

[First Reprint]

ASSEMBLY, No. 20

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 25, 2020

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblywoman BETTYLOU DECROCE

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

Assemblymen McKeon, Johnson, Daniels, Assemblywoman Carter,

Assemblymen Freiman, Scharfenberger, Assemblywoman Swain,

Assemblyman Tully, Assemblywoman Quijano, Assemblyman Bramnick,

Assemblywomen N.Munoz, Dunn and Assemblyman Greenwald

SYNOPSIS

Requires SEHBP and eligible employers that do not participate in the SEHBP to provide certain plans for public education employees and certain public education retirees.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 25, 2020, with amendments.

(Sponsorship Updated As Of: 6/29/2020)

1 AN ACT concerning the health care benefits plans provided by the
 2 School Employees' Health Benefits Program and eligible
 3 employers that do not participate in the program, and
 4 supplementing P.L.2007, c.103 (C.52:14-17.46.1 et seq.) and
 5 P.L.1979, c.391 (C.18A:16-12 et seq.).

6
 7 **BE IT ENACTED** by the Senate and General Assembly of the State
 8 of New Jersey:

9
 10 1. This section shall apply to the School Employees' Health
 11 Benefits Program (SEHBP) and to those employers defined
 12 pursuant to section 32 of P.L.2007, c.103 (C.52:14-17.46.2) that
 13 participate in the program.

14 a. ¹**[**Notwithstanding the provisions of any other law, rule, or
 15 regulation to the contrary, each plan year for the School Employees'
 16 Health Benefits Program shall commence on each July 1 and end on
 17 June 30 of the following year, commencing on July 1, 2020 and on
 18 each July 1 thereafter.

19 b. ¹**]** (1) Notwithstanding the provisions of any other law, rule,
 20 or regulation to the contrary, beginning with the plan year that
 21 commences ¹**[**July 1, 2020**]** January 1, 2021¹ and for each plan year
 22 thereafter, the School Employees' Health Benefits Program shall
 23 offer only three plans that provide medical and prescription drug
 24 benefits for employees, and retirees who are not Medicare-eligible,
 25 and their dependents if any. All other plans offered prior to ¹**[**July
 26 1, 2020**]** January 1, 2021¹ for employees, and retirees who are not
 27 Medicare-eligible, and their dependents if any, shall be terminated.

28 The three plans shall be the New Jersey Educators Health Plan as
 29 developed by the School Employees' Health Benefits Plan Design
 30 Committee in accordance with subsection ¹**[**g.**]** f.¹ of this section
 31 ¹which sets forth the plan design of the New Jersey Educators
 32 Health Plan¹; the SEHBP NJ Direct 10 plan as adopted and
 33 implemented by the School Employees' Health Benefits
 34 Commission for the plan year that began January 1, 2020; and the
 35 SEHBP NJ Direct 15 plan as adopted and implemented by the
 36 School Employees' Health Benefits Commission for the plan year
 37 that began January 1, 2020.

38 ¹Employers that participate in the School Employees' Health
 39 Benefits Program shall retain the ability to enter the program for
 40 medical only plans and may separately purchase pharmacy and
 41 dental benefits outside of the program without limitation or
 42 restriction.¹

43 (2) Only the plans set forth in this section shall be offered by the
 44 program regardless of any collective negotiations agreement
 45 between a participating employer and its employees in effect on the

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:

¹Assembly AAP committee amendments adopted June 25, 2020.

1 effective date of this act, P.L. , c. (pending before the
 2 Legislature as this bill), that provides for enrollment in other plans
 3 that were offered by the program prior to ¹**July 1, 2020** January 1,
 4 2021¹.

5 ¹**[(3)** The School Employees' Health Benefits Commission
 6 may delay the date of implementation of plan offerings, plan
 7 terminations, and enrollments as set forth in this section until a date
 8 after July 1, 2020, but not later than August 1, 2020, if the
 9 commission deems the delay to be necessary. The commission may
 10 delay implementation until a date, as soon as possible, after July 1,
 11 2020 by which date the commission determines that implementation
 12 will be practicable. The commission shall state in writing the
 13 reasons for the delay. Under no circumstances shall implementation
 14 occur later than August 1, 2020.

15 c.] b.¹ Prior to ¹**July 1, 2020** January 1, 2021¹, the
 16 program, through the Division of Pensions and Benefits in the
 17 Department of the Treasury, shall provide for ¹**[a special]** an¹
 18 enrollment period during which all employees ¹who commenced
 19 employment prior to the effective date of this act¹ shall be required
 20 to select affirmatively one of the three plans specified in subsection
 21 ¹**[b.] a.**¹ of this section. If an employee fails to select affirmatively
 22 a plan during this ¹**[special]**¹ enrollment period, the program shall
 23 enroll the employee, and the employee's dependents if any, in the
 24 New Jersey Educators Health Plan for the plan year beginning
 25 ¹**July 1, 2020 and ending June 30, 2021** January 1, 2021 and
 26 ending December 31, 2021¹.

27 During the ¹**[special]**¹ enrollment period, any person who is
 28 enrolled in a plan offered by the program and who is paying the full
 29 cost of health care benefits coverage shall also be required to select
 30 affirmatively one of the three plans specified in subsection ¹**[b.] a.**¹
 31 of this section. If a person fails to select affirmatively a plan during
 32 this ¹**[special]**¹ enrollment period, the program shall enroll the
 33 person, and the person's dependents if any, in the New Jersey
 34 Educators Health Plan for the plan year beginning ¹**July 1, 2020**
 35 and ending June 30, 2021 January 1, 2021 and ending December
 36 31, 2021¹. Any such person shall continue to pay the full cost of
 37 coverage and shall not be subject to the contribution schedule or
 38 any mandatory enrollment period as set forth in this section and
 39 section 2 of this act.

40 ¹**[d.] c.**¹ (1) ¹**[An]** Beginning on January 1, 2021, an¹
 41 employee commencing employment on or after ¹**July 1, 2020** the
 42 effective date of this act¹ but before ¹**July 1, 2027** January 1,
 43 2028¹ who does not waive coverage shall be enrolled by the
 44 program, with the employee's dependents if any, in the New Jersey
 45 Educators Health Plan ¹, or the Garden State Health Plan if selected
 46 by the employee¹. The employee shall remain enrolled in ¹**[that**

1 plan either the New Jersey Educators Health Plan or the Garden
2 State Health Plan selected by the employee at the annual open
3 enrollment¹ for each plan year through the plan year that ends
4 ¹June 30, 2027 December 31, 2027, provided that the employee
5 during this period may waive coverage as an employee and select
6 and change the type of coverage received under the plan following a
7 qualifying life event, in accordance with the program regulations¹.

8 For the plan year beginning ¹July 1, 2027 January 1, 2028¹, the
9 employee may select, during any open enrollment period or at such
10 other times or under such conditions as the program may provide,
11 any plan offered by the program.

12 (2) For the plan year beginning ¹July 1, 2020 January 1,
13 2021¹, the program shall enroll a retiree who is not Medicare-
14 eligible, and the retiree's dependents if any, in the New Jersey
15 Educators Health Plan for health care benefits coverage as a retiree,
16 if the retiree does not waive coverage. The retiree shall remain
17 enrolled in that plan for each plan year through the plan year that
18 ends ¹June 30, 2027 December 31, 2027¹ or until the retiree
19 becomes eligible for Medicare, whichever comes first. The retiree
20 who becomes eligible for Medicare shall no longer be eligible for
21 enrollment in the New Jersey Educators Health Plan¹, except that
22 any dependent of the retiree who is not eligible for Medicare may
23 remain eligible for coverage under the New Jersey Educators Health
24 Plan¹. For the plan year beginning ¹July 1, 2027 January 1,
25 2028¹, that retiree who is not Medicare-eligible may select, during
26 any open enrollment period or at such other times or under such
27 conditions as the program may provide, any plan offered by the
28 program.

29 (3) Except as otherwise provided in this subsection or
30 subsection ¹[c.] b.¹ of this section, selection of a plan shall be at
31 the sole discretion of the employee or retiree who is not Medicare-
32 eligible.

33 ¹[e.] d.¹ Beginning ¹[with the plan year that commences]¹
34 July 1, 2021 and for each plan year thereafter, the program shall
35 offer a fourth plan to be called the Garden State Health Plan. The
36 plan shall be developed by the School Employees' Health Benefits
37 Plan Design Committee. If the committee does not adopt a design
38 for the Garden State Health Plan by December 31, 2020, the
39 Division of Pensions and Benefits in the Department of the
40 Treasury shall develop the Garden State Health Plan.

41 The Garden State Health Plan shall provide medical and
42 prescription drug benefits that are equivalent to the level of medical
43 and prescription drug benefits provided by the New Jersey
44 Educators Health Plan, except that the benefits under the Garden
45 State Health Plan shall be available only from providers located in
46 the State of New Jersey.

1 Access to a service provider that is located outside of the State
2 shall be available only under such 'terms,' conditions, restrictions,
3 and limitations as the plan design committee or the division, as
4 appropriate, shall provide 'in the plan governing documents'.
5 'Employers that participate in the School Employees' Health
6 Benefits Program shall retain the ability to enter the program for
7 medical only plans and may separately purchase pharmacy and
8 dental benefits outside of the program without limitation or
9 restriction.'
10 '[f.] e.' The '[level of benefits in] plan design of' the New
11 Jersey Educators Health Plan, the Garden State Health Plan, the NJ
12 Direct 10 plan, and the NJ Direct 15 plan as those '[plans] plan
13 designs' are specified in subsection '[b., e., and g.] a., d., and f.' of
14 this section shall remain unchanged until '[June 30, 2027]
15 December 31, 2027'. No change in the '[level of benefits in] plan
16 design of' those plans shall be made before that date unless such a
17 change 'in plan design' is required by federal or State law to
18 governmental health care benefits plans or to both governmental
19 and non-governmental health care benefits plans.
20 For the plan year that commences '[July 1, 2027] January 1,
21 2028' and for each plan year thereafter, the '[level of benefits in]
22 plan design of' the New Jersey Educators Health Plan, the Garden
23 State Health Plan, the NJ Direct 10 plan, and the NJ Direct 15 plan
24 as those '[plans] plan designs' are specified in subsection '[b., e.,
25 and g.] a., d., and f.' of this section may be modified by the School
26 Employees' Health Benefits Plan Design Committee.
27 'Modifications to plan design of the plans set forth in this section
28 made by the School Employees' Health Benefits Plan Design
29 Committee or the State Treasurer pursuant to section 7 of this act
30 shall be implemented by the program for the purposes of this
31 section commencing January 1, 2024.'
32 '[g.] f.' The '[benefits in] plan design of' the New Jersey
33 Educators Health Plan shall '[include] be' the following:

In Network Benefits	Coverage
Member Coinsurance:	10%, Applies Only to Emergency Transportation Care and Durable Medical Equipment
Deductible:	N/A
Out-of-Pocket Maximum:	\$500 Single/ \$1,000 Family (covers all <u>'in network'</u> copayments, coinsurance,

and deductible)

Emergency Room Copayment: \$125 (To be Waived if Admitted)

PCP Office Visit Copayment: \$10

Specialist Office Visit Copayment \$15

Out-of-Network Benefits Coverage

Member Coinsurance: 30% of the Out-of-Network Fee Schedule

Deductible: \$350 / \$700

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

Pharmacy

Out-of-Pocket Maximum: \$1,600 Single / \$3,200 Family (Indexed Annually Pursuant to Federal Law)

Generic Copayment: \$5 Retail 30 Day Supply / \$10 Mail 90 Day Supply

Brand Copayment: \$10 Retail 30 Day Supply/ \$20 Mail 90 Day Supply

Mandatory Generic: Member Pays Difference in Cost Between Generic and Brand, Plus Brand Copayment

Formulary: ¹**['PBM's']¹** Closed Formulary ¹as contracted with the Pharmacy Benefit Manager and the School Employees' Health Benefits Commission¹

Other

Chiropractic, Physical Therapy, and Acupuncture: Subject to 'the same' Out-of-Network Limits as for the State Health Benefits Program 'as were in effect on June 1, 2020' to take effect as of '[April] July' 1, 2020, or as soon thereafter as reasonably practicable.

1

2 Under a patient centered medical home model, there shall be no
3 office visit copay for primary care for participants who select and
4 '[lock into] commit to' a patient centered medical home for
5 primary care 'in accordance with plan rules and regulations'.
6

6

7 '[h.] g.' Any plan offered by the School Employees' Health
8 Benefits Program shall require that chiropractic, physical therapy,
9 and acupuncture benefits shall be subject to the same out-of-
10 network limits as for the State Health Benefits Program that '[are]
11 were in effect on June 1, 2020' to take effect as of '[April] July' 1,
12 2020 or as soon thereafter as reasonably practicable.
13

13

14 2. a. Each employee, and retiree who is not Medicare-eligible
15 and who is required by another provision of law to contribute in
16 retirement toward the cost of health care benefits coverage under
17 the program, shall contribute annually toward the cost of health care
18 benefits coverage for the employee and retiree, and dependents if
19 any, under the New Jersey Educators Health Plan offered by the
20 School Employees' Health Benefits Program an amount equal to a
21 percentage of the employee's annual base salary or retiree's annual
22 retirement allowance¹, including any cost of living adjustments to
23 that allowance'. The contribution shall be withheld by the
24 employer from the salary of the employee or by the retirement
25 system from the retirement allowance¹, including any cost of living
26 adjustments to that allowance.' of the retiree who is not Medicare-
27 eligible. The percent to be contributed shall be as follows 'with the
28 retirement allowance including any cost of living adjustments to
29 that allowance':
30

30

31 For Base Salary or Retirement Allowance of \$40,000 or Less: 1.7%
32 for Single Coverage; 2.2% for Parent and Child(ren) Coverage;
33 2.8% for Employee and Spouse Coverage; and 3.3% for Family
34 Coverage

1 For Base Salary or Retirement Allowance of more than \$40,000 to
2 \$50,000: 1.9% for Single Coverage; 2.5% for Parent and Child(ren)
3 Coverage; 3.3% for Employee and Spouse Coverage; and 3.9% for
4 Family Coverage

5

6 For Base Salary or Retirement Allowance of more than \$50,000 to
7 \$60,000: 2.2% for Single Coverage; 2.8% for Parent and Child(ren)
8 Coverage; 3.9% for Employee and Spouse Coverage; and 4.4% for
9 Family Coverage

10

11 For Base Salary or Retirement Allowance of more than \$60,000 to
12 \$70,000: 2.5% for Single Coverage; 3% for Parent and Child(ren)
13 Coverage; 4.4% for Employee and Spouse Coverage; and 5% for
14 Family Coverage

15

16 For Base Salary or Retirement Allowance of more than \$70,000 to
17 \$80,000: 2.8% for Single Coverage; 3.3% for Parent and Child(ren)
18 Coverage; 5% for Employee and Spouse Coverage; and 5.5% for
19 Family Coverage

20

21 For Base Salary or Retirement Allowance of more than \$80,000 to
22 \$90,000: 3% for Single Coverage; 3.6% for Parent and Child(ren)
23 Coverage; 5.5% for Employee and Spouse Coverage; and 6% for
24 Family Coverage

25

26 For Base Salary or Retirement Allowance of more than \$90,000 to
27 \$100,000: 3.3% for Single Coverage; 3.9% for Parent and
28 Child(ren) Coverage; 6% for Employee and Spouse Coverage; and
29 6.6% for Family Coverage

30

31 For Base Salary or Retirement Allowance of more than \$100,000 to
32 \$125,000: 3.6% for Single Coverage; 4.4% for Parent and
33 Child(ren) Coverage; 6.6% for Employee and Spouse Coverage;
34 and 7.2% for Family Coverage

35

36 When the base salary or retirement allowance is more than
37 \$125,000, the percent to be contributed shall be the same as for a
38 base salary or retirement allowance of \$125,000.

39

40 b. Each employee, and retiree who is not Medicare-eligible and
41 who is required by another provision of law to contribute in
42 retirement toward the cost of health care benefits coverage under
43 the program, shall contribute annually toward the cost of health care
44 benefits coverage for the employee and retiree, and dependents if
45 any, under the Garden State Health Plan offered by the School
46 Employees' Health Benefits Program an amount equal to a
47 percentage of the employee's annual salary or retiree's annual
48 retirement allowance¹, including any cost of living adjustments to

1 that allowance¹. The contribution shall be withheld by the
2 employer from the salary of the employee or by the retirement
3 system from the retirement allowance¹, including any cost of living
4 adjustments to that allowance,¹ of the retiree who is not Medicare-
5 eligible. The percent to be contributed shall be one-half of the
6 percentage set forth in subsection a. of this section for the salary or
7 retirement allowance range and type of coverage, except that the
8 contribution specified in this subsection shall not be less than the
9 minimum annual contribution for health care benefits coverage of
10 1.5% of salary or retirement allowance¹, including any cost of
11 living adjustments to that allowance,¹ as required by law.

12 c. (1) An employee enrolled in the New Jersey Educators
13 Health Plan or the Garden State Health Plan shall be required to pay
14 only the contribution specified in subsection a. or b. of this section,
15 notwithstanding any other provision of law, rule, or regulation to
16 the contrary requiring contributions by employees toward the cost
17 of health care benefits coverage under the program, except as
18 provided in subsection b. of this section. No other contribution may
19 be required by collective negotiations agreement, except as set forth
20 in subsection h. of this section.

21 (2) Only those retirees who are not Medicare-eligible and who
22 are required by another provision of law to contribute in retirement
23 toward the cost of health care coverage under the program shall be
24 required to pay the contribution specified in subsection a. or b. of
25 this section for coverage under the New Jersey Educators Health
26 Plan or the Garden State Health Plan.

27 A retiree who is not Medicare-eligible, who is enrolled in the
28 New Jersey Educators Health Plan or the Garden State Health Plan,
29 and who is required by another provision of law to contribute in
30 retirement toward the cost of health care coverage under the
31 program shall be required to pay only the contribution specified in
32 subsection a. or b. of this section, notwithstanding the provisions of
33 section 77 of P.L.2011, c.78 (C.52:14-17.28e), section 3 of
34 P.L.1987, c.384 (C.52:14-17.32f), section 2 of P.L.1992, c.126
35 (C.52:14-17.32f1), or section 1 of P.L.1995, c.357 (C.52:14-
36 17.32f2) to the contrary requiring contributions by retirees toward
37 the cost of health care benefits coverage under the program, except
38 as provided in subsection b. of this section.

39 d. Employees who are not enrolled in the New Jersey
40 Educators Health Plan or the Garden State Health Plan shall
41 continue, after the effective date of this act, P.L. , c. (pending
42 before the Legislature as this bill), to contribute to health care
43 benefits coverage and those contributions shall be determined in
44 accordance with what is permitted or required by provisions of law.

45 An employee who is enrolled in a plan other than the New Jersey
46 Educators Health Plan or the Garden State Health Plan shall be
47 required to contribute toward the cost of health care benefits

1 coverage under the program (a) in accordance with a collective
2 negotiations agreement applicable to that employee as negotiated
3 prior to or after the effective date of this act, P.L. , c. (pending
4 before the Legislature as this bill), pursuant to the requirements that
5 were set forth in law on the day next preceding that effective date;
6 (b) as may be required at the discretion of the employer; or (c) as
7 required by a provision of law, whichever is applicable to that
8 employee.

9 With regard to contributions by an employee who is enrolled in a
10 plan other than the New Jersey Educators Health Plan or the Garden
11 State Health Plan, no provision in this section shall be deemed to
12 modify, alter, impair, or terminate the requirement in sections 77
13 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-17.28e), as
14 applicable, that a public employer and employees who were in
15 negotiations for the collective negotiations agreement to be
16 executed after the employees in that unit had reached full
17 implementation of the premium share set forth in section 39 of
18 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations
19 concerning contributions for health care benefits as if the full
20 premium share was included in the prior contract. Nothing in this
21 act shall be deemed to modify, alter, impair, or terminate the
22 continued compliance after the effective date of this act with that
23 requirement for negotiations for any collections negotiations
24 agreement for employee contributions for plans other than the New
25 Jersey Educators Health Plan or the Garden State Health Plan.

26 e. For an employee, the annual base salary paid by the
27 employer for the position held by the employee shall be used to
28 identify the percentage to be used to calculate the annual
29 contribution required under subsections a. and b. of section 2 of this
30 act. For a retiree who is not Medicare-eligible, the annual
31 retirement allowance¹, including any cost of living adjustments to
32 that allowance,¹ received by the retiree shall be used to identify the
33 percentage to be used to calculate the annual contribution required
34 under subsections a. and b. of section 2 of this act.

35 f. The annual contribution by an employee or a retiree who is
36 not Medicare-eligible as calculated in accordance with subsection a.
37 or b. of this section shall not exceed the amount as calculated in
38 accordance with section 4 of this act, P.L. , c. (C.)(pending
39 before the Legislature as this bill).

40 g. The contributions required by this section shall apply to
41 employees for whom the employer has assumed a health care
42 benefits payment obligation, to require that such employees pay the
43 amount of contribution specified in this section for health care
44 benefits coverage. The contributions required by this section shall
45 apply to retirees for whom the State has assumed a health care
46 benefits payment obligation but who are required by law to
47 contribute toward the cost of health care benefits coverage under
48 the program, to require that such retirees pay the amount of

1 contribution specified in this section for health care benefits
2 coverage.

3 h. For the plan year that commences on ¹~~July 1, 2027~~
4 January 1, 2028¹ and for each plan year thereafter, the contributions
5 required pursuant to subsections a. and b. of this section for
6 employees enrolled in the New Jersey Educators Health Plan or the
7 Garden State Health Plan may be modified through collective
8 negotiations agreements entered into between the employers who
9 participate in the School Employees' Health Benefits Program and
10 their employees. The contributions required pursuant to subsections
11 a. and b. of this section shall become part of the parties' collective
12 negotiations and shall then be subject to collective negotiations in a
13 manner similar to other negotiable items between the parties.
14 Negotiations concerning contributions for health care benefits shall
15 be conducted as if the contributions required pursuant to
16 subsections a. and b. of this section were included in the prior
17 contract. The contribution scheme of percentage of base salary set
18 forth in those subsections may be modified or a new contribution
19 scheme or method other than a percentage of salary may be
20 provided for in accordance with a collective negotiations
21 agreement.

22 ¹i. Modifications to the contribution rates set forth in this
23 section made by the School Employees' Health Benefits Plan
24 Design Committee or the State Treasurer pursuant to section 7 of
25 this act shall be implemented by the program for the purposes of
26 this section commencing January 1, 2024.¹
27

28 3. a. The School Employees' Health Benefits Commission
29 shall prepare, in coordination with the Division of Pensions and
30 Benefits in the Department of the Treasury, a guidance tool to
31 provide employees and retirees who ¹~~is~~ are¹ not Medicare-
32 eligible with confidential consultations online with regard to the
33 employee's or retiree's decision to select a plan during a period of
34 open enrollment or at other times. The guidance tool shall operate
35 using information supplied by the employee or retiree as answers to
36 questions concerning the health care needs of the employee or
37 retiree, and the employee's or retiree's dependents if any.

38 b. ¹~~The School Employees' Health Benefits Plan Design~~
39 ~~Committee shall develop a~~ ¹A¹ comprehensive health and wellness
40 plan intended to provide biometric screening services, chronic
41 condition coaching services, and smoking cessation services ¹~~shall~~
42 be available to all members of the School Employees' Health
43 Benefits Program, including all members of the New Jersey
44 Educators Health Plan and the Garden State Health Plan¹.

45 The School Employees' Health Benefits Commission shall
46 provide, through a contract, for the services of wellness related
47 providers for employees and retirees, and their dependents if any,

1 enrolled in the program. The contract awarded by the commission
2 shall ¹~~provide access to those services for~~ be offered to¹
3 employers, as defined in section 32 of P.L.2007, c.103 (C.52:14-
4 17.46.2), who do not participate in the program so that their
5 employees may have access to the same services and under same
6 terms, conditions, and costs as the employees of employers who do
7 participate.

8 The School Employees' Health Benefits Program shall promote,
9 on an on-going basis, the expansion of the use of patient centered
10 medical homes.

11 The School Employees' Health Benefits Plan Design Committee
12 shall seek also to adopt, on an on-going basis, efforts and measures
13 to support expanded population health arrangements that manage
14 costs and prevent inappropriate utilization.

15 c. All provisions of law regarding the School Employees'
16 Health Benefits Program shall remain applicable to the extent not
17 inconsistent with, and shall not be interpreted in a manner that
18 creates a direct impediment to the implementation of, this section
19 and sections 1, 2, and 4 of this act, P.L. , c. (C.)(pending
20 before the Legislature as this bill).

21
22 4. For employees and retirees who are not Medicare-eligible
23 who are required to make a contribution pursuant to subsection a. or
24 b. of section 2, or subsection d. of section 5, of this act, P.L. ,
25 c. (C.)(pending before the Legislature as this bill), due to
26 enrollment in the New Jersey Educators Health Plan or the Garden
27 State Health Plan, or the equivalent plan, as appropriate, a
28 calculation shall be made in accordance with this section. The
29 employee or retiree shall be required to contribute the lesser of: the
30 amount calculated for that employee or retiree in accordance with
31 subsection a. or b. of section 2, or in accordance subsection d. of
32 section 5, of this act, as appropriate; or the amount calculated for
33 that employee or retiree in accordance with this section.

34
35 for family coverage or its equivalent -

36 an employee or retiree who earns less than \$25,000 shall pay 3
37 percent of the cost of coverage;

38 an employee or retiree who earns \$25,000 or more but less than
39 \$30,000 shall pay 4 percent of the cost of coverage;

40 an employee or retiree who earns \$30,000 or more but less than
41 \$35,000 shall pay 5 percent of the cost of coverage;

42 an employee or retiree who earns \$35,000 or more but less than
43 \$40,000 shall pay 6 percent of the cost of coverage;

44 an employee or retiree who earns \$40,000 or more but less than
45 \$45,000 shall pay 7 percent of the cost of coverage;

46 an employee or retiree who earns \$45,000 or more but less than
47 \$50,000 shall pay 9 percent of the cost of coverage;

1 an employee or retiree who earns \$50,000 or more but less than
 2 \$55,000 shall pay 12 percent of the cost of coverage;
 3 an employee or retiree who earns \$55,000 or more but less than
 4 \$60,000 shall pay 14 percent of the cost of coverage;
 5 an employee or retiree who earns \$60,000 or more but less than
 6 \$65,000 shall pay 17 percent of the cost of coverage;
 7 an employee or retiree who earns \$65,000 or more but less than
 8 \$70,000 shall pay 19 percent of the cost of coverage;
 9 an employee or retiree who earns \$70,000 or more but less than
 10 \$75,000 shall pay 22 percent of the cost of coverage;
 11 an employee or retiree who earns \$75,000 or more but less than
 12 \$80,000 shall pay 23 percent of the cost of coverage;
 13 an employee or retiree who earns \$80,000 or more but less than
 14 \$85,000 shall pay 24 percent of the cost of coverage;
 15 an employee or retiree who earns \$85,000 or more but less than
 16 \$90,000 shall pay 26 percent of the cost of coverage;
 17 an employee or retiree who earns \$90,000 or more but less than
 18 \$95,000 shall pay 28 percent of the cost of coverage;
 19 an employee or retiree who earns \$95,000 or more but less than
 20 \$100,000 shall pay 29 percent of the cost of coverage;
 21 an employee or retiree who earns \$100,000 or more but less than
 22 \$110,000 shall pay 32 percent of the cost of coverage;
 23 an employee or retiree who earns \$110,000 or more shall pay 35
 24 percent of the cost of coverage
 25
 26 for individual coverage or its equivalent -
 27 an employee or retiree who earns less than \$20,000 shall pay 4.5
 28 percent of the cost of coverage;
 29 an employee or retiree who earns \$20,000 or more but less than
 30 \$25,000 shall pay 5.5 percent of the cost of coverage;
 31 an employee or retiree who earns \$25,000 or more but less than
 32 \$30,000 shall pay 7.5 percent of the cost of coverage;
 33 an employee or retiree who earns \$30,000 or more but less than
 34 \$35,000 shall pay 10 percent of the cost of coverage;
 35 an employee or retiree who earns \$35,000 or more but less than
 36 \$40,000 shall pay 11 percent of the cost of coverage;
 37 an employee or retiree who earns \$40,000 or more but less than
 38 \$45,000 shall pay 12 percent of the cost of coverage;
 39 an employee or retiree who earns \$45,000 or more but less than
 40 \$50,000 shall pay 14 percent of the cost of coverage;
 41 an employee or retiree who earns \$50,000 or more but less than
 42 \$55,000 shall pay 20 percent of the cost of coverage;
 43 an employee or retiree who earns \$55,000 or more but less than
 44 \$60,000 shall pay 23 percent of the cost of coverage;
 45 an employee or retiree who earns \$60,000 or more but less than
 46 \$65,000 shall pay 27 percent of the cost of coverage;
 47 an employee or retiree who earns \$65,000 or more but less than
 48 \$70,000 shall pay 29 percent of the cost of coverage;

1 an employee or retiree who earns \$70,000 or more but less than
2 \$75,000 shall pay 32 percent of the cost of coverage;

3 an employee or retiree who earns \$75,000 or more but less than
4 \$80,000 shall pay 33 percent of the cost of coverage;

5 an employee or retiree who earns \$80,000 or more but less than
6 \$95,000 shall pay 34 percent of the cost of coverage;

7 an employee or retiree who earns \$95,000 or more shall pay 35
8 percent of the cost of coverage;

9
10 for member with child or spouse coverage or its equivalent -

11 an employee or retiree who earns less than \$25,000 shall pay 3.5
12 percent of the cost of coverage;

13 an employee or retiree who earns \$25,000 or more but less than
14 \$30,000 shall pay 4.5 percent of the cost of coverage;

15 an employee or retiree who earns \$30,000 or more but less than
16 \$35,000 shall pay 6 percent of the cost of coverage;

17 an employee or retiree who earns \$35,000 or more but less than
18 \$40,000 shall pay 7 percent of the cost of coverage;

19 an employee or retiree who earns \$40,000 or more but less than
20 \$45,000 shall pay 8 percent of the cost of coverage;

21 an employee or retiree who earns \$45,000 or more but less than
22 \$50,000 shall pay 10 percent of the cost of coverage;

23 an employee or retiree who earns \$50,000 or more but less than
24 \$55,000 shall pay 15 percent of the cost of coverage;

25 an employee or retiree who earns \$55,000 or more but less than
26 \$60,000 shall pay 17 percent of the cost of coverage;

27 an employee or retiree who earns \$60,000 or more but less than
28 \$65,000 shall pay 21 percent of the cost of coverage;

29 an employee or retiree who earns \$65,000 or more but less than
30 \$70,000 shall pay 23 percent of the cost of coverage;

31 an employee or retiree who earns \$70,000 or more but less than
32 \$75,000 shall pay 26 percent of the cost of coverage;

33 an employee or retiree who earns \$75,000 or more but less than
34 \$80,000 shall pay 27 percent of the cost of coverage;

35 an employee or retiree who earns \$80,000 or more but less than
36 \$85,000 shall pay 28 percent of the cost of coverage;

37 an employee or retiree who earns \$85,000 or more but less than
38 \$100,000 shall pay 30 percent of the cost of coverage.

39 an employee or retiree who earns \$100,000 or more shall pay 35
40 percent of the cost of coverage.

41
42 The annual base salary of an employee shall be used to
43 determine what the employee earns for the purpose of determining
44 the percent of the cost of coverage. The annual retirement
45 allowance¹, including any cost of living adjustments to that
46 allowance,¹ of a retiree who is not Medicare-eligible shall be used
47 to determine what the retiree earns for the purpose of determining
48 the percent of the cost of coverage.

1 As used in this section, "cost of coverage" means the premium or
2 periodic charges for medical and prescription drug plan coverage,
3 but not for dental, vision, or other health care, provided: (1) under
4 the New Jersey Educators Health Plan or the Garden State Health
5 Plan offered by the School Employees' Health Benefits Program
6 pursuant to section 1 of P.L. , c. (C.)(pending before the
7 Legislature as this bill); or (2) under the equivalent New Jersey
8 Educators Health Plan or the equivalent Garden State Health Plan
9 offered by an employer pursuant to section 5 of
10 P.L. c. (C. (pending before the Legislature as this bill)
11 when that employer is not a participant in the School Employees'
12 Health Benefits Program.

13
14 5. This section shall apply to local boards of education and
15 employers, as specified in subsection j. of this section, who do not
16 participate in the School Employees' Health Benefits Program.

17 a. (1) Notwithstanding the provisions of any other law, rule, or
18 regulation to the contrary, beginning ¹~~July 1, 2020~~ January 1,
19 2021¹ and for each plan year thereafter, a board of education as an
20 employer providing health care benefits coverage for its employees,
21 and their dependents if any, in accordance with P.L.1979, c.391
22 (C.18A:16-12 et seq.) shall offer to its employees, and their
23 dependents if any, the equivalent of the New Jersey Educators
24 Health Plan in the School Employees' Health Benefits Program as
25 that plan ¹design¹ is described in ¹subsection f. of¹ section 1 of
26 P.L. , c. (C.)(pending before the Legislature as this bill).

27 Beginning July 1, 2021 and for each plan year thereafter, a board
28 of education as an employer providing health care benefits coverage
29 for its employees, and their dependents if any, in accordance with
30 P.L.1979, c.391 (C.18A:16-12 et seq.) shall also offer a plan for its
31 employees, and their dependents if any, that is the equivalent of the
32 Garden State Health Plan in the School Employees' Health Benefits
33 Program.

34 (2) The plans under this section shall be offered by the employer
35 regardless of any collective negotiations agreement between the
36 employer and its employees in effect on the effective date of this
37 act, P.L. , c. (pending before the Legislature as this bill), that
38 provides for enrollment in other plans offered by the employer.

39 No new health care benefits plans, other than those specified in
40 paragraph (1) of this subsection, shall be added by the employer
41 from ¹~~July 1, 2020 through June 30, 2027~~ January 1, 2021
42 through December 31, 2027¹ unless the provisions of any collective
43 negotiations agreement entered into before or after the effective
44 date of this act, P.L. , c. (pending before the Legislature as
45 this bill), result in additional premium cost reductions. Nothing in
46 this section shall prohibit an employer from offering health care
47 benefits plans that existed prior to the effective date of this act.

1 (3) Commencing ¹~~July 1, 2027~~ January 1, 2028¹, the
2 employer may offer such other plans as may be required in
3 accordance with any collective negotiations agreement between the
4 employer and its employees.

5 ¹~~[(4)~~ An employer may delay implementation of plan
6 offerings and enrollments as set forth in this section until a date
7 after July 1, 2020, but not later than August 1, 2020, if the employer
8 deems the delay to be necessary. The employer may delay
9 implementation until a date, as soon as possible, after July 1, 2020
10 by which date the employer determines that implementation will be
11 practicable. The employer shall state in writing the reasons for the
12 delay and shall submit that statement to the School Employees'
13 Health Benefits Commission. Under no circumstances shall
14 implementation occur later than August 1, 2020.]¹

15 b. Prior to ¹~~July 1, 2020~~ January 1, 2021¹, each employer
16 shall provide ¹~~a special~~ an¹ enrollment period during which all
17 employees ¹~~who commenced employment prior to the effective date~~
18 ~~of this act~~¹ shall be required to select affirmatively a plan provided
19 by the employer. If an employee fails to select affirmatively a plan
20 during this ¹~~special~~¹ enrollment period, the employer shall enroll
21 the employee, and the employee's dependents if any, in the
22 equivalent New Jersey Educators Health Plan ¹~~offered pursuant to~~
23 ~~subsection a. of this section~~¹ for the year ¹~~July 1, 2020 until June~~
24 ~~30, 2021~~ January 1, 2021 until December 31, 2021¹.

25 During the ¹~~special~~¹ enrollment period, each person who is
26 enrolled in a plan offered by the employer and who is paying the
27 full cost of coverage shall also be required to select affirmatively a
28 plan provided by the employer. If a person fails to select
29 affirmatively a plan during this ¹~~special~~¹ enrollment period, the
30 employer shall enroll the person, and the person's dependents if
31 any, in the equivalent New Jersey Educators Health Plan ¹~~offered~~
32 ~~pursuant to subsection a. of this section~~¹ for the year ¹~~July 1, 2020~~
33 ~~until June 30, 2021~~ January 1, 2021 until December 31, 2021¹.
34 Any such person shall continue to pay the full cost of coverage and
35 shall not be subject to the contribution schedule or any mandatory
36 enrollment period as set forth in this section.

37 c. (1) ¹~~An~~ Beginning on January 1, 2021, an¹ employee
38 commencing employment on or after ¹~~July 1, 2020~~ the effective
39 date of this act¹ but before ¹~~July 1, 2027~~ January 1, 2028¹ who
40 does not waive coverage, shall be enrolled by the employer in the
41 equivalent New Jersey Educators Health Plan ¹, or the equivalent
42 Garden State Health Plan if selected by the employee, as those
43 plans are offered pursuant to subsection a. of this section¹. The
44 employee shall remain enrolled in ¹~~that plan~~ either the equivalent
45 New Jersey Educators Health Plan or the equivalent Garden State
46 Health Plan selected by the employee at the annual open

1 enrollment¹ for each plan year until ¹~~June 30, 2027~~ December
2 31, 2027, provided that the employee during this period may waive
3 coverage as an employee and select and change the type of
4 coverage received under the plan following a qualifying life event,
5 in accordance with the plan regulations¹. Beginning ¹~~July 1,~~
6 ~~2027~~ January 1, 2028¹, the employee may select, during any open
7 enrollment period or at such other times or under such conditions as
8 the employer may provide, any plan offered by the employer.

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

12 d. An employee shall contribute annually toward the cost of
13 health care benefits coverage for the employee, and employee's
14 dependents if any, the amount specified, in the manner specified, in
15 subsection a. or b. of section 2 of this act, P.L. ,
16 c. (C.)(pending before the Legislature as this bill) if the
17 employee, and the employee's dependents if any, are enrolled in the
18 equivalent New Jersey Educators Health Plan or the equivalent
19 Garden State Health Plan ¹offered pursuant to subsection a. of this
20 section¹. An employee's contribution toward the cost of coverage
21 under the equivalent Garden State Health Plan ¹offered pursuant to
22 subsection a. of this section¹ shall be the amount required in
23 subsection b. of section 2 of this act, except that the contribution
24 specified in that subsection shall not be less than the minimum
25 annual contribution for health care benefits coverage of 1.5% of
26 salary as required by law.

27 e. (1) An employee enrolled in the equivalent New Jersey
28 Educators Health Plan or the equivalent Garden State Health Plan
29 ¹offered pursuant to subsection a. of this section¹ shall be required
30 to pay only the contribution specified in subsections a. and b. of
31 section 2 of this act, notwithstanding any other provision of law,
32 rule, or regulation to the contrary requiring contributions by
33 employees toward the cost of health care benefits coverage
34 provided by an employer, except as provided in subsection d. of this
35 section. No other contribution may be required by collective
36 negotiations agreement, except as set forth in subsection i. of this
37 section.

38 (2) Employees who are not enrolled in the equivalent New
39 Jersey Educators Health Plan or the equivalent Garden State Health
40 Plan ¹offered pursuant to subsection a. of this section¹ shall
41 continue, after the effective date of this act, P.L. , c. (pending
42 before the Legislature as this bill), to contribute to health care
43 benefits coverage and those contributions shall be determined in
44 accordance with what is permitted or required by provisions of law.

45 An employee who is enrolled in a plan other than the equivalent
46 New Jersey Educators Health Plan or the equivalent Garden State
47 Health Plan ¹offered pursuant to subsection a. of this section¹ shall

1 be required to contribute toward the cost of health care benefits
2 coverage offered by the employer (a) in accordance with a
3 collective negotiations agreement applicable to that employee as
4 negotiated prior to or after the effective date of this act pursuant to
5 the requirements that were set forth in law on the day next
6 preceding that effective date; (b) as may be required at the
7 discretion of the employer; or (c) as required by a provision of law,
8 whichever is applicable to that employee.

9 With regard to contributions by an employee who is enrolled in a
10 plan other than the equivalent New Jersey Educators Health Plan or
11 the equivalent Garden State Health Plan ¹offered pursuant to
12 subsection a. of this section¹, no provision in this section shall be
13 deemed to modify, alter, impair, or terminate the requirement in
14 sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-
15 17.28e), as applicable, that a public employer and employees who
16 are in negotiations for the collective negotiations agreement to be
17 executed after the employees in that unit had reached full
18 implementation of the premium share set forth in section 39 of
19 P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations
20 concerning contributions for health care benefits as if the full
21 premium share was included in the prior contract. Nothing in this
22 act shall be deemed to modify, alter, impair, or terminate the
23 continued compliance after the effective date of this act with that
24 requirement for negotiations for any collective negotiations
25 agreement for employee contributions for plans other than the
26 equivalent New Jersey Educators Health Plan or the equivalent
27 Garden State Health Plan ¹offered pursuant to subsection a. of this
28 section¹.

29 (3) For an employee, the annual base salary paid by the
30 employer for the position held by the employee shall be used to
31 identify the percentage to be used to calculate the annual
32 contribution required under subsections a. and b. of section 2 of this
33 act.

34 f. The annual contribution by an employee as calculated in
35 accordance with subsection a. or b. of section 2 of this act shall not
36 exceed the amount as calculated in accordance with section 4 of this
37 act.

38 g. The contributions required by this section shall apply to
39 employees for whom the employer has assumed a health care
40 benefits payment obligation, to require that such employees pay the
41 amount of contribution specified in this section for health care
42 benefits coverage.

43 h. The level of benefits in the equivalent New Jersey Educators
44 Health Plan and the equivalent Garden State Health Plan offered by
45 the employer shall remain unchanged until ¹**[June 30, 2027]**
46 **December 31, 2027**¹. No change in the level of benefits in those
47 plans shall be made before that date unless such a change is

1 required by federal or State law to governmental health care
2 benefits plans or to both governmental and non-governmental health
3 care benefits plans.

4 Commencing ~~'[July 1, 2027]~~ January 1, 2028¹ and for each plan
5 year thereafter, the level of benefits in the equivalent New Jersey
6 Educators Health Plan and the equivalent Garden State Health Plan
7 offered by the employer may be modified by the employer in
8 accordance with collective negotiations agreements entered into
9 between the employers who do not participate in the School
10 Employees' Health Benefits Program and their employees, or as
11 otherwise permitted by law.

12 i. Commencing ~~'[July 1, 2027]~~ January 1, 2028¹ and for each
13 plan thereafter, the contributions required pursuant to subsections a.
14 and b. of section 2 of this act for employees enrolled in the
15 equivalent New Jersey Educators Health Plan or the equivalent
16 Garden State Health Plan ¹offered pursuant to subsection a. of this
17 section¹ may be modified in accordance with collective negotiations
18 agreements ~~'[enter]~~ entered¹ into between the employers who do
19 not participate in the School Employees' Health Benefits Program
20 and their employees. The contributions required pursuant to
21 subsections a. and b. of section 2 of this act shall become part of the
22 parties' collective negotiations and shall then be subject to
23 collective negotiations in a manner similar to other negotiable items
24 between the parties. Negotiations concerning contributions for
25 health care benefits shall be conducted as if the contributions
26 required pursuant to subsections a. and b. of section 2 of this act
27 were included in the prior contract. The contribution scheme of the
28 percentage of base salary set forth in those subsections may be
29 modified or a new contribution scheme or method other than a
30 percentage of salary may be provided for in accordance with a
31 collective negotiations agreement.

32 j. ¹Modifications to plan design of the plans set forth in section
33 1 of this act, P.L. , c. (C.)(pending before the Legislature as
34 this bill), or adjustments to the employee contribution rates set forth
35 in subsections a. and b. of section 2 of this act, made by the School
36 Employees' Health Benefits Plan Design Committee or the State
37 Treasurer pursuant to section 7 of this act shall be implemented for
38 the purposes of this section by the employer commencing January
39 1, 2024.

40 k.¹ This section shall also apply also when health care benefits
41 coverage is provided though an insurance fund or joint insurance
42 fund or any other manner. This section shall apply to any
43 employer, as that term is defined in section 32 of P.L.2007, c.103
44 (C.52:14-17.46.2), that is not a participating employer in the School
45 Employees' Health Benefits Program.

1 6. a. Actual savings realized by a school district as a result of
2 the implementation of the provisions of P.L. _____,
3 c. (C. _____)(pending before the Legislature as this bill) shall be
4 used solely and exclusively by the school district for the purpose of
5 reducing the amount that is required to be raised by the local
6 property tax levy by the school district for school district purposes,
7 except when a school district is spending below adequacy as
8 calculated in accordance with section 1 of P.L.2018, c.67
9 (C.18A:7F-70).

10 When a cap on the annual increase in the property tax levy for a
11 school district is imposed by law, the savings realized shall be
12 deducted from the adjusted tax levy for the previous budget year
13 and that reduced amount shall serve as the basis for calculating the
14 adjusted tax levy for the next school year.

15 b. To enable tracking of health care cost savings by school
16 districts, each school district shall submit an annual data sheet for
17 both the current and prior year showing the Total Annual Cost of
18 Health Benefits for Active Employees, the Total Employee Cost-
19 Sharing Contribution, and the Net Cost to the School District for
20 Health Benefits, including the Number of Covered Employees, the
21 Annual Cost Estimate Per Employee, and the Total Cost for each
22 coverage category – Single Coverage, Parent and Child, Employee
23 and Spouse, and Family.

24 In addition, school districts shall provide separate breakouts of
25 the same categories of data for health care coverage under all health
26 care benefits plans offered by the employer. The datasheet shall also
27 indicate whether the school district is enrolled in the School
28 Employees' Health Benefits Program for ¹medical or¹ medical and
29 prescription drug benefits coverage. Reports shall be due no later
30 than 60 days following each enrollment period to the Department of
31 Education, the Division of Pensions and Benefits in the Department
32 of the Treasury, and the Legislature.

33
34 ¹7. Within 30 calendar days after June 30, 2023, the State's
35 actuary for the School Employees' Health Benefits Program shall
36 issue an actuarial report validating a net annualized savings of at
37 least \$300 million comparing plan year 2020, 2021, and 2022 that
38 shall measure the implementation of the New Jersey Educators Plan
39 and Garden State Health Plan, and the SEHBP NJ Direct 10 and the
40 SEHBP NJ Direct 15 plans, provided by those school districts and
41 county colleges both that participate and that do not participate in
42 the School Employees' Health Benefits Program, inclusive of pre-
43 Medicare retirees paid for by the State and the value of early plan
44 design changes implemented in Fiscal Year 2020.

45 In the event that the net annualized savings Statewide were less
46 than \$300 million, the School Employees' Health Benefits Plan
47 Design Committee shall, within 60 days from the issuance of the
48 actuary's report, make plan design changes, or adjustments to

1 employee contributions, or both, for the New Jersey Educators
2 Health Plan, or the Garden State Health Plan, or both, or also plan
3 design changes to the SEHBP NJ Direct 10 or SEHBP NJ Direct 15
4 plans, or both, to make up the estimated shortfall over the
5 remaining duration of the period covered by this act, P.L. _____,
6 c. _____)(pending before the Legislature as this bill), ending
7 December 31, 2027.

8 In the event that the committee is unable to agree upon the
9 needed plan design changes or adjustments to employee
10 contributions, or both, within the 60-day period to achieve the \$300
11 million in net annualized savings, the State Treasurer shall construct
12 and implement, within 45 days, plan design changes or adjustments
13 to employee contributions, or both, necessary to achieve the
14 savings, as validated by the State's actuary for the program, and
15 implement such changes and adjustments.

16 In the event there is a shortfall, the committee or the State
17 Treasurer shall have a resolution for any shortfall no later than
18 October 1, 2023 for implementation for January 1, 2024.

19 No monies from the claims stabilization reserve fund or
20 equivalent fund established or maintained for the School
21 Employees' Health Benefits Program to pay incurred claims that
22 have not yet been settled, shall be used for the actuary's
23 calculations required by this section.¹

24
25 ¹8. With regard to employers that have collective negotiation
26 agreements in effect on the effective date of this act, P.L. _____,
27 c. _____ (pending before the Legislature as this bill), that include
28 health care benefits coverage available to employees when the net
29 cost to the employer is lower than the cost to the employer would be
30 compared to the New Jersey Educators Health Plan, the employer
31 and the majority representative shall engage in collective
32 negotiations over the financial impact of the difference.¹

33
34 ¹**[7.] 9.**¹ This act shall take effect immediately.