offered pursuant to subsection a. of this section shall continue,
37 after the effective date of this act, P.L.2020, c.44, to contribute to
38 health care benefits coverage and those contributions shall be
39 determined in accordance with what is permitted or required by
40 provisions of law.

41 An employee who is enrolled in a plan other than the equivalent
42 New Jersey Educators Health Plan or the equivalent Garden State
43 Health Plan offered pursuant to subsection a. of this section shall be
44 required to contribute toward the cost of health care benefits
45 coverage offered by the employer (a) in accordance with a
46 collective negotiations agreement applicable to that employee as
47 negotiated prior to or after the effective date of this act pursuant to
48 the requirements that were set forth in law on the day next

1 preceding that effective date; (b) as may be required at the
2 discretion of the employer; or (c) as required by a provision of law,
3 whichever is applicable to that employee.

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

24 (3) For an employee, the annual base salary paid by the
25 employer for the position held by the employee shall be used to
26 identify the percentage to be used to calculate the annual
27 contribution required under subsections a. and b. of section 2 of this
28 act.

29 f. The annual contribution by an employee as calculated in
30 accordance with subsection a. or b. of section 2 of this act shall not
31 exceed the amount as calculated in accordance with section 4 of this
32 act.

33 g. The contributions required by this section shall apply to
34 employees for whom the employer has assumed a health care
35 benefits payment obligation, to require that such employees pay the
36 amount of contribution specified in this section for health care
37 benefits coverage.

38 h. The level of benefits in the equivalent New Jersey Educators
39 Health Plan and the equivalent Garden State Health Plan offered by
40 the employer shall remain unchanged until December 31, 2027. No
41 change in the level of benefits in those plans shall be made before
42 that date unless such a change is required by federal or State law to
43 governmental health care benefits plans or to both governmental
44 and non-governmental health care benefits plans.

45 Commencing January 1, 2028 and for each plan year thereafter,
46 the level of benefits in the equivalent New Jersey Educators Health
47 Plan and the equivalent Garden State Health Plan offered by the
48 employer may be modified by the employer in accordance with

1 collective negotiations agreements entered into between the
2 employers who do not participate in the School Employees' Health
3 Benefits Program and their employees, or as otherwise permitted by
4 law.

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

25 j. Modifications to plan design of the plans set forth in section
26 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to
27 the employee contribution rates set forth in subsections a. and b. of
28 section 2 of this act, made by the School Employees' Health
29 Benefits Plan Design Committee or the State Treasurer pursuant to
30 section 7 of this act shall be implemented for the purposes of this
31 section by the employer commencing January 1, 2024.

32 k. This section shall also apply when health care benefits
33 coverage is provided through an insurance fund or joint insurance
34 fund or any other manner. This section shall apply to any employer,
35 as that term is defined in section 32 of P.L.2007, c.103 (C.52:14-
36 17.46.2), that is not a participating employer in the School
37 Employees' Health Benefits Program. This section shall not apply
38 to charter school or renaissance school employers unless they had a
39 collective negotiations agreement with any of their employees in
40 effect on or before the effective date of P.L.2020, c.44.

41 1. Notwithstanding any provision of law, rule, or regulation to
42 the contrary, for any period of time during which the employer does
43 not have to pay a premium or periodic charge for any health care
44 benefits plan or program provided to its employees pursuant to this
45 section, pursuant to another law, or pursuant to a collective
46 bargaining agreement, an employee enrolled in such plan or
47 program shall not be required to make the employee's contribution
48 toward that premium or periodic charge during that period of time.

1 In the event that a collective negotiations agreement specifically
2 addresses a premium holiday the collective negotiations agreement
3 shall be controlling.¹

4 (cf: P.L.2020, c.137, s.2)

5
6 2. Section 1 of P.L.2020, c.44 (C.52:14-17.46.13) is amended
7 to read as follows:

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

12 a. (1) Notwithstanding the provisions of any other law, rule, or
13 regulation to the contrary, beginning with the plan year that
14 commences January 1, 2021 and for each plan year thereafter, the
15 School Employees' Health Benefits Program shall offer only three
16 plans that provide medical and prescription drug benefits for
17 employees, and retirees who are not Medicare-eligible, and their
18 dependents if any. All other plans offered prior to January 1, 2021
19 for employees, and retirees who are not Medicare-eligible, and their
20 dependents if any, shall be terminated.

21 The three plans shall be the New Jersey Educators Health Plan as
22 developed by the School Employees' Health Benefits Plan Design
23 Committee in accordance with subsection f. of this section which
24 sets forth the plan design of the New Jersey Educators Health Plan;
25 the SEHBP NJ Direct 10 plan as adopted and implemented by the
26 School Employees' Health Benefits Commission for the plan year
27 that began January 1, 2020; and the SEHBP NJ Direct 15 plan as
28 adopted and implemented by the School Employees' Health
29 Benefits Commission for the plan year that began January 1, 2020.

30 Employers that participate in the School Employees' Health
31 Benefits Program shall retain the ability to enter the program for
32 medical only plans and may separately purchase pharmacy and
33 dental benefits outside of the program without limitation or
34 restriction.

35 (2) Only the plans set forth in this section shall be offered by the
36 program regardless of any collective negotiations agreement
37 between a participating employer and its employees in effect on the
38 effective date of this act, P.L.2020, c.44, that provides for
39 enrollment in other plans that were offered by the program prior to
40 January 1, 2021.

41 b. Prior to January 1, 2021, the program, through the Division
42 of Pensions and Benefits in the Department of the Treasury, shall
43 provide for an enrollment period during which all employees who
44 commenced employment prior to the effective date of this act shall
45 be required to select affirmatively one of the three plans specified in
46 subsection a. of this section. If an employee fails to select
47 affirmatively a plan during this enrollment period, the program shall
48 enroll the employee, and the employee's dependents if any, in the

1 New Jersey Educators Health Plan for the plan year beginning
2 January 1, 2021 and ending December 31, 2021.

3 During the enrollment period, any person who is enrolled in a
4 plan offered by the program and who is paying the full cost of
5 health care benefits coverage shall also be required to select
6 affirmatively one of the three plans specified in subsection a. of this
7 section. If a person fails to select affirmatively a plan during this
8 enrollment period, the program shall enroll the person, and the
9 person's dependents if any, in the New Jersey Educators Health Plan
10 for the plan year beginning January 1, 2021 and ending December
11 31, 2021. Any such person shall continue to pay the full cost of
12 coverage and shall not be subject to the contribution schedule or
13 any mandatory enrollment period as set forth in this section.

14 c. (1) Beginning on January 1, 2021, an employee
15 commencing employment on or after the effective date of this act
16 but before January 1, 2028 who does not waive coverage shall be
17 enrolled by the program, with the employee's dependents if any, in
18 the New Jersey Educators Health Plan, or the Garden State Health
19 Plan if selected by the employee. The employee shall remain
20 enrolled in either the New Jersey Educators Health Plan or the
21 Garden State Health Plan selected by the employee at the annual
22 open enrollment for each plan year through the plan year that ends
23 December 31, 2027, provided that the employee during this period
24 may waive coverage as an employee and select and change the type
25 of coverage received under the plan following a qualifying life
26 event, in accordance with the program regulations.

27 ¹The enrollment required by this paragraph shall not include an
28 employee who commenced employment prior to the effective date
29 of P.L.2020, c.44 and who did not enroll, who waived enrollment,
30 or who was not eligible to enroll prior to that effective date for
31 health care coverage provided by the employer, including, but not
32 limited to, an employee who commenced employment as a part-time
33 employee prior to the effective date of P.L.2020, c.44. If such an
34 employee was required to enroll prior to the effective date of
35 P.L. , c. (pending before the Legislature as this bill) in
36 accordance with this paragraph, the employee shall be notified
37 promptly in writing that enrollment is not mandatory and shall be
38 provided promptly with an opportunity to select enrollment in
39 another health care benefits plan.¹

40 For the plan year beginning January 1, 2028, the employee may
41 select, during any open enrollment period or at such other times or
42 under such conditions as the program may provide, any plan offered
43 by the program.

44 (2) For the plan year beginning January 1, 2021, the program
45 shall enroll a retiree who is not Medicare-eligible, and the retiree's
46 dependents if any, in the New Jersey Educators Health Plan for
47 health care benefits coverage as a retiree, if the retiree does not
48 waive coverage. The retiree shall remain enrolled in that plan for

1 each plan year through the plan year that ends December 31, 2027
2 or until the retiree becomes eligible for Medicare, whichever comes
3 first. The retiree who becomes eligible for Medicare shall no longer
4 be eligible for enrollment in the New Jersey Educators Health Plan,
5 except that any dependent of the retiree who is not eligible for
6 Medicare may remain eligible for coverage under the New Jersey
7 Educators Health Plan. For the plan year beginning January 1, 2028,
8 that retiree who is not Medicare-eligible may select, during any
9 open enrollment period or at such other times or under such
10 conditions as the program may provide, any plan offered by the
11 program.

12 (3) Except as otherwise provided in this subsection or
13 subsection b. of this section, selection of a plan shall be at the sole
14 discretion of the employee or retiree who is not Medicare-eligible.

15 d. Beginning ~~July 1, 2021~~ January 1, 2022 and for each plan
16 year thereafter, the program shall offer a fourth plan to be called the
17 Garden State Health Plan. The plan shall be developed by the
18 School Employees' Health Benefits Plan Design Committee. If the
19 committee does not adopt a design for the Garden State Health Plan
20 by December 31, 2020, the Division of Pensions and Benefits in the
21 Department of the Treasury ~~shall~~ may develop the Garden State
22 Health Plan. The program shall provide an enrollment period prior
23 to January 1, 2022.

24 The Garden State Health Plan shall provide medical and
25 prescription drug benefits that are equivalent to the level of medical
26 and prescription drug benefits provided by the New Jersey
27 Educators Health Plan, except that the benefits under the Garden
28 State Health Plan shall be available only from providers located in
29 the State of New Jersey.

30 Access to a service provider that is located outside of the State
31 shall be available only under such terms, conditions, restrictions,
32 and limitations as the plan design committee or the division, as
33 appropriate, shall provide in the plan governing documents.

34 Employers that participate in the School Employees' Health
35 Benefits Program shall retain the ability to enter the program for
36 medical only plans and may separately purchase pharmacy and
37 dental benefits outside of the program without limitation or
38 restriction.

39 e. The plan design of the New Jersey Educators Health Plan,
40 the Garden State Health Plan, the NJ Direct 10 plan, and the NJ
41 Direct 15 plan as those plan designs are specified in subsections a.,
42 d., and f. of this section shall remain unchanged until December 31,
43 2027. No change in the plan design of those plans shall be made
44 before that date unless such a change in plan design is required by
45 federal or State law to governmental health care benefits plans or to
46 both governmental and non-governmental health care benefits
47 plans.

1 For the plan year that commences January 1, 2028 and for each
 2 plan year thereafter, the plan design of the New Jersey Educators
 3 Health Plan, the Garden State Health Plan, the NJ Direct 10 plan,
 4 and the NJ Direct 15 plan as those plan designs are specified in
 5 subsections a., d., and f. of this section may be modified by the
 6 School Employees' Health Benefits Plan Design Committee.

7 Modifications to plan design of the plans set forth in this section
 8 made by the School Employees' Health Benefits Plan Design
 9 Committee or the State Treasurer pursuant to section 7 of this act
 10 shall be implemented by the program for the purposes of this
 11 section commencing January 1, 2024.

12 f. The plan design of the New Jersey Educators Health Plan
 13 shall be the following:

14 In Network Benefits

15 Coverage

16 Member Coinsurance:10%, Applies Only to Emergency
 17 Transportation Care and Durable Medical Equipment

18 Deductible:N/A

19 Out-of-Pocket Maximum:\$500 Single/ \$1,000 Family (covers all in
 20 network copayments, coinsurance, and deductible)

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

22 PCP Office Visit Copayment:\$10

23 Specialist Office Visit Copayment\$15Out-of-Network Benefits

24 Coverage

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

26 Deductible:\$350 / \$700

27 Out-of-Pocket Maximum:\$2,000 Single / \$5,000 Family Routine
 28 Lab:Paid at Out-of-Network Benefit Level

29 Out-of-Network Fee Schedule:200% of CMS - MedicarePharmacy

30 Out-of-Pocket Maximum:\$1,600 Single / \$3,200 Family (Indexed
 31 Annually Pursuant to Federal Law)Generic Copayment:\$5 Retail 30

32 Day Supply / \$10 Mail 90 Day SupplyBrand Copayment:\$10 Retail
 33 30 Day Supply/ \$20 Mail 90 Day SupplyMandatory

34 Generic:Member Pays Difference in Cost Between Generic and
 35 Brand, Plus Brand CopaymentFormulary: Closed Formulary as

36 contracted with the Pharmacy Benefit Manager and the School
 37 Employees' Health Benefits CommissionOther

38 Chiropractic, Physical Therapy, and Acupuncture:

39 Subject to the same Out-of-Network Limits as for the State Health
 40 Benefits Program as were in effect on June 1, 2020 to take effect as
 41 of July 1, 2020, or as soon thereafter as reasonably practicable.

42 Under a patient centered medical home model, there shall be no
 43 office visit copay for primary care for participants who select and
 44 commit to a patient centered medical home for primary care in
 45 accordance with plan rules and regulations.

46 g. Any plan offered by the School Employees' Health Benefits
 47 Program shall require that chiropractic, physical therapy, and
 48 acupuncture benefits shall be subject to the same out-of-network

limits as for the State Health Benefits Program that were in effect on June 1, 2020 to take effect as of July 1, 2020 or as soon thereafter as reasonably practicable.

¹h. Notwithstanding any provision of law, rule, or regulation to the contrary, for any period of time during which the employer does not have to pay a premium or periodic charge for any health care benefits plan or program provided to its employees through the School Employees' Health Benefits Program, an employee enrolled in such plan or program shall not be required to make the employee's contribution toward that premium or periodic charge during that period of time. In the event that a collective negotiations agreement specifically addresses a premium holiday the collective negotiations agreement shall be controlling.¹

(cf: P.L.2020, c.44, s.1)

¹3. Section 8 of P.L.2020, c.44 is amended to read as follows:

8. With regard to employers that have collective negotiation agreements in effect on the effective date of this act, P.L.2020, c.44, that include health care benefits coverage available to employees when the net cost, which is the cost after deducting employee contributions, to the employer is lower than the cost to the employer would be compared to the New Jersey Educators Health Plan, the employer and the majority representative shall engage in collective negotiations **【over】**, that include all terms and conditions of employment, to substantially mitigate the financial impact of the difference as agreed to by the parties, which may include modifications to plan level offerings or contributions for the New Jersey Educators Health Plan or the equivalent plan, or to both plan level offerings and contributions. Notwithstanding any provision of law or regulation to the contrary, plan level offerings or contributions for the New Jersey Educators Health Plan or the equivalent plan, or both plan level offerings and contributions, may be modified pursuant to collective negotiations required by this section.

Any school district with an increase in net cost as defined above as a result of changes by P.L.2020, c.44 (C.52:14-17.46.13 et al) shall commence negotiations immediately, unless mutually agreed upon by the employer and the majority representative to opt to substantially mitigate the financial impact to the employer as part of the next collective negotiations agreement which may include, but not be limited to, salary increases, step guides, or other terms and conditions of employment.¹

(cf: P.L.2020, c.44, s.8)

¹**【3.】** 4.¹ This act shall take effect immediately.