

## **The “Educator’s Health Benefit Fairness Act”**

### **New Benefit Plans and Payroll Contributions**

- The Act will create the new *NJ Educators Health Plan* that will provide comprehensive coverage for medical and pharmacy benefits with reasonable member copayments for physician care and 100% coverage for the use of network providers. All new NJEA members hired on or after July 1, 2020 shall be enrolled in the new plan. The New Jersey Educators Health Plan will generate huge savings to taxpayers and NJEA members.
- The new plan will be tied to a new salary-based contribution schedule.
- The new schedule will deliver savings back to NJEA members who today contribute as a percentage of healthcare premiums.
- The Act will create the new and historic *Garden State Health* plan that will be voluntarily offered to all NJEA members that will be based on a network of New Jersey healthcare providers with provisions to access out-of-state services not available in NJ. The level of benefits will match that of the *New Jersey Educator Health Plan* tied to our world-class New Jersey providers who deliver care at quality standards at or superior to what is available out of the area.
- Estimates suggest the cost of care delivered outside of NJ is 50% to 100% greater than the same services provided in NJ at the same or better quality.
- The *Garden State* plan will keep health care local, support the NJ economy, and help taxpayers and NJEA members.
- The current Direct 10 and Direct 15 plans now available in the State Health Educators Plan (“SEHBP”) will remain available alongside the two new plans with employees paying premium share on the Chapter 78 schedule. The other little-used options in the SEHBP will be eliminated (less than 1% enrolled).
- A special open enrollment will be held statewide at which time every education employee enrolled in an employer-provided health insurance (SEHBP or private plan) could choose to keep their current plan or join the new plan. The new plans will be added to the SEHBP, and educational entities not in the SEHBP will be obligated to offer the new plans tied to the new contribution schedule.

### **New Payroll Contribution Schedule Replacing Chapter 78**

- Chapter 78 contributions for participants that remain in the SEHBP’ or local equivalent of Direct 10 and Direct 15, or any other locally negotiated plan(s) shall remain at Chapter 78 levels, or levels as negotiated in current collective bargaining agreements. The new reduced contribution schedule shall only be tied to the New Jersey Educator’s Plan and the Garden State Plan. The payroll sharing for the Garden State Plan will be half that of the NJ Educators Plan. The new schedule is based on salary, providing unprecedented relief and savings to NJEA members while still delivering huge savings to taxpayers; a true “win-win” agreement.
- The NJ Educators Health Plan and the Garden State Health Plan with their respective contribution schedules shall be in effect through June 30, 2027, at which point the plans will be re-evaluated at the SEHBP level and through collective bargaining at the local level. Benefit changes (other than those required by law to both public and private employers simultaneously) may not be considered earlier than June 30, 2027.

## Health, Wellness and Population Health

The SEHBP plan design committee will develop a comprehensive health and wellness plan intended to provide from the following available services:

- Bio-Metric Screenings services
- Chronic Condition Coaching services
- Smoking Cessation services

The SEHBP shall make available access to wellness related service providers via “state contract” on a discounted basis so that local educational entities shall have access to the same services.

The SEHBP shall also continue to promote and look to further expand the use patient centered medical homes (“PCMH”) within the SEHBP. The design committee shall also work on an ongoing basis to adopt other efforts and measures to support expanded population health arrangements that help manage costs and prevent inappropriate utilization. Member copayments under the two new plans will be \$0 when then select a PCMH as their primary care provider.

The SEHBP shall further develop and implement an advisory tool to help employees choose the health plan that, through a combination of benefits and contributions, provides the best coverage and cost.

### *Examples of COST Savings to NJEA Members*

#### *Comparing Annual NJEA Member Annual Contributions for Direct 10 v New Educator’s Plan*

<b><u>Single / Salary</u></b>	<b><u>\$ 70,000.00</u></b>	<b><u>Family / Salary</u></b>	<b><u>\$ 70,000.00</u></b>
NEW Annual Contribution:	\$ 1,925.00	NEW Annual Contribution:	\$ 3,850.00
Current Annual Contribution	\$ 4,044.48	Current Annual Contribution	\$ 7,952.34
<b>Savings</b>	<b>\$ 2,119.48</b>	<b>Savings</b>	<b>\$ 4,102.34</b>
<b><u>Single / Salary</u></b>	<b><u>\$ 95,000.00</u></b>	<b><u>Family / Salary</u></b>	<b><u>\$ 95,000.00</u></b>
NEW Annual Contribution:	\$ 3,135.00	NEW Annual Contribution:	\$ 6,270.00
Current Annual Contribution	\$ 4,423.65	Current Annual Contribution	\$ 10,482.63
<b>Savings</b>	<b>\$ 1,288.65</b>	<b>Savings</b>	<b>\$ 4,212.63</b>
<b><u>Single / Salary</u></b>	<b><u>\$ 45,000.00</u></b>	<b><u>Family / Salary</u></b>	<b><u>\$ 45,000.00</u></b>
NEW Annual Contribution:	\$ 868.50	NEW Annual Contribution:	\$ 1,732.50
Current Annual Contribution	\$ 1,769.46	Current Annual Contribution	\$ 3,253.23
<b>Savings</b>	<b>\$ 900.96</b>	<b>Savings</b>	<b>\$ 1,520.73</b>
<b><u>Single / Salary</u></b>	<b><u>\$ 35,000.00</u></b>	<b><u>Family / Salary</u></b>	<b><u>\$ 35,000.00</u></b>
NEW Annual Contribution:	\$ 577.50	NEW Annual Contribution:	\$ 1,155.00
Current Annual Contribution	\$ 1,390.29	Current Annual Contribution	\$ 2,168.82
<b>Savings</b>	<b>\$ 812.79</b>	<b>Savings</b>	<b>\$ 1,013.82</b>

### Benefit Outline - NJ Educators Health Plan

<b>In Network Benefits</b>	<b>Coverage</b>
Member Coinsurance	10%, applies only to ER transportation care and durable medical equipment but capped at \$800 single and \$2,000 family
Deductible	N/A
Out of pocket maximum	\$500 / \$1,000 (covers all copayments, coinsurance and deductible)
Emergency Room copayment	\$125
PCP Office visit copayment	\$10
Specialist office visit copayment	\$15
<b>Out of Network Benefits</b>	<b>Coverage</b>
Member Coinsurance	30% of the out of network fee schedule
Deductible	\$350/\$750
Out of Pocket maximum	\$2,000 single / \$5,000 family
Routine Lab	Paid at out of network benefit level
Out of network fee schedule	200% of CMS – Medicare
<b>Pharmacy</b>	
Out of pocket maximum	\$1,600 single / \$3,200 family
Generic copayment	\$5 retail and \$10 mail
Brand copayment	\$10 retail and \$20 mail
Mandatory Generic	Member pays difference in cost between generic and brand, plus brand copayment
Formulary	PBM's closed formulary
<b>Other</b>	

Chiropractic, Physical Therapy and Acupuncture	Subject to out of network limits now in the State Plan (as of April 1, 2020)
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**NJ Educator Health Plan Contribution Schedule**

	<b><u>Single</u></b>	<b><u>PC</u></b>	<b><u>HW</u></b>	<b><u>Family</u></b>
\$00,000 - \$40,000	1.65%	2.20%	2.75%	3.30%
\$40,001 - \$50,000	1.93%	2.48%	3.30%	3.85%
\$50,001 - \$60,000	2.20%	2.75%	3.85%	4.40%
\$60,001 - \$70,000	2.48%	3.03%	4.40%	4.95%
\$70,001 - \$80,000	2.75%	3.30%	4.95%	5.50%
\$80,000 - \$90,000	3.03%	3.58%	5.50%	6.05%
\$90,001 - \$100,000	3.30%	3.85%	6.05%	6.60%
\$100,001 - \$125,000*	3.58%	4.40%	6.60%	7.15%

\*Employees with salaries above \$125,000, shall pay at the \$125,000 rate.

\*In no case shall an employee contribution exceed the maximum amount for an as calculated under Chapter 78.

**Garden State Health Plan Contribution Schedule**

**Salary Levels**

**Contribution as a Percentage of Salary**

\$00,000 - \$40,000	50% of NJ Educator Plan employee contribution
\$40,001 - \$50,000	
\$50,001 - \$60,000	
\$60,001 - \$70,000	
\$70,001 - \$80,000	
\$80,000 - \$90,000	
\$90,001 - \$100,000	
\$100,001 - \$125,000*	

\*Employees with salaries above \$125,000, shall pay at the \$125,000 rate.

\*In no case shall an employee contribution exceed the maximum amount for an as calculated under Chapter 78.