

# A Guide to Choosing a Medical Plan

## Information About the Medical Plans for Eligible Participants of the SHBP and SEHBP

The Division of Pensions and Benefits ♦ [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions) ♦ Plan Year 2009

To help members select a State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) medical plan, we present the following guide which offers a basic overview of the plans.

## The Plans

The SHBP and SEHBP offer two types of medical plans, a **Preferred Provider Organization** and **Health Maintenance Organizations (HMO)**.

### NJ DIRECT

**NJ DIRECT** is a Preferred Provider Organization administered by Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ). Two plan options are offered named **NJ DIRECT10** and **NJ DIRECT15**.

**NJ DIRECT10** is available to:

- Employees and retirees of Local Government employers that participate in the SHBP;
- Employees and retirees of Local Education employers that participate in the SEHBP;
- Certain retirees of Local Education employers who are eligible for Medicare; and
- State retirees who pay the *full cost* of retired SHBP coverage **or** who attained 25 years of service *on or before* June 30, 2007 **or** retired on a disability retirement on or before July 1, 2007.

**NJ DIRECT15** is available to:

- All employees and retirees eligible for coverage in the SHBP or SEHBP.

Both **NJ DIRECT10** and **NJ DIRECT15** provide *in-network* and *out-of-network* medical care.

### In-Network Benefits

Under NJ DIRECT *in-network* benefits you are not required to choose a primary care physician, and you do not need a referral for *in-network* services. If the physician participates in the Horizon BCBSNJ Managed Care Network, members will only pay the appropriate copayment for eligible services (certain services may also require pre-certification from Horizon BCBSNJ<sup>1</sup>). Members living outside of New

Jersey can utilize physicians participating in the national Blue Cross Blue Shield network. If the physician does not participate in the Horizon BCBSNJ Managed Care or national networks, the services will be considered out-of-network.

### Out-of-Network Benefits

NJ DIRECT *out-of-network* benefits allow you to utilize any licensed physician; however, you are required to file a claim form with Horizon BCBSNJ.

Most eligible out-of-network care is reimbursed at the applicable percentage of "reasonable and customary" allowances after a member's annual deductible is met. Out-of-network hospital admissions are also subject to a deductible<sup>2</sup>.

### NJ DIRECT Copayments and Deductibles

The *in-network* copayment for most services<sup>3</sup> is \$10 in **NJ DIRECT10** and \$15 in **NJ DIRECT15**.

Once the *in-network* out-of-pocket cost for coinsurance<sup>4</sup> totals \$400 per individual or \$1,000 per family, those covered benefits are paid at 100 percent through the remainder of the calendar year. Only pre-certified treatment counts toward the maximum out-of-pocket expense level.

For both **NJ DIRECT10** and **NJ DIRECT15** the annual deductible for *out-of-network* services is \$100 for single coverage; \$200 (\$100 per person) for member/spouse-partner or parent/child coverage, and an aggregate family deductible of \$250 for family coverage, or parent/children coverage (more than two individuals). There is also a \$200 deductible for each out-of-network inpatient hospital stay<sup>2</sup>.

After deductibles are met, covered *out-of-network* claims are paid at the applicable percentage of the "reasonable and customary" allowance. The member

<sup>1</sup> Services that require a pre-certification, but are not pre-certified, will be paid at out-of-network benefit levels and will not count towards out-of-pocket maximums.

<sup>2</sup> Employees and retirees of Local Education employers are not subject to the hospital deductible

<sup>3</sup> Certain in-network covered benefits, such as durable medical equipment, require a 10% member coinsurance.

<sup>4</sup> Coinsurance and copayments for Local Education members.

is responsible for the full cost of any services over the "reasonable and customary" allowance or costs not otherwise covered by the plan.

Once the *out-of-pocket* cost for coinsurance totals \$2,000 per individual or \$5,000 per family, covered benefits are paid at 100 percent of the "reasonable and customary" allowance through the remainder of the calendar year. Only pre-certified treatment counts toward the maximum out-of-pocket expense level.

**Health Maintenance Organizations (HMO)**

Two HMO plans — **CIGNA HealthCare** and **Aetna HMO (Aetna Medicare Open** for retirees with Medicare, see below) — are available to all employees and retirees. Both CIGNA HealthCare and Aetna HMO have expanded networks that provide services nationwide.

When you enroll in an HMO you select a Primary Care Physician (PCP) from a group of participating providers. All services, except emergencies, are coordinated through your PCP. If you require the care of a specialist, your PCP will refer you to a specialist who participates in the HMO network. Electronic referrals are used by the HMOs so no paperwork is required.

HMOs have no deductibles or claim forms to file, however, you are required to pay a copayment for visits to your PCP or a referred specialist. There are no out-of-network benefits or out-of-pocket maximum amounts under an HMO plan.

**HMO Copayments**

- For **Local Education** or **Local Government employees**, and **all Retirees**, the HMO copayment for services provided by a participating physician is \$10.

- For **State employees** the HMO copayment for services provided by a participating physician is \$15.

**Aetna Medicare Open** is a Medicare Advantage Private Fee-for-Service plan available to retirees enrolled in Medicare. Members must maintain Medicare Part A and Part B coverage, but Aetna Medicare Open pays eligible expenses directly, replacing the need for claims to first be paid by Medicare and then by a secondary plan.

Members enrolled in Aetna Medicare Open must use providers who accept Medicare and also agree to bill Aetna. This makes the selection of a Primary Care Physician, referrals, and precertification not required under this plan. However, you must verify that your provider accepts Medicare and will bill the Aetna Medicare Open plan.

**Dual HMO Enrollment is Prohibited**

State statute specifically prohibits two employees or retirees who are both enrolled in the SHBP or SEHBP and who are married to each other, civil union partners, or eligible domestic partners from enrolling under both of the HMO plans. One member may belong to an HMO as an employee or as a dependent but not as both.

Furthermore, two members cannot both cover the same children as dependents under both of the HMO plans.

In cases of divorce, dissolution of a civil union or domestic partnership, or single parent coverage of dependents, there is no coordination of benefits under two HMOs.

NJ DIRECT COPAYMENTS AND OUT-OF-POCKET COSTS				
PLAN	In-Network Copayments	Maximum Out-of-Pocket In-Network	Out-of-Network Coinsurance	Maximum Out-of-Pocket Out-of-Network
<b>NJ DIRECT10</b>	\$10	\$400/individual; \$1,000/family	20% of reasonable and customary charges after deductible	\$2,000/individual; \$5,000 family
<b>NJ DIRECT15</b>	\$15	\$400/individual; \$1,000/family	30% of reasonable and customary charges after deductible	\$2,000/individual; \$5,000 family

**Note:** Annual maximum out-of-pocket rules differ for Local Education employees and retirees. See the NJ DIRECT Member Handbook for additional information.

## Plan Premium Rates

In addition to copayments and any other out-of-pocket costs such as deductibles or coinsurance, some employees and retirees may be required to pay all, or part, of the plan premiums.

- Most **State active employees** pay a health contribution of 1.5% of salary for medical plan coverage regardless of the chosen plan or selected level of coverage.
- For **Local Education employees** or **Local Government employees**, the cost for any part of the premiums is determined under the labor contracts with the employer. Rate charts are distributed to employers and are available on the Division of Pensions and Benefits Web site.
- **Retirees who pay the full cost** of SHBP or SEHBP coverage, **or** who share the cost with the State or their former employer, receive notification of medical plan rates in the mail. Retiree rates can also be found on the Division of Pensions and Benefits Web site.
- **Certain State retirees** who attained 25 years of service *after* June 30, 2007 or retired on a disability retirement *on or after* August 1, 2007 pay a health contribution of 1.5% of the retirement benefit, unless enrolled in the Retiree Wellness Plan that is offered by their medical plan.

### The Traditional Plan and NJ PLUS

**C**ertain State employees covered by labor contracts that are not yet ratified are not eligible for enrollment in NJ DIRECT and remain in the Traditional Plan or NJ PLUS until new contracts are settled (or they may enroll in Aetna HMO or CIGNA HealthCare). These employees include State Police (law enforcement officers) and some Department of Corrections employees. Employees in these bargaining groups. When new contracts are ratified, these employees will be contacted by the Division of Pensions and Benefits with information on the medical plan options that are available.

The Traditional Plan and NJ PLUS are administered by Horizon BCBSNJ.

Premium rates are set annually by the State Health Benefits Commission and the School Employees' Health Benefits Commission. Current rates are available on the Division of Pensions and Benefits Web site at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm)

## Additional Benefit Plans

In addition to the medical plans, employees and retirees have access to prescription drug and dental benefits.

### Employee Prescription Drug Plans

**State Employees** are eligible for the **Employee Prescription Drug Plan** as a separate prescription drug benefit.

The Employee Prescription Drug Plan provides a 30-day supply of prescription drugs from a retail pharmacy for a set copayment. Mail order service for up to a 90-day supply of prescription drugs at a reduced copayment is also available. Copayment amounts vary for generic or brand name drugs. See the *Employee Prescription Drug Plan Member Handbook* for details.

**Local Government** and **Local Education** employers *have the option* of offering the **Employee Prescription Drug Plan** to their employees, or they may offer *another* drug plan as a separate prescription drug benefit. Check with your employer for details.

If no separate prescription drug plan is provided by the employer, prescription drug coverage is provided as part of the SHBP or SEHBP medical plan. Copayments and out-of-pocket costs vary depending on the plan. For more information see the medical plan *Member Handbooks*.

### Retiree Prescription Drugs

All SHBP and SEHBP retiree medical plans include prescription drug benefits. Prescription drug copayments and out-of-pocket costs vary depending on the medical plan. For more information see the medical plan *Member Handbooks*.

**Medicare Part D** — Current SHBP/SEHBP retiree prescription drug benefits meet the Medicare Part D prescription drug coverage standards. Most Medicare eligible retirees and/or their Medicare eligible dependents need not enroll in Medicare Part D. While some members who qualify for low income subsidy programs may find it beneficial to enroll in Medicare Part D, members need to be aware that once you and/or your dependents enroll in Medicare Part D, your retired group prescription drug benefits will be terminated for you and all of your dependents.

## SHBP AND SEHBP MEDICAL PLAN CONTACT INFORMATION

Plan Name	Web Address	Plan#	Phone#
<b>NJ DIRECT10</b>	<a href="http://www.horizonblue.com/shbp">www.horizonblue.com/shbp</a>	050	1-800-414-7427
<b>NJ DIRECT15</b>	<a href="http://www.horizonblue.com/shbp">www.horizonblue.com/shbp</a>	150	1-800-414-7427
<i>Administered by Horizon Blue Cross Blue Shield of New Jersey</i>			
<b>Health Maintenance Organizations</b>			
<b>CIGNA HealthCare</b>	<a href="http://www.cigna.com/stateofnj">www.cigna.com/stateofnj</a>	020	1-800-564-7642
<b>Aetna HMO</b>	<a href="http://www.aetna.com/statenj">www.aetna.com/statenj</a>	019	1-877-STATE NJ
<b>Aetna Medicare Open Plan*</b>	<a href="http://www.aetna.com/statenj">www.aetna.com/statenj</a>	019	1-866-234-3129

*\*For retirees enrolled in Medicare*

*All medical plans are available nationwide. There are no longer specific service areas in different states; however, you should check with your medical provider to verify his or her plan participation.*

### Employee Dental Plans

State employees are eligible to enroll in the **Employee Dental Plans** as a separate dental benefit.

The Employee Dental Plans offer two basic types of plan: the **Dental Expense Plan**, and a selection of **Dental Plan Organizations (DPOs)**. Copayments, deductibles, and coinsurance apply and vary depending on the plan. In addition, the premium cost is shared between the employee and the State. For more information, see the *Employee Dental Plans Member Handbook*.

**Local Government** and **Local Education** employers *have the option of* offering the **Employee Dental Plans**, or *another* dental plan, as a separate dental benefit. Check with your employer for details.

### Retiree Dental Expense Plan

**Retirees** who are eligible for a medical plan are also eligible at the time of retirement for the **Retiree Dental Expense Plan**. Retirees enrolled in the Retiree Dental Expense Plan are responsible for paying the full cost of the coverage for themselves and any covered dependents. For more information, see the *Retiree Dental Expense Plan Member Handbook*.

### New Jersey Division of Pensions and Benefits

#### A Guide To Choosing a Medical Plan

*A Guide to Choosing a Medical Plan* is published for State, municipal, county, and school board employees and retirees who are enrolled in the State Health Benefits Program or School Employees' Health Benefits Program to inform those members about the benefits available through the health benefits programs.

The selections in this publication are for information purposes only and while every attempt at accuracy is made, it cannot be guaranteed. If you have questions or need more detailed information call your health plan directly or contact the Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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## Additional Information

**P**lan handbooks, forms, general benefit information, and plan news, can be found on the Division of Pensions and Benefits Web site at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm)

**For questions about eligibility or enrollment** contact the Division of Pensions and Benefits, Office of Client Services at (609) 292-7524 or by e-mail to: [pensions.nj@treas.state.nj.us](mailto:pensions.nj@treas.state.nj.us)

**For questions about claims or specific plan benefits** contact the medical plan directly. Plan Web addresses and member service telephone numbers are listed in the chart at the top of this page.