

To: All UMDNJ Faculty and Librarians

From: Alex Bernstein, Executive Director AAUP-UMDNJ

Re: Corrections to UMDNJ's FAQ on Health Insurance Changes

Date: February 1, 2008

We are writing to correct several inaccuracies in the University's health insurance FAQ so that you are fully informed of your options and make an informed decision during the special open enrollment period from January 28, 2008 to February 15, 2008 and thereafter.

1. Faculty and Librarians currently in Aetna and CIGNA HMO's.

The University has advised all faculty and librarians enrolled in Aetna HMO and CIGNA Healthcare that they can not switch to another healthcare plan during the special open enrollment period and must remain in their current HMO plan until the next open enrollment . See UMDNJ Medical Assignment FAQ questions #3 and #10.

THIS IS INACCURATE !

Based on the information AAUP has obtained from the State Health Benefits Plan, ALL faculty and librarians are eligible to change to another plan that is being offered during the special open enrollment period from January 28, 2008 to February 15, 2008 by submitting a SHBP Application. See Page 3, Special Open Enrollment Section of the Attached Guide to Choosing a SHBP Health Plan.

As such, if you are currently enrolled in Aetna HMO or CIGNA Healthcare, you may switch to NJ Direct 15 or to another HMO by submitting a SHBP Application.

We recommend that you compare the benefits of each plan and ascertain whether your service providers are part of the plans you are considering.

If you would like to switch from Aetna HMO and CIGNA Healthcare and fail to submit a SHBP Application, you will be maintained in your current HMO.

Please note that switching to NJ Direct15 will be at no cost to you.

2. Faculty and Librarians Planning to Retire

The University has advised faculty who have attained 25 years of service after June 30, 2007 that upon retirement, they will be required to pay a 1.5% health contribution of their retirement benefit. See UMDNJ Planning for Retirement FAQ Question #5.

THIS IS NOT ACCURATE !

New Jersey Law provides that “the payment obligations of an employee of an employer other than the State [. . .] shall be the payment obligations applicable to the employee on the date the employee retires on a disability pension or on the date the employee meets the service credit and service requirements for the employer payment for coverage.”

Your payment obligations are determined by the AAUP contract. To date and through June 30, 2009, you will not incur any payment obligations for health insurance benefits. After June 30, 2009, any contributions will be subject to negotiation.

What does this mean ?

1. if you have attained 25 years of service prior to July 1, 2009, upon retirement the health insurance benefits you are eligible to receive will be provided to you at no cost.
2. if you attain 25 years of service after June 30, 2009, upon retirement the health insurance benefits you are eligible to receive will be provided to you at whatever cost, if any, provided in the collective bargaining agreement when you attained 25 years of service.

AAUP will continue to provide you with the most accurate information available. We hope the above is helpful to planning for your current and future health insurance needs.