

P.L. 2021, CHAPTER 163, *approved July 7, 2021*  
Assembly, No. 5825 (*Second Reprint*)

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 education 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 <sup>1</sup>**[**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

**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 ASL committee amendments adopted June 9, 2021.

<sup>2</sup>Assembly AAP committee amendments adopted June 16, 2021.

1 any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall  
2 also offer a plan for its employees, and their dependents if any, that  
3 is the equivalent of the Garden State Health Plan in the School  
4 Employees' Health Benefits Program. The board shall provide an  
5 enrollment period prior to January 1, 2022.

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

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

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

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

31 During the enrollment period, each person who is enrolled in a  
32 plan offered by the employer and who is paying the full cost of  
33 coverage shall also be required to select affirmatively a plan  
34 provided by the employer. If a person fails to select affirmatively a  
35 plan during this enrollment period, the employer shall enroll the  
36 person, and the person's dependents if any, in the equivalent New  
37 Jersey Educators Health Plan offered pursuant to subsection a. of  
38 this section for the year January 1, 2021 until December 31, 2021.  
39 Any such person shall continue to pay the full cost of coverage and  
40 shall not be subject to the contribution schedule or any mandatory  
41 enrollment period as set forth in this section.

42 c. (1) Beginning on January 1, 2021, an employee  
43 commencing employment on or after the effective date of this act  
44 but before January 1, 2028 who does not waive coverage, shall be  
45 enrolled by the employer in the equivalent New Jersey Educators  
46 Health Plan, or the equivalent Garden State Health Plan if selected  
47 by the employee, as those plans are offered pursuant to subsection  
48 a. of this section. The employee shall remain enrolled in either the

1 equivalent New Jersey Educators Health Plan or the equivalent  
2 Garden State Health Plan selected by the employee at the annual  
3 open enrollment for each plan year until December 31, 2027,  
4 provided that the employee during this period may waive coverage  
5 as an employee and select and change the type of coverage received  
6 under the plan following a qualifying life event, in accordance with  
7 the plan regulations. Beginning January 1, 2028, the employee may  
8 select, during any open enrollment period or at such other times or  
9 under such conditions as the employer may provide, any plan  
10 offered by the employer.

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

14 d. An employee shall contribute annually toward the cost of  
15 health care benefits coverage for the employee, and employee's  
16 dependents if any, the amount specified, in the manner specified, in  
17 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-  
18 17.46.14) if the employee, and the employee's dependents if any,  
19 are enrolled in the equivalent New Jersey Educators Health Plan or  
20 the equivalent Garden State Health Plan offered pursuant to  
21 subsection a. of this section. An employee's contribution toward the  
22 cost of coverage under the equivalent Garden State Health Plan  
23 offered pursuant to subsection a. of this section shall be the amount  
24 required in subsection b. of section 2 of this act, except that the  
25 contribution specified in that subsection shall not be less than the  
26 minimum annual contribution for health care benefits coverage of  
27 1.5% of salary as required by law.

28 e. (1) An employee 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 be required to  
31 pay only the contribution specified in subsections a. and b. of  
32 section 2 of this act, notwithstanding any other provision of law,  
33 rule, or regulation to the contrary requiring contributions by  
34 employees toward the cost of health care benefits coverage  
35 provided by an employer, except as provided in subsection d. of this  
36 section. No other contribution may be required by collective  
37 negotiations agreement, except as set forth in subsection i. of this  
38 section.

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

46 An employee who is enrolled in a plan other than the equivalent  
47 New Jersey Educators Health Plan or the equivalent Garden State  
48 Health Plan offered pursuant to subsection a. of this section shall be

1 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 offered pursuant to  
12 subsection a. of this section, 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 offered pursuant to subsection a. of this  
28 section.

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 December 31, 2027. No  
46 change in the level of benefits in those plans shall be made before  
47 that date unless such a change is required by federal or State law to

1 governmental health care benefits plans or to both governmental  
2 and non-governmental health care benefits plans.

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

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

31 j. Modifications to plan design of the plans set forth in section  
32 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to  
33 the employee contribution rates set forth in subsections a. and b. of  
34 section 2 of this act, made by the School Employees' Health  
35 Benefits Plan Design Committee or the State Treasurer pursuant to  
36 section 7 of this act shall be implemented for the purposes of this  
37 section by the employer commencing January 1, 2024.

38 k. This section shall also apply when health care benefits  
39 coverage is provided through an insurance fund or joint insurance  
40 fund or any other manner. This section shall apply to any employer,  
41 as that term is defined in section 32 of P.L.2007, c.103 (C.52:14-  
42 17.46.2), that is not a participating employer in the School  
43 Employees' Health Benefits Program. This section shall not apply  
44 to charter school employers unless they have a collective  
45 negotiations agreement with any of their employees in effect on or  
46 after the effective date of P.L.2020, c.44.

47 (cf: P.L.2020, c.137, s.2) **1**

1       <sup>1</sup>1. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to  
2 read as follows:

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

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

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

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

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

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

1 from offering health care benefits plans that existed prior to the  
2 effective date of this act.

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

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

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

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

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

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

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

10 d. An employee shall contribute annually toward the cost of  
11 health care benefits coverage for the employee, and employee's  
12 dependents if any, the amount specified, in the manner specified, in  
13 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-  
14 17.46.14) if the employee, and the employee's dependents if any, are  
15 enrolled in the equivalent New Jersey Educators Health Plan or the  
16 equivalent Garden State Health Plan offered pursuant to subsection a.  
17 of this section. An employee's contribution toward the cost of coverage  
18 under the equivalent Garden State Health Plan offered pursuant to  
19 subsection a. of this section shall be the amount required in subsection  
20 b. of section 2 of this act, except that the contribution specified in that  
21 subsection shall not be less than the minimum annual contribution for  
22 health care benefits coverage of 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 section 2  
27 of this act, notwithstanding any other provision of law, rule, or  
28 regulation to the contrary requiring contributions by employees toward  
29 the cost of health care benefits coverage provided by an employer,  
30 except as provided in subsection d. of this section. No other  
31 contribution may be required by collective negotiations agreement,  
32 except as set forth in subsection i. of this section.

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

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



1 required by a provision of law, whichever is applicable to that  
2 employee.

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

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

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

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

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

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

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

20 j. Modifications to plan design of the plans set forth in section 1  
21 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to the  
22 employee contribution rates set forth in subsections a. and b. of section  
23 2 of this act, made by the School Employees' Health Benefits Plan  
24 Design Committee or the State Treasurer pursuant to section 7 of this  
25 act shall be implemented for the purposes of this section by the  
26 employer commencing January 1, 2024.

27 k. This section shall also apply when health care benefits  
28 coverage is provided through an insurance fund or joint insurance fund  
29 or any other manner. This section shall apply to any employer, as that  
30 term is defined in section 32 of P.L.2007, c.103 (C.52:14-17.46.2), that  
31 is not a participating employer in the School Employees' Health  
32 Benefits Program. This section shall not apply to charter school or  
33 renaissance school employers unless they <sup>2</sup>[had] have<sup>2</sup> a collective  
34 negotiations agreement with any of their employees in effect on or  
35 <sup>2</sup>[before] after<sup>2</sup> the effective date of P.L.2020, c.44.

36 l. Notwithstanding any provision of law, rule, or regulation to the  
37 contrary, for any period of time during which the employer does not  
38 have to pay a premium or periodic charge for any health care benefits  
39 plan or program provided to its employees pursuant to this section,  
40 pursuant to another law, or pursuant to a collective bargaining  
41 agreement, an employee enrolled in such plan or program shall not be  
42 required to make the employee's contribution toward that premium or  
43 periodic charge during that period of time. In the event that a  
44 collective negotiations agreement specifically addresses a premium  
45 holiday the collective negotiations agreement shall be controlling.<sup>1</sup>

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

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

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

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

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

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

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

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

46       During the enrollment period, any person who is enrolled in a  
47 plan offered by the program and who is paying the full cost of  
48 health care benefits coverage shall also be required to select

1 affirmatively one of the three plans specified in subsection a. of this  
2 section. If a person fails to select affirmatively a plan during this  
3 enrollment period, the program shall enroll the person, and the  
4 person's dependents if any, in the New Jersey Educators Health Plan  
5 for the plan year beginning January 1, 2021 and ending December  
6 31, 2021. Any such person shall continue to pay the full cost of  
7 coverage and shall not be subject to the contribution schedule or  
8 any mandatory enrollment period as set forth in this section.

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

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

35 For the plan year beginning January 1, 2028, the employee may  
36 select, during any open enrollment period or at such other times or  
37 under such conditions as the program may provide, any plan offered  
38 by the program.

39 (2) For the plan year beginning January 1, 2021, the program  
40 shall enroll a retiree who is not Medicare-eligible, and the retiree's  
41 dependents if any, in the New Jersey Educators Health Plan for  
42 health care benefits coverage as a retiree, if the retiree does not  
43 waive coverage. The retiree shall remain enrolled in that plan for  
44 each plan year through the plan year that ends December 31, 2027  
45 or until the retiree becomes eligible for Medicare, whichever comes  
46 first. The retiree who becomes eligible for Medicare shall no longer  
47 be eligible for enrollment in the New Jersey Educators Health Plan,  
48 except that any dependent of the retiree who is not eligible for

1 Medicare may remain eligible for coverage under the New Jersey  
2 Educators Health Plan. For the plan year beginning January 1, 2028,  
3 that retiree who is not Medicare-eligible may select, during any  
4 open enrollment period or at such other times or under such  
5 conditions as the program may provide, any plan offered by the  
6 program.

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

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

19 The Garden State Health Plan shall provide medical and  
20 prescription drug benefits that are equivalent to the level of medical  
21 and prescription drug benefits provided by the New Jersey  
22 Educators Health Plan, except that the benefits under the Garden  
23 State Health Plan shall be available only from providers located in  
24 the State of New Jersey.

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

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

34 e. The plan design of the New Jersey Educators Health Plan,  
35 the Garden State Health Plan, the NJ Direct 10 plan, and the NJ  
36 Direct 15 plan as those plan designs are specified in subsections a.,  
37 d., and f. of this section shall remain unchanged until December 31,  
38 2027. No change in the plan design of those plans shall be made  
39 before that date unless such a change in plan design is required by  
40 federal or State law to governmental health care benefits plans or to  
41 both governmental and non-governmental health care benefits  
42 plans.

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

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

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

8 In Network Benefits

9 Coverage

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

12 Deductible:N/A

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

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

16 PCP Office Visit Copayment:\$10

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

18 Coverage

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

20 Deductible:\$350 / \$700

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

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

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

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

26 Day Supply / \$10 Mail 90 Day SupplyBrand Copayment:\$10 Retail

27 30 Day Supply/ \$20 Mail 90 Day SupplyMandatory

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

30 contracted with the Pharmacy Benefit Manager and the School  
 31 Employees' Health Benefits CommissionOther

32 Chiropractic, Physical Therapy, and Acupuncture:

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

36 Under a patient centered medical home model, there shall be no  
 37 office visit copay for primary care for participants who select and  
 38 commit to a patient centered medical home for primary care in  
 39 accordance with plan rules and regulations.

40 g. Any plan offered by the School Employees' Health Benefits  
 41 Program shall require that chiropractic, physical therapy, and  
 42 acupuncture benefits shall be subject to the same out-of-network  
 43 limits as for the State Health Benefits Program that were in effect  
 44 on June 1, 2020 to take effect as of July 1, 2020 or as soon  
 45 thereafter as  
 46 reasonably practicable.

47 <sup>1</sup>h. Notwithstanding any provision of law, rule, or regulation to  
 48 the contrary, for any period of time during which the employer does

1 not have to pay a premium or periodic charge for any health care  
2 benefits plan or program provided to its employees through the  
3 School Employees' Health Benefits Program, an employee enrolled  
4 in such plan or program shall not be required to make the  
5 employee's contribution toward that premium or periodic charge  
6 during that period of time. In the event that a collective  
7 negotiations agreement specifically addresses a premium holiday  
8 the collective negotiations agreement shall be controlling.<sup>1</sup>

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

10  
11 <sup>1</sup>3. Section 8 of P.L.2020, c.44 is amended to read as follows:

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

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

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

39  
40 <sup>1</sup>**【3.】** 4.<sup>1</sup> This act shall take effect immediately.

41  
42  
43  
44 Changes effective date of Garden State Health Plan; exempts  
45 certain charter and renaissance schools from certain healthcare plan  
46 requirements; requires certain negotiations over certain health care  
47 costs.