

[Second Reprint]

ASSEMBLY, No. 5825

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 2, 2021

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

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 Appropriations Committee on June 16, 2021, with amendments.



(Sponsorship Updated As Of: 6/30/2021)

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.

²Assembly AAP committee amendments adopted June 16, 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 not
47 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 New
5 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 section
9 1 of P.L.2020, c.44 (C.52:14-17.46.13), notwithstanding the provisions
10 of any other law, rule, or regulation, including any regulation of the
11 New Jersey Department of Banking and Insurance, to the contrary. As
12 used in this subsection, "health insurance company" means and
13 includes a health, hospital, and medical service corporation;
14 commercial individual, small employer, and larger group health
15 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 plan
18 year thereafter, a board of education as an employer providing health
19 care benefits coverage for its employees, and their dependents if any,
20 in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall offer to
21 its employees, and their dependents if any, the equivalent of the New
22 Jersey Educators Health Plan in the School Employees' Health
23 Benefits Program as that plan design is described in subsection f. of
24 section 1 of P.L.2020, c.44 (C.52:14-17.46.13).

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

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

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

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

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

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

21 c. (1) Beginning on January 1, 2021, an employee commencing
22 employment on or after the effective date of this act but before January
23 1, 2028 who does not waive coverage, shall be enrolled by the
24 employer in the equivalent New Jersey Educators Health Plan, or the
25 equivalent Garden State Health Plan if selected by the employee, as
26 those plans are offered pursuant to subsection a. of this section. The
27 employee shall remain enrolled in either the equivalent New Jersey
28 Educators Health Plan or the equivalent Garden State Health Plan
29 selected by the employee at the annual open enrollment for each plan
30 year until December 31, 2027, provided that the employee during this
31 period may waive coverage as an employee and select and change the
32 type of coverage received under the plan following a qualifying life
33 event, in accordance with the plan regulations. Beginning January 1,
34 2028, the employee may select, during any open enrollment period or
35 at such other times or under such conditions as the employer may
36 provide, any plan offered by the employer.

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

40 (3) The enrollment required by paragraph (1) of this subsection
41 shall not include an employee who commenced employment prior to
42 the effective date of P.L.2020, c.44 and who did not enroll, who
43 waived enrollment, or who was not eligible to enroll prior to that
44 effective date for health care coverage provided by the employer,
45 including, but not limited to, an employee who commenced
46 employment as a part-time employee prior to the effective date of
47 P.L.2020, c.44. If such an employee was required to enroll prior to the
48 effective date of P.L. _____, c. _____ (pending before the Legislature as

1 this bill) in accordance with paragraph (1), the employee shall be
2 notified promptly in writing that enrollment is not mandatory and shall
3 be provided promptly with an opportunity to select enrollment in
4 another health care benefits plan.

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

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

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

34 An employee who is enrolled in a plan other than the equivalent
35 New Jersey Educators Health Plan or the equivalent Garden State
36 Health Plan offered pursuant to subsection a. of this section shall be
37 required to contribute toward the cost of health care benefits coverage
38 offered by the employer (a) in accordance with a collective
39 negotiations agreement applicable to that employee as negotiated prior
40 to or after the effective date of this act pursuant to the requirements
41 that were set forth in law on the day next preceding that effective date;
42 (b) as may be required at the discretion of the employer; or (c) as
43 required by a provision of law, whichever is applicable to that
44 employee.

45 With regard to contributions by an employee who is enrolled in a
46 plan other than the equivalent New Jersey Educators Health Plan or
47 the equivalent Garden State Health Plan offered pursuant to subsection
48 a. of this section, no provision in this section shall be deemed to

1 modify, alter, impair, or terminate the requirement in sections 77 and
2 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-17.28e), as
3 applicable, that a public employer and employees who are in
4 negotiations for the collective negotiations agreement to be executed
5 after the employees in that unit had reached full implementation of the
6 premium share set forth in section 39 of P.L.2011, c.78 (C.52:14-
7 17.28c) shall conduct negotiations concerning contributions for health
8 care benefits as if the full premium share was included in the prior
9 contract. Nothing in this act shall be deemed to modify, alter, impair,
10 or terminate the continued compliance after the effective date of this
11 act with that requirement for negotiations for any collective
12 negotiations agreement for employee contributions for plans other than
13 the equivalent New Jersey Educators Health Plan or the equivalent
14 Garden State Health Plan offered pursuant to subsection a. of this
15 section.

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

20 f. The annual contribution by an employee as calculated in
21 accordance with subsection a. or b. of section 2 of this act shall not
22 exceed the amount as calculated in accordance with section 4 of this
23 act.

24 g. The contributions required by this section shall apply to
25 employees for whom the employer has assumed a health care benefits
26 payment obligation, to require that such employees pay the amount of
27 contribution specified in this section for health care benefits coverage.

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

35 Commencing January 1, 2028 and for each plan year thereafter, the
36 level of benefits in the equivalent New Jersey Educators Health Plan
37 and the equivalent Garden State Health Plan offered by the employer
38 may be modified by the employer in accordance with collective
39 negotiations agreements entered into between the employers who do
40 not participate in the School Employees' Health Benefits Program and
41 their employees, or as otherwise permitted by law.

42 i. Commencing January 1, 2028 and for each plan year thereafter,
43 the contributions required pursuant to subsections a. and b. of section 2
44 of this act for employees enrolled in the equivalent New Jersey
45 Educators Health Plan or the equivalent Garden State Health Plan
46 offered pursuant to subsection a. of this section may be modified in
47 accordance with collective negotiations agreements entered into
48 between the employers who do not participate in the School

1 Employees' Health Benefits Program and their employees. The
2 contributions required pursuant to subsections a. and b. of section 2 of
3 this act shall become part of the parties' collective negotiations and
4 shall then be subject to collective negotiations in a manner similar to
5 other negotiable items between the parties. Negotiations concerning
6 contributions for health care benefits shall be conducted as if the
7 contributions required pursuant to subsections a. and b. of section 2 of
8 this act were included in the prior contract. The contribution scheme of
9 the percentage of base salary set forth in those subsections may be
10 modified or a new contribution scheme or method other than a
11 percentage of salary may be provided for in accordance with a
12 collective negotiations agreement.

13 j. Modifications to plan design of the plans set forth in section 1
14 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to the
15 employee contribution rates set forth in subsections a. and b. of section
16 2 of this act, made by the School Employees' Health Benefits Plan
17 Design Committee or the State Treasurer pursuant to section 7 of this
18 act shall be implemented for the purposes of this section by the
19 employer commencing January 1, 2024.

20 k. This section shall also apply when health care benefits
21 coverage is provided through an insurance fund or joint insurance fund
22 or any other manner. This section shall apply to any employer, as that
23 term is defined in section 32 of P.L.2007, c.103 (C.52:14-17.46.2), that
24 is not a participating employer in the School Employees' Health
25 Benefits Program. This section shall not apply to charter school or
26 renaissance school employers unless they ²~~had~~ have² a collective
27 negotiations agreement with any of their employees in effect on or
28 ²~~before~~ after² the effective date of P.L.2020, c.44.

29 1. Notwithstanding any provision of law, rule, or regulation to the
30 contrary, for any period of time during which the employer does not
31 have to pay a premium or periodic charge for any health care benefits
32 plan or program provided to its employees pursuant to this section,
33 pursuant to another law, or pursuant to a collective bargaining
34 agreement, an employee enrolled in such plan or program shall not be
35 required to make the employee's contribution toward that premium or
36 periodic charge during that period of time. In the event that a
37 collective negotiations agreement specifically addresses a premium
38 holiday the collective negotiations agreement shall be controlling.¹

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

40

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

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

47 a. (1) Notwithstanding the provisions of any other law, rule, or
48 regulation to the contrary, beginning with the plan year that

1 commences January 1, 2021 and for each plan year thereafter, the
2 School Employees' Health Benefits Program shall offer only three
3 plans that provide medical and prescription drug benefits for
4 employees, and retirees who are not Medicare-eligible, and their
5 dependents if any. All other plans offered prior to January 1, 2021
6 for employees, and retirees who are not Medicare-eligible, and their
7 dependents if any, shall be terminated.

8 The three plans shall be the New Jersey Educators Health Plan as
9 developed by the School Employees' Health Benefits Plan Design
10 Committee in accordance with subsection f. of this section which
11 sets forth the plan design of the New Jersey Educators Health Plan;
12 the SEHBP NJ Direct 10 plan as adopted and implemented by the
13 School Employees' Health Benefits Commission for the plan year
14 that began January 1, 2020; and the SEHBP NJ Direct 15 plan as
15 adopted and implemented by the School Employees' Health
16 Benefits Commission for the plan year that began January 1, 2020.

17 Employers that participate in the School Employees' Health
18 Benefits Program shall retain the ability to enter the program for
19 medical only plans and may separately purchase pharmacy and
20 dental benefits outside of the program without limitation or
21 restriction.

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

28 b. Prior to January 1, 2021, the program, through the Division
29 of Pensions and Benefits in the Department of the Treasury, shall
30 provide for an enrollment period during which all employees who
31 commenced employment prior to the effective date of this act shall
32 be required to select affirmatively one of the three plans specified in
33 subsection a. of this section. If an employee fails to select
34 affirmatively a plan during this enrollment period, the program shall
35 enroll the employee, and the employee's dependents if any, in the
36 New Jersey Educators Health Plan for the plan year beginning
37 January 1, 2021 and ending December 31, 2021.

38 During the enrollment period, any person who is enrolled in a
39 plan offered by the program and who is paying the full cost of
40 health care benefits coverage shall also be required to select
41 affirmatively one of the three plans specified in subsection a. of this
42 section. If a person fails to select affirmatively a plan during this
43 enrollment period, the program shall enroll the person, and the
44 person's dependents if any, in the New Jersey Educators Health Plan
45 for the plan year beginning January 1, 2021 and ending December
46 31, 2021. Any such person shall continue to pay the full cost of
47 coverage and shall not be subject to the contribution schedule or
48 any mandatory enrollment period as set forth in this section.

1 c. (1) Beginning on January 1, 2021, an employee
2 commencing employment on or after the effective date of this act
3 but before January 1, 2028 who does not waive coverage shall be
4 enrolled by the program, with the employee's dependents if any, in
5 the New Jersey Educators Health Plan, or the Garden State Health
6 Plan if selected by the employee. The employee shall remain
7 enrolled in either the New Jersey Educators Health Plan or the
8 Garden State Health Plan selected by the employee at the annual
9 open enrollment for each plan year through the plan year that ends
10 December 31, 2027, provided that the employee during this period
11 may waive coverage as an employee and select and change the type
12 of coverage received under the plan following a qualifying life
13 event, in accordance with the program regulations.

14 ¹The enrollment required by this paragraph shall not include an
15 employee who commenced employment prior to the effective date
16 of P.L.2020, c.44 and who did not enroll, who waived enrollment,
17 or who was not eligible to enroll prior to that effective date for
18 health care coverage provided by the employer, including, but not
19 limited to, an employee who commenced employment as a part-time
20 employee prior to the effective date of P.L.2020, c.44. If such an
21 employee was required to enroll prior to the effective date of
22 P.L. , c. (pending before the Legislature as this bill) in
23 accordance with this paragraph, the employee shall be notified
24 promptly in writing that enrollment is not mandatory and shall be
25 provided promptly with an opportunity to select enrollment in
26 another health care benefits plan.¹

27 For the plan year beginning January 1, 2028, the employee may
28 select, during any open enrollment period or at such other times or
29 under such conditions as the program may provide, any plan offered
30 by the program.

31 (2) For the plan year beginning January 1, 2021, the program
32 shall enroll a retiree who is not Medicare-eligible, and the retiree's
33 dependents if any, in the New Jersey Educators Health Plan for
34 health care benefits coverage as a retiree, if the retiree does not
35 waive coverage. The retiree shall remain enrolled in that plan for
36 each plan year through the plan year that ends December 31, 2027
37 or until the retiree becomes eligible for Medicare, whichever comes
38 first. The retiree who becomes eligible for Medicare shall no longer
39 be eligible for enrollment in the New Jersey Educators Health Plan,
40 except that any dependent of the retiree who is not eligible for
41 Medicare may remain eligible for coverage under the New Jersey
42 Educators Health Plan. For the plan year beginning January 1, 2028,
43 that retiree who is not Medicare-eligible may select, during any
44 open enrollment period or at such other times or under such
45 conditions as the program may provide, any plan offered by the
46 program.

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

4 d. Beginning **【July 1, 2021】** January 1, 2022 and for each plan
5 year thereafter, the program shall offer a fourth plan to be called the
6 Garden State Health Plan. The plan shall be developed by the
7 School Employees' Health Benefits Plan Design Committee. If the
8 committee does not adopt a design for the Garden State Health Plan
9 by December 31, 2020, the Division of Pensions and Benefits in the
10 Department of the Treasury **【shall】** may develop the Garden State
11 Health Plan. The program shall provide an enrollment period prior
12 to January 1, 2022.

13 The Garden State Health Plan shall provide medical and
14 prescription drug benefits that are equivalent to the level of medical
15 and prescription drug benefits provided by the New Jersey
16 Educators Health Plan, except that the benefits under the Garden
17 State Health Plan shall be available only from providers located in
18 the State of New Jersey.

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

23 Employers that participate in the School Employees' Health
24 Benefits Program shall retain the ability to enter the program for
25 medical only plans and may separately purchase pharmacy and
26 dental benefits outside of the program without limitation or
27 restriction.

28 e. The plan design of the New Jersey Educators Health Plan,
29 the Garden State Health Plan, the NJ Direct 10 plan, and the NJ
30 Direct 15 plan as those plan designs are specified in subsections a.,
31 d., and f. of this section shall remain unchanged until December 31,
32 2027. No change in the plan design of those plans shall be made
33 before that date unless such a change in plan design is required by
34 federal or State law to governmental health care benefits plans or to
35 both governmental and non-governmental health care benefits
36 plans.

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

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

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

3 In Network Benefits

4 Coverage

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

7 Deductible:N/A

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

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

11 PCP Office Visit Copayment:\$10

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

13 Coverage

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

15 Deductible:\$350 / \$700

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

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

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

21 Day Supply / \$10 Mail 90 Day SupplyBrand Copayment:\$10 Retail
22 30 Day Supply/ \$20 Mail 90 Day SupplyMandatory

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

25 contracted with the Pharmacy Benefit Manager and the School
26 Employees' Health Benefits CommissionOther

27 Chiropractic, Physical Therapy, and Acupuncture:

28 Subject to the same Out-of-Network Limits as for the State Health
29 Benefits Program as were in effect on June 1, 2020 to take effect as

30 of July 1, 2020, or as soon thereafter as reasonably practicable.

31 Under a patient centered medical home model, there shall be no
32 office visit copay for primary care for participants who select and
33 commit to a patient centered medical home for primary care in
34 accordance with plan rules and regulations.

35 g. Any plan offered by the School Employees' Health Benefits
36 Program shall require that chiropractic, physical therapy, and

37 acupuncture benefits shall be subject to the same out-of-network
38 limits as for the State Health Benefits Program that were in effect

39 on June 1, 2020 to take effect as of July 1, 2020 or as soon
40 thereafter as

41 reasonably practicable.

42 ¹h. Notwithstanding any provision of law, rule, or regulation to

43 the contrary, for any period of time during which the employer does

44 not have to pay a premium or periodic charge for any health care

45 benefits plan or program provided to its employees through the

46 School Employees' Health Benefits Program, an employee enrolled

47 in such plan or program shall not be required to make the

48 employee's contribution toward that premium or periodic charge

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

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

5

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

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

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

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

34

35 ¹**【3.】 4.**¹ This act shall take effect immediately.