

HIGHLIGHTS OF CH. 78 RELIEF AGREEMENT

As a result of this agreement, current and future NJEA members will have access to health insurance coverage that:

- ✓ Provides high-quality health insurance with a national network at a significantly lower contribution than current Ch. 78 Tier 4 levels.
- ✓ Changes employee health insurance contributions from a percentage of the cost of the plan to a percentage of salary
- ✓ Preserves collective bargaining

- The School Employees' Health Benefits Program (SEHBP) will offer a new plan, called the New Jersey Educators Health Plan (NJEHP), with the same network as the current NJ Direct 10 and Direct 15 plans with no limitations on out-of-state providers and similar benefit levels. The modifications to the plan are largely designed to incentivize the use of in-network providers and of primary care providers where possible, to keep costs lower for everyone. Access to services and providers will not change, and members will see little or no increase in out-of-pocket expenses for in-network services. Members will have better access to wellness services, and the plan will be working to expand access to lower-cost Direct Primary Care services.
- The network for the SEHBP NJEHP will be the same as the large national NJ Direct10 and NJ Direct15 network. It is a national network with no restrictions on using providers or facilities outside of New Jersey.
- The design of the NJEHP will mirror NJ Direct 10 and NJ Direct 15 in many ways. The modifications to the plan are largely designed to incentivize the use of in-network providers and of primary care providers where possible, to keep costs lower for everyone. As when we worked to modify the plan for Medicare retirees, NJEA has vigorously advocated for our members to ensure that the plan we negotiated provides the level of coverage you are accustomed to and have worked hard to earn.
- By July 1, 2021, the SEHBP Design Committee will create and offer a second plan, called the Garden State Plan (GSP). That entirely voluntary plan will have identical benefits to the NJEHP but will have a provider network limited primarily to New Jersey doctors and facilities. No member will be required by law to take the GSP, but those who believe it meets their needs will be able to access it at a savings of up to 50% of the cost of the NJEHP. That plan must be offered by all districts, whether through the SEHBP or their other private carrier.
- Whether a district participates in the SEHBP or not, all new school employees hired on or after July 1, 2020, will be offered only the NJEHP, with the option to choose the GSHP when it is offered.
- All employers must offer an open enrollment prior to Jan. 1, 2021. Those employees hired before July 1, 2020 who do not actively select a plan other than the NJEHP will be automatically enrolled in the NJEHP.
- The NJEHP will begin on Jan. 1, 2021. On or after July 1, 2023, the SEHBP Commission will receive a report validating that the law has produced the minimum \$300 million in annualized net savings. While it is expected to do so, should the savings fall short, the SEHBP Plan Design Committee will propose modifications to benefits or premium sharing to realize additional savings equal only to the amount of the shortfall. That amount, if any, will be spread over the four years from 2024-2027. Otherwise, there can be no change to plan design or contribution levels before Jan. 1, 2028 at which time both become fully negotiable at the local level.
- Required contributions for those members selecting the NJEHP will be calculated as a percentage of salary, rather than a percentage of premium. Those contributions will be lower—often by thousands of dollars per member compared to Ch. 78 tier 4—and will be much more predictable in the future. Members no longer need to fear that skyrocketing health insurance contributions will rise so much that overall take-home pay decreases.
- Employees in districts that participate in the SEHBP will be able to select the NJ Direct 10 or Direct 15 if available under their contract at the Ch. 78 contribution level or other locally negotiated premium sharing, but every district must also offer the NJEHP at the statutory premium sharing level based on a percentage of salary. All other plans in the SEHBP will be eliminated on the same date that the NJEHP goes into effect. Locals that have bargained access to any of those other SEHBP plans will address their issues through bargaining or contract enforcement.
- Employees in districts that do not participate in the SEHBP will be able to keep their existing negotiated health insurance at the Ch. 78 contribution level or other locally-negotiated premium sharing levels, but all districts must also offer the NJEHP through their private carriers at the statutory premium sharing level based on a percentage of salary.

SPECIAL INFORMATION FOR RETIREES:

- All current and future non-Medicare retirees will be in the NJEHP.
- There will be NO changes to the plan offered to Medicare-eligible retirees. That plan was addressed last year in a way that preserved high-quality benefits and has been implemented very successfully. The new plan announced this week does not affect those retirees receiving Medicare.
- There will be no increase in how much any retiree pays for premium sharing. If you currently do not pay a premium share, you will continue to pay nothing toward your premium. If you are required to pay toward your premium, your cost will stay the same or, more likely, decrease because you will contribute based on the same schedule that will lower costs for active employees. Your contribution will be calculated as a percentage of your pension, not a percentage of your premium, unless a percentage of premium results in a lower contribution for you. Even if you continue to pay a percentage of premium because that is better in your case, the premium itself will be lower, resulting in a lower total cost to you.

