

**EMPLOYEE**  
**GROUP**  
**INSURANCE**

		2004	2005	2006	***** Year 2007 *****			
Account Number	Description	Approp Actual	Approp Actual	Approp Actual	Dept. Request	Admin. Recmnd	Budgeted %PY	
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dept: 7-01-23-220-000		EMPLOYEE GROUP INSURANCE						Comments
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-01-23-220-000	H							
EMPLOYEE GROUP INSURANCE								
-01-23-220-020	C							
OTHER EXPENSES								
-01-23-220-090	S	2638,075.00	2715,279.00	3141,800.00	3267,472.00	3267,472.00	0.0	
INSURANCE & SURETY BONDS		2601,101.89	2763,285.37	3019,783.84				
	Transfers	.00	50,000.00	250,000.00				
dept Total		2638,075.00	2715,279.00	3141,800.00	3267,472.00	3267,472.00	.00 0.0	
	Transfers	.00	50,000.00	250,000.00				

## 2007 ESTIMATE OF ANNUAL EMPLOYEE BENEFIT COSTS (MEDICAL/PRESCRIPTION, DENTAL, VISION, DISABILITY)

MEDICAL/PRESCRIPTION	DENTAL	VISION	DISABILITY (STD/LTD)
JANUARY - DECEMBER APPROX. MONTHLY COST: \$262,000.  APPROX. MONTHLY COST OF \$160. PER EMPLOYEE RECEIVING BENEFIT WAIVER PAYMENTS:       \$ 1,600.  $\$262,000 \times 12 \text{ MONTHS} = \$3,144,000.$ $\$ 1,600 \times 10 \text{ EMPLOYEES} = \$ 19,200.$	JANUARY - MARCH APPROX. MONTHLY COST: \$20,425.  APRIL - DECEMBER (INCL. 4% INCREASE) AVERAGE MONTHLY COST: \$21,245.  $\$20,425 \times 3 \text{ MONTHS} = \$ 61,275.$ $\$21,245 \times 9 \text{ MONTHS} = \$191,205.$	JANUARY - DECEMBER APPROX. MONTHLY COST: \$635.  $\$635 \times 12 \text{ MONTHS} = \$7,620.$	JANUARY - DECEMBER APPROX. MONTHLY COST: \$8,000.  $\$8,000 \times 12 \text{ MONTHS} = \$96,000.$
<b>ANNUAL COST: \$3,163,200.</b>	<b>ANNUAL COST: \$252,480.</b>	<b>ANNUAL COST: \$7,620.</b>	<b>ANNUAL COST: \$96,000.</b>

cc: William A. Santos, Township Administrator (w/current invoices)  
 Laura Borys, Personnel Officer (w/current invoices)  
 2007 Insurance File (w/current invoices)

1/30/2007/das

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**State of New Jersey**  
 DEPARTMENT OF THE TREASURY  
 DIVISION OF PENSIONS AND BENEFITS  
 (609) 292-7524 TDD (609) 292-7718  
 www.state.nj.us/treasury/pensions

*Mailing Address:*  
 PO Box 295  
 Trenton, NJ 08625-0295  
*Location:*  
 50 West State Street  
 Trenton, New Jersey  
 BRADLEY L. ABELOW  
*State Treasurer*  
 FREDERICK J. BEAVER  
*Director*

JON S. CORZINE  
*Governor*

September 2006

**TO:** State Health Benefits Program Participating Local Government Employers  
**FROM:** New Jersey State Health Benefits Program  
**SUBJECT:** SHBP Open Enrollment 2006 — Local Government Employers

The State Health Benefits Program (SHBP) Open Enrollment Period for local government employees will begin on **October 1, 2006 and end on October 31, 2006**. All changes to coverage made during this open enrollment will be effective on January 1, 2007.

Completed employer-certified health benefit and/or dental applications should be forwarded to the Health Benefits Bureau as soon as they are received from employees. The last day that certified applications may arrive at the Health Benefits Bureau to be effective for the start of the new plan year is November 6, 2006.

**In keeping with its current policy, the SHBP will not provide health fairs during this year's open enrollment period.**

**RATES FOR 2007**

The State Health Benefits Commission has approved new health and prescription drug plan rates for the 2007 plan year. These rates are based upon the recommendation of the Commission's actuarial consultant, Aon Consulting. Since the SHBP self-funds all of its medical plans, the claims experience used in projecting 2007 costs are based upon the actual claims experience of the group.

Effective January 1, 2007, SHBP plan rates for the Local Government Active Group will see the following percentage of change:

	NJ PLUS	Traditional Plan	HMO Plans (Composite Change)	Employee Prescription Drug Plan	Dental Expense Plan	Dental Plan Organizations (DPO)
Local Government Employers <b>with</b> Separate Rx Coverage	6.3%	17.2%	5.2%	- 8.1%	0%	0% (Aetna 2.5% Horizon -5.3%)
Local Government Employers <b>without</b> Separate Rx Coverage	6.3%	17.2%	5.2%	- 8.1%	0%	0% (Aetna 2.5% Horizon -5.3%)

- **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 State Health Benefits Program (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.

- **EMPLOYEE DENTAL PLANS** — The SHBP Employee Dental Plans are available to participating local employers who adopt this benefit for their active employees and eligible dependents. Employers and employees should see Fact Sheet #37, *SHBP Employee Dental Plans*, for a description of the plans and a chart outlining the benefits.
- **NEW SPOUSES AND DOMESTIC PARTNERS** — Employees who are *newly married*, or enrolling in the SHBP for the first time during the Open Enrollment, and are enrolling their spouse as a dependent are required to provide a copy of the marriage certificate at the time of enrollment. Similarly, if an employee is permitted by the employer to enroll an eligible domestic partner as a dependent, a copy of the *NJ Certificate of Domestic Partnership* is required at the time of enrollment. To ensure that the documentation submitted is properly matched to the employee's record, the Health Benefits Bureau is requesting that employers provide the employee's Social Security number on the copy of the marriage/partnership documentation.

#### OPEN ENROLLMENT INFORMATIONAL MATERIALS

**MILESTONES** — Enclosed is a milestone chart that lists the critical dates of the open enrollment period and outlines the efforts being made to educate employees. Please use this chart as a checklist to guide your activities during open enrollment.

**RATE CHARTS** — Enclosed you will find approved rates for SHBP health and prescription drug plans. We have included rate charts for employers with and without prescription drug coverage. The listed rates are effective January 1, 2007 through December 31, 2007.

**HEALTH CAPSULE** — The *Health Capsule* newsletter announces the SHBP Open Enrollment Period to employees and presents important information and changes that may affect their benefit selection. The newsletter will be posted to the Division's Web site and is scheduled for delivery to Local employers and as soon as printing is completed. Please distribute them to your employees when received.

**HEALTH PLAN CONTACTS** — Also included in this mailing is a listing of marketing contacts for the various health and dental plans. Use these contacts to obtain provider directories or other plan specific literature. (These telephone numbers are not for member services. Please do not give these telephone numbers to your employees.)

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## (FOR EMPLOYERS WITH A PRESCRIPTION DRUG PLAN)

DEPARTMENT OF THE TREASURY-DIVISION OF PENSIONS AND BENEFITS  
 NEW JERSEY STATE HEALTH BENEFITS PROGRAM  
 LOCAL MONTHLY ACTIVE GROUP - LOCAL GOVERNMENT EMPLOYERS  
 RATES EFFECTIVE 1/1/2006 TO 12/31/2006 ✕

PLAN/COVERAGE DESCRIPTION	EMPLOYER SINGLE COST	DEPENDENT COST	TOTAL
<b><u>NJ PLUS-#001</u></b>			
Single	\$354.71	—	\$354.71
Member & Spouse/Domestic Partner	\$355.88	\$433.62	\$789.50
Family	\$356.30	\$562.29	\$918.59
Parent & Child	\$355.22	\$168.56	\$523.78
<b><u>TRADITIONAL-#002</u></b>			
Single	\$488.03	—	\$488.03
Member & Spouse/Domestic Partner	\$489.20	\$575.22	\$1,064.42
Family	\$489.62	\$754.60	\$1,244.22
Parent & Child	\$488.54	\$223.49	\$712.03
<b><u>AETNA, INC.-#019</u></b>			
Single	\$319.71	—	\$319.71
Member & Spouse/Domestic Partner	\$320.88	\$385.19	\$706.07
Family	\$321.30	\$499.92	\$821.22
Parent & Child	\$320.22	\$151.86	\$472.08
<b><u>CIGNA HEALTHCARE-#020</u></b>			
Single	\$388.53	—	\$388.53
Member & Spouse/Domestic Partner	\$389.70	\$457.79	\$847.49
Family	\$390.12	\$620.66	\$1,010.78
Parent & Child	\$389.04	\$194.17	\$583.21
<b><u>OXFORD-#028</u></b>			
Single	\$332.77	—	\$332.77
Member & Spouse/Domestic Partner	\$333.94	\$398.08	\$732.02
Family	\$334.36	\$530.75	\$865.11
Parent & Child	\$333.28	\$165.89	\$499.17
<b><u>AMERHEALTH-#033</u></b>			
Single	\$357.10	—	\$357.10
Member & Spouse/Domestic Partner	\$358.27	\$436.31	\$794.58
Family	\$358.69	\$566.66	\$925.35
Parent & Child	\$357.61	\$169.58	\$527.19
<b><u>HEALTH NET-#034</u></b>			
Single	\$367.74	—	\$367.74
Member & Spouse/Domestic Partner	\$368.91	\$432.16	\$801.07
Family	\$369.33	\$603.11	\$972.44
Parent & Child	\$368.25	\$195.87	\$564.12
<b><u>PRESCRIPTION DRUG PROGRAM-#201</u></b>			
Single	\$131.53	—	\$131.53
Member & Spouse/Domestic Partner	\$131.53	\$169.16	\$300.69
Family	\$131.53	\$184.62	\$316.15
Parent & Child	\$131.53	\$44.08	\$175.61

\* THE PRESCRIPTION DRUG PROGRAM COST OUTLINED ABOVE MUST BE ADDED TO THE TOTAL PLAN COVERAGE COST. FOR YOUR CONVENIENCE, I HAVE PREPARED THE ATTACHED SPREADSHEET TO INCLUDE ALL COSTS COMBINED.

(FOR EMPLOYERS WITH A PRESCRIPTION DRUG PLAN)

DEPARTMENT OF THE TREASURY - DIVISION OF PENSIONS AND BENEFITS  
 NEW JERSEY STATE HEALTH BENEFITS PROGRAM  
 LOCAL MONTHLY ACTIVE GROUP - LOCAL GOVERNMENT EMPLOYERS  
 RATES EFFECTIVE 1/1/2007 TO 12/31/2007 ✕

PLAN/COVERAGE DESCRIPTION	EMPLOYER SINGLE COST	DEPENDENT COST	TOTAL
<b><u>NJ PLUS-#001</u></b>			
Single	\$377.06	-----	\$377.06
Member & Spouse/Domestic Partner	\$378.30	\$460.94	\$839.24
Family	\$378.75	\$597.71	\$976.46
Parent & Child	\$377.60	\$179.18	\$556.78
<b><u>TRADITIONAL-#002</u></b>			
Single	\$571.97	-----	\$571.97
Member & Spouse/Domestic Partner	\$573.21	\$674.29	\$1,247.50
Family	\$573.66	\$884.57	\$1,458.23
Parent & Child	\$572.51	\$261.99	\$834.50
<b><u>AETNA, INC.-#019</u></b>			
Single	\$338.57	-----	\$338.57
Member & Spouse/Domestic Partner	\$339.81	\$407.92	\$747.73
Family	\$340.26	\$529.41	\$869.67
Parent & Child	\$339.11	\$160.82	\$499.93
<b><u>CIGNA HEALTHCARE-#020</u></b>			
Single	\$409.12	-----	\$409.12
Member & Spouse/Domestic Partner	\$410.36	\$482.05	\$892.41
Family	\$410.81	\$653.54	\$1,064.35
Parent & Child	\$409.66	\$204.46	\$614.12
<b><u>OXFORD-#028</u></b>			
Single	\$358.73	-----	\$358.73
Member & Spouse/Domestic Partner	\$359.97	\$429.15	\$789.12
Family	\$360.42	\$572.17	\$932.59
Parent & Child	\$359.27	\$178.84	\$538.11
<b><u>AMERIHEALTH-#033</u></b>			
Single	\$394.60	-----	\$394.60
Member & Spouse/Domestic Partner	\$395.84	\$482.17	\$878.01
Family	\$396.29	\$626.22	\$1,022.51
Parent & Child	\$395.14	\$187.40	\$582.54
<b><u>HEALTH NET-#034</u></b>			
Single	\$382.08	-----	\$382.08
Member & Spouse/Domestic Partner	\$383.32	\$448.99	\$832.31
Family	\$383.77	\$626.60	\$1,010.37
Parent & Child	\$382.62	\$203.50	\$586.12
<b><u>PRESCRIPTION DRUG PROGRAM-#201</u></b>			
Single	\$120.88	-----	\$120.88
Member & Spouse/Domestic Partner	\$120.88	\$155.45	\$276.33
Family	\$120.88	\$169.66	\$290.54
Parent & Child	\$120.88	\$40.51	\$161.39