

# Health Capsule

The Division of Pensions and Benefits • For County, Municipal, and School Board Employees • Issue 22

## Open Enrollment — Fall 2006

The State Health Benefits Program (SHBP) Open Enrollment for all eligible employees will be held from October 1 through October 31, 2006. This is your annual opportunity to review your medical, prescription drug, and dental plans, and to make any changes. Coverage changes made during this Open Enrollment will be effective on January 1, 2007.

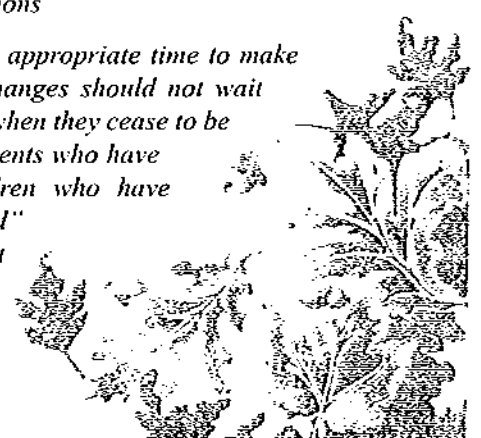
### How to Enroll and/or Make Changes

The Open Enrollment period is your opportunity to review your health insurance coverage to make sure you are enrolled for the benefits and services you need and that the providers you want are available to you. During Open Enrollment you may:

- enroll in any eligible plan offered by the SHBP, if you have not previously done so;
- change to a different medical and/or dental plan (if your employer participates; dental plans require 12 months of participation before you can change plans);
- add eligible dependents you have not previously enrolled (including over age children up to age 30 who are not currently covered or who are reaching the end of COBRA eligibility - see article on page 2);
- drop dependents\*; and
- waive health and (if your employer participates) prescription drug, and/or dental coverage. SHBP dental plans require a minimum of 12 months of participation before you can voluntarily waive coverage.

To enroll or make a change to your coverage, contact your human resources representative or benefits administrator to obtain an application. Completed applications must be returned to your human resources representative or benefits administrator by October 31, 2006 or the deadline established by your benefits office. Do not send applications directly to the SHBP. For more information on the plans offered by the SHBP, visit: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

*\*Although the Open Enrollment is the appropriate time to make certain enrollment modifications, some changes should not wait until then. Dependents should be removed when they cease to be eligible. Examples of this would be dependents who have died, ex-spouses after divorce, or children who have ceased to live with you in a "parent-child" relationship. When a covered dependent ceases to be eligible, see your benefits administrator for the form to update coverage. An application should be submitted within 60 days of ineligibility.*



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## SHBP Coverage for Your Child Over Age 23

An explanation of COBRA for children age 23 and a new law — Chapter 375 which provides SHBP coverage for children up to age 30

**D**o you have a child covered under your health plan who turns age 23 this year? A child who is age 23 as of December 31 will automatically be deleted from your coverage after December 31, 2006. However, your overage child may continue the same group coverage under the provisions of COBRA for up to 36 months. However, if the COBRA period has ended or if the child no longer qualifies for COBRA (see paragraph below for details) coverage can continue under the provisions of Chapter 375, P.L. 2005 — children may elect Chapter 375 coverage with the SHBP until their 30th birthday.

### Continuing Coverage Under COBRA

COBRA is a federally regulated law that gives employees and their eligible dependents the opportunity to remain in an employer's group coverage when they would otherwise lose coverage because of certain qualifying events (such as a child attaining age 23). A child who becomes age 23 during 2006 will automatically be deleted as a "dependent" after December 31, 2006. Under COBRA an over age child will be billed once a month for the COBRA coverage (cost plus a 2 percent administrative charge) and can continue the coverage for up to 36 months. Over age children may enroll in any of the medical, dental, and/or prescription drug plans under which they were eligible.

To ensure receipt of a COBRA notice and application, you must notify your benefits administrator if your child will no longer be eligible for coverage at the end of this year. Your child must submit a completed COBRA application within 60 days of the date your employer provides you with a COBRA notice or 60 days from the date of termination, whichever is later. Rates for the cost of COBRA are available on our Web site at:

[www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm)

### Ineligible for COBRA — SHBP Coverage Up to Age 30

For a child who is turning age 23 this year COBRA is the most cost effective option, but if your child is coming to the end of his or her COBRA coverage period or it is past the window of eligibility to take COBRA coverage, over age children may elect coverage with the SHBP until age 30 under the provisions of Chapter 375, P.L. 2005.

### Eligibility

If qualified, an over age child can continue SHBP coverage until he or she turns age 30 or no longer meets the specific qualifications listed below.

An over age child by blood or by law must meet all of the eligibility requirements:

- is under the age of 30;
- unmarried;
- has no dependent(s) of his or her own;
- is a resident of New Jersey or is a full time student at an accredited public or private institution of higher education; and
- is not provided coverage as a subscriber, insured, enrollee, or covered person under a group or individual health benefits plan, church plan, or entitled to benefits under Medicare.

During calendar year 2007, an eligible child may be enrolled at any time. If the application is received by the 5th of the month, the effective date of coverage will be the first of the following month. Thereafter, a SHBP covered employee may only enroll an over age child who is Chapter 375 eligible during the Annual SHBP Open Enrollment

*(Continued on page 4)*

## Child Over Age 23 with Disabilities

**C**hildren with disabilities who are not married or in a domestic partnership who turn age 23 in 2006 and who are still dependent on you for support, may remain on your health plan upon approval of their disabled status. Requests for the continuation of coverage must be sent to the SHBP by the January 31, 2007 deadline. To apply for an extension of health benefits coverage for a dependent with disabilities, write to the Division of Pensions and Benefits, State Health Benefits Program, PO Box 299, Trenton, NJ 08625-0299 or call (609) 292-7524. Please provide your name, address, and Social Security number, and ask for the *Request for Continuance for Dependent with Disabilities* form.

## New Copayments

Copayments for SHBP medical and prescription drug plans will be changing for local employees. These changes are as follows:



- For NJ PLUS and all HMOs (Aetna, Amerihealth, CIGNA, Health Net and Oxford), the copayment for primary doctor visits and visits to a specialist will increase from \$5 to \$10 as of January 1, 2007.
- The copayments for the Employee Prescription Drug Plan will also be increasing as of January 1, 2007. For each 30 day supply received at a retail pharmacy, the copayments will increase from \$1 to \$3 for generic drugs and from \$5 to \$10 for brand name prescription drugs. Mail order copayments for up to a 90-day supply will increase from \$1 to \$5 for generic drugs and \$5 to \$15 for brand name prescription drugs.

## Current SHBP Publications

All SHBP Open Enrollment information including updated versions of the *SHBP Summary Program Description*, *SHBP Comparison Summary* chart, and rate charts are available online at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm)

We also anticipate revisions to the following publications for the start of the 2007 plan year.

- *NJ PLUS Member Handbook*
- *Traditional Plan Member Handbook*; and
- All HMO plan books

## Changing Your Doctor or Health Plan?

Changing health plans may require changing doctors or changing your doctor may require changing health plans. Whatever your situation may be, it is an important decision that requires some research. There are two sources of information that can help you make an informed choice: the *Unified Provider Directory* (UPD) and the *HMO Performance Report*.

### Find a Doctor

The UPD is an online service that provides information concerning health care providers and facilities that deliver their services through one or more of the SHBP's health care plans. The UPD is available for all areas of New Jersey and Delaware, and the contiguous counties of Pennsylvania and New York. You can search for information two ways:

- by name for a provider or hospital; or
- by entering an address and ZIP Code, find the providers and facilities that are most convenient to you and which health plans they accept.

### Compare HMOs

Are you considering joining or switching to an HMO? Each fall the New Jersey Department of Health and Senior Services releases its *New Jersey HMO Performance Report: Compare Your Choices*. The report provides information on how HMOs in the State are performing in providing quality care and how each HMO's own members regard the plan. The full 2005 report is available on the SHBP Web site that is provided at the end of this article. The 2006 report will be made available in late fall of 2006. To get a copy of the full performance report by mail, contact the New Jersey Department of Health and Senior Services, Office of Managed Care, PO Box 360, Trenton, NJ 08625-0360, or call 1-800-418-1397.

### How to Obtain These Planning Tools

Both the UPD and the *HMO Performance Report* can be found on our Web page at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm) and can be accessed by clicking on the "Quick Links to SHBP Information" pull down menu.

# Proposed Elimination of Duplicate Coverage

At a special meeting of the State Health Benefits Commission on September 5, 2006, the Commission approved the publication of a proposed change to the New Jersey Administrative Code to prohibit duplicate health coverage under the SHBP. There will be a 60-day period for public comment. If the Commission approves the rule change following the public comment period, an individual covered under the SHBP will be permitted to have coverage as member or a dependent, but not as both. For example, if a husband and wife are both eligible for coverage under the SHBP as employees, each may elect single coverage or one may elect member/spouse coverage (covering the spouse as a dependent) provided that the spouse does not elect his or her own SHBP coverage. Qualified dependent children are only eligible for coverage under one parent. If approved, employees who are covered under the SHBP as an employee and a dependant can expect to receive notification from the SHBP that they must terminate one of the coverages. The effective date of coverage termination will be in early 2007.

## HIPAA Notice for 2006

The federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires group health plans to implement several provisions contained within the law to annually notify its membership of any provisions for which they file an exemption.

For plan year 2006, all SHBP health plans meet or exceed the federal requirements, with the exception of mental health parity for the Traditional Plan and NJ PLUS. The State Health Benefits Commission filed an exemption from the area of mental health parity for non-biologically based mental illness with the federal Centers for Medicare and Medicaid Services for calendar year 2006 for the Traditional Plan and NJ PLUS. The maximum annual and lifetime dollar limits for mental health benefits under the Traditional Plan and NJ PLUS will not change. These limitations are outlined in the *SHBP Summary Program Description*.

### SHBP Coverage for Your Child Over Age 23 *(continued from page 2)*

period — held during the month of October. Coverage for the over age child would begin in January with the start of the benefit plan year.

### Enrollment and Cost Information

The SHBP covered parent is responsible for the full cost of this extended coverage and will be billed on a monthly basis. An over age child is eligible for coverage only in the medical and/or prescription drug plan that is identical to the plan in which the parent is enrolled. There are no dental or vision benefits. You can obtain the rates for Chapter 375 coverage by visiting our Web site at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm)

In order to enroll, you must complete a *Chapter 375 Enrollment Application* which will be available on our Web site for the Open Enrollment. You may also obtain an application during the Open Enrollment by calling the Division of Pensions and Benefits at (609) 292-7524. The application for over age children must be signed by both the over age child and parent responsible for paying for the cost of coverage.

New Jersey State  
**Health Capsule**  
 Division of Pensions  
 and Benefits  
 (609) 292-7524

*Health Capsule* is published periodically for municipal, county and school board employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health and prescription benefits and will include articles on new or proposed legislation, New Jersey Administrative Code changes, decisions of the State Health Benefits Commission, and national issues affecting our 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 would like to see any particular health benefits issue addressed, please forward your ideas to *Health Capsule*, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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