

[Second Reprint]

SENATE, No. 3487

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 4, 2021

Sponsored by:

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

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

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

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

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:

¹Senate SSG committee amendments adopted June 3, 2021.

²Senate floor amendments adopted June 21, 2021.

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

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

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

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

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

44 d. An employee shall contribute annually toward the cost of
45 health care benefits coverage for the employee, and employee's
46 dependents if any, the amount specified, in the manner specified, in
47 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-
48 17.46.14) if the employee, and the employee's dependents if any,

1 are enrolled in the equivalent New Jersey Educators Health Plan or
2 the equivalent Garden State Health Plan offered pursuant to
3 subsection a. of this section. An employee's contribution toward the
4 cost of coverage under the equivalent Garden State Health Plan
5 offered pursuant to subsection a. of this section shall be the amount
6 required in subsection b. of section 2 of this act, except that the
7 contribution specified in that subsection shall not be less than the
8 minimum annual contribution for health care benefits coverage of
9 1.5% of salary as required by law.

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

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

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

39 With regard to contributions by an employee who is enrolled in a
40 plan other than the equivalent New Jersey Educators Health Plan or
41 the equivalent Garden State Health Plan offered pursuant to
42 subsection a. of this section, no provision in this section shall be
43 deemed to modify, alter, impair, or terminate the requirement in
44 sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-
45 17.28e), as applicable, that a public employer and employees who
46 are in negotiations for the collective negotiations agreement to be
47 executed after the employees in that unit had reached full
48 implementation of the premium share set forth in section 39 of

1 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations
2 concerning contributions for health care benefits as if the full
3 premium share was included in the prior contract. Nothing in this
4 act shall be deemed to modify, alter, impair, or terminate the
5 continued compliance after the effective date of this act with that
6 requirement for negotiations for any collective negotiations
7 agreement for employee contributions for plans other than the
8 equivalent New Jersey Educators Health Plan or the equivalent
9 Garden State Health Plan offered pursuant to subsection a. of this
10 section.

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

16 f. The annual contribution by an employee as calculated in
17 accordance with subsection a. or b. of section 2 of this act shall not
18 exceed the amount as calculated in accordance with section 4 of this
19 act.

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

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

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

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

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

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

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

28 (cf: P.L.2020, c.44, s.5) **】¹**

29
30 ¹1. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to
31 read as follows:

32 5. This section shall apply to local boards of education and
33 employers, as specified in subsection **【j.】** k. of this section, who do
34 not participate in the School Employees' Health Benefits Program.

35 Any health insurance company may provide to local boards of
36 education and to those employers defined pursuant to section 32 of
37 P.L.2007, c.103 (C.52:14-17.46.2) who do not participate in the
38 School Employees' Health Benefits Program the equivalent of the
39 New Jersey Educators Health Plan in the School Employees' Health
40 Benefits Program as that plan design is described in subsection f. of
41 section 1 of P.L.2020, c.44 (C.52:14-17.46.13) and the Garden State
42 Health Plan as that plan design is described in subsection d. of
43 section 1 of P.L.2020, c.44 (C.52:14-17.46.13), notwithstanding the
44 provisions of any other law, rule, or regulation, including any
45 regulation of the New Jersey Department of Banking and Insurance,
46 to the contrary. As used in this subsection, "health insurance
47 company" means and includes a health, hospital, and medical

1 service corporation; commercial individual, small employer, and
2 larger group health insurer; and a health maintenance organization.

3 a. (1) Notwithstanding the provisions of any other law, rule, or
4 regulation to the contrary, beginning January 1, 2021 and for each
5 plan year thereafter, a board of education as an employer providing
6 health care benefits coverage for its employees, and their
7 dependents if any, in accordance with P.L.1979, c.391 (C.18A:16-
8 12 et seq.) shall offer to its employees, and their dependents if any,
9 the equivalent of the New Jersey Educators Health Plan in the
10 School Employees' Health Benefits Program as that plan design is
11 described in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-
12 17.46.13).

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

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

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

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

37 b. Prior to January 1, 2021, each employer shall provide an
38 enrollment period during which all employees who commenced
39 employment prior to the effective date of this act shall be required
40 to select affirmatively a plan provided by the employer. If an
41 employee fails to select affirmatively a plan during this enrollment
42 period, the employer shall enroll the employee, and the employee's
43 dependents if any, in the equivalent New Jersey Educators Health
44 Plan offered pursuant to subsection a. of this section for the year
45 January 1, 2021 until December 31, 2021.

46 During the enrollment period, each person who is enrolled in a
47 plan offered by the employer and who is paying the full cost of
48 coverage shall also be required to select affirmatively a plan

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

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

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

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

42 d. An employee shall contribute annually toward the cost of
43 health care benefits coverage for the employee, and employee's
44 dependents if any, the amount specified, in the manner specified, in
45 subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-
46 17.46.14) if the employee, and the employee's dependents if any,
47 are enrolled in the equivalent New Jersey Educators Health Plan or
48 the equivalent Garden State Health Plan offered pursuant to

1 subsection a. of this section. An employee's contribution toward the
2 cost of coverage under the equivalent Garden State Health Plan
3 offered pursuant to subsection a. of this section shall be the amount
4 required in subsection b. of section 2 of this act, except that the
5 contribution specified in that subsection shall not be less than the
6 minimum annual contribution for health care benefits coverage of
7 1.5% of salary as required by law.

8 e. (1) An employee enrolled in the equivalent New Jersey
9 Educators Health Plan or the equivalent Garden State Health Plan
10 offered pursuant to subsection a. of this section shall be required to
11 pay only the contribution specified in subsections a. and b. of
12 section 2 of this act, notwithstanding any other provision of law,
13 rule, or regulation to the contrary requiring contributions by
14 employees toward the cost of health care benefits coverage
15 provided by an employer, except as provided in subsection d. of this
16 section. No other contribution may be required by collective
17 negotiations agreement, except as set forth in subsection i. of this
18 section.

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

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

37 With regard to contributions by an employee who is enrolled in a
38 plan other than the equivalent New Jersey Educators Health Plan or
39 the equivalent Garden State Health Plan offered pursuant to
40 subsection a. of this section, no provision in this section shall be
41 deemed to modify, alter, impair, or terminate the requirement in
42 sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-
43 17.28e), as applicable, that a public employer and employees who
44 are in negotiations for the collective negotiations agreement to be
45 executed after the employees in that unit had reached full
46 implementation of the premium share set forth in section 39 of
47 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations
48 concerning contributions for health care benefits as if the full

1 premium share was included in the prior contract. Nothing in this
2 act shall be deemed to modify, alter, impair, or terminate the
3 continued compliance after the effective date of this act with that
4 requirement for negotiations for any collective negotiations
5 agreement for employee contributions for plans other than the
6 equivalent New Jersey Educators Health Plan or the equivalent
7 Garden State Health Plan offered pursuant to subsection a. of this
8 section.

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

14 f. The annual contribution by an employee as calculated in
15 accordance with subsection a. or b. of section 2 of this act shall not
16 exceed the amount as calculated in accordance with section 4 of this
17 act.

18 g. The contributions required by this section shall apply to
19 employees for whom the employer has assumed a health care
20 benefits payment obligation, to require that such employees pay the
21 amount of contribution specified in this section for health care
22 benefits coverage.

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

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

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

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

10 j. Modifications to plan design of the plans set forth in section
11 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to
12 the employee contribution rates set forth in subsections a. and b. of
13 section 2 of this act, made by the School Employees' Health
14 Benefits Plan Design Committee or the State Treasurer pursuant to
15 section 7 of this act shall be implemented for the purposes of this
16 section by the employer commencing January 1, 2024.

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

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

35 ²In the event that a collective negotiations agreement specifically
36 addresses a premium holiday the collective negotiations agreement
37 shall be controlling.²

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

39

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

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

46 a. (1) Notwithstanding the provisions of any other law, rule, or
47 regulation to the contrary, beginning with the plan year that
48 commences January 1, 2021 and for each plan year thereafter, the

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

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

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

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

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

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

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

41 ¹h. Notwithstanding any provision of law, rule, or regulation to
42 the contrary, for any period of time during which the employer does
43 not have to pay a premium or periodic charge for any health care
44 benefits plan or program provided to its employees through the
45 School Employees' Health Benefits Program, an employee enrolled
46 in such plan or program shall not be required to make the
47 employee's contribution toward that premium or periodic charge
48 during that period of time.¹ ²In the event that a collective

1 negotiations agreement specifically addresses a premium holiday the
2 collective negotiations agreement shall be controlling.²

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

4
5 ¹3. Section 8 of P.L.2020, c.44 is amended to read as follows:

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

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

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

33
34 ¹**【3.】** 4.¹ This act shall take effect immediately.