

HEALTH INSURANCE PLAN CHANGES FREQUENTLY ASKED QUESTIONS

Will there be new health insurance plans that replace the current Traditional and NJ Plus Plans ?

Yes – by April 1, 2008, the Traditional and NJ Plus health insurance plans will be replaced by two Preferred Provider Organization (“PPO”) Plans.

The new PPO plans will be known as NJ Direct10 and NJ Direct15.

NJ Direct10 will replace the Traditional Plan and **will not** be available to active UMDNJ faculty and librarians. NJ Direct10 will remain available to all retirees:

1. who pay the full cost of retired State Health Benefit Plan coverage;
2. who attained 25 years of service on or before June 30, 2007 (this also applies to future retirees); and
3. who retired on disability retirement on or before July 1, 2007.

NJ Direct15 will replace NJ Plus. The PPO Plans (NJ Direct10 & NJ Direct15) will be administered by Horizon Blue Cross Blue Shield of New Jersey, incorporate the same benefits as NJ PLUS, and not require a referral to see a specialist. It is a nationwide network. So if you reside outside of New Jersey, you may utilize in-network physicians participating in the national Blue Cross Blue Shield network. The attached spreadsheet compares the Traditional Plan to the NJ Plus15 Plan.

The State Health Benefit Plan expects to hold a Special Open Enrollment from January 29, 2008 to February 15, 2008. During the Special Open Enrollment period, you will have the opportunity to switch to another health insurance plan available to you. However, you will not be permitted to add dependents to coverage, change coverage levels, or make changes to your dental or prescription coverage.

Unless you submit a State Health Benefit Plan application during the Special Enrollment period selecting a different plan than you currently have, you will automatically be transferred to a new plan as follows:

- a. If you are currently enrolled in the Traditional plan, you will automatically be transferred to NJ Direct15.
- b. If you are currently enrolled in NJ Plus, you will automatically be transferred to NJ Direct15.
- c. If you are currently enrolled in AmeriHealth, Health Net, or Oxford Health Plans, you will automatically be enrolled in NJ Direct15.
- d. If you are currently enrolled in Aetna HMO or CIGNA HMO, your enrollment will continue unchanged.

How does a PPO plan work?

A PPO is not an HMO ! The big advantage of a PPO is that it affords you the flexibility of seeking care from either an in-network or an out-of-network provider without any restrictions. Neither option requires a referral to see a specialist. You have complete discretion to use in-network doctors or out-of-network doctors in or outside of New Jersey. Nor are you limited to one option. You can see an in-network doctor today and see an out-of-network doctor tomorrow.

In the new NJ Direct15, when you see an in-network doctor, you will only pay a \$15 copay. When you see an out-of-network doctor you will pay 30% of the bill once you meet your deductible.

The in-network and out-of network providers are nationwide with no geographic restrictions.

Can AAUP do anything to prevent the elimination of the Traditional Plan ?

No – this change is consistent with terms of AAUP's contract with UMDNJ, which we are bound to honor for the term of the contract in the same way the University is bound to honor its obligations to the faculty under the AAUP contract. Under the current AAUP contract, which runs through June 30, 2009, UMDNJ is required to provide faculty with the health insurance benefits provided to all state employees. Since the traditional plan is being eliminated for all state employees, it is being eliminated for the faculty and librarians.

Upon expiration of the contract, AAUP can negotiate over future health insurance benefits.

Will I have to pay for the new PPO Plan ?

No. As a faculty member and/or librarian covered under the AAUP contract, the new NJ Direct15 PPO health plan will be provided to you at no cost through June 30, 2009 (the expiration of the AAUP contract).

What are the differences between the new PPO plan and NJ PLUS ?

1. The PPO will offer a broader network of doctors throughout the country. There will be in-network doctors, including specialists, and in-network hospitals, labs, and clinics throughout country. The out-of-network option is unrestricted. You can go to any doctor anywhere and the State will pay 70% of the cost after you meet your deductible.
2. The PPO has no “gatekeepers.” The PPO will not require you to get a referral from your primary care physician. You can go to the doctor of your choice, whether in or out of network by making an appointment. Your decision to go out-of-network is unrestricted.
3. Under the NJ Direct15, the co-pay to see an in-network doctor will increase to \$15, instead of \$10. If you go to the Emergency room, the co-pay will be \$50 instead of \$25 unless you are admitted. If you are admitted, there is no co-pay.

We recommend you carefully review the attached spreadsheet that compares the New NJ Direct15 PPO to the NJ Plus Plan.

I am currently in the Traditional Plan. How will the elimination of the Traditional plan affect me ?

1. There is no cost for the PPO. Therefore, you may pay less than you do now – especially if your providers are in-network.
2. If you go out-of-network, you will pay 30% instead of the 20% you currently pay under the Traditional Plan after meeting your deductible.
3. The maximum out-of-pocket that, when reached, provides you 100% coverage for out-of-network coverage may be less under the new PPO than under the Traditional Plan. The PPO maximum out of pocket is \$2,000 individual and \$5,000 for family.

We recommend you carefully review the attached spreadsheet that compares the New PPO to the Traditional Plan.

What if I belong to an HMO ?

Effective April 1, 2008, the current HMO Plans – AmeriHealth, Health Net, and Oxford Health Plans will be replaced with Aetna HMO and CIGNA HMO options. The Aetna and CIGNA HMO options will now provide services nationwide.

We recommend you compare your benefits under the HMO option to that of the new NJ Direct15 PPO and consider whether the new no-cost PPO option is a better value to you for the benefits provided under the HMO. This information will be available shortly.

Will I have to change doctors ?

No. If your provider is in-network, you will pay \$15 per visit under the NJ Direct15 . If your provider is out-of-network, you can maintain your doctor and pay 30% after meeting your deductible. All prior medical conditions are fully covered since your insurer was and remains the State of New Jersey and not the particular plan you are in.

The State Health Benefit Plan is in the process of updating its Provider Directory with information about providers who participate in the new plans. You may access this information at www.state.nj.us/treasury/pensions/shbp.htm.

I accrued 25 or more years of service at UMDNJ as of July 1, 2007. Do I lose access to the traditional health insurance plan ?

During your employment at UMDNJ, the NJ Direct15 PPO plan will replace the traditional plan for all active employees – including those who have 25 or more years of service at UMDNJ.

Upon retirement, you will have access to NJ Direct10, which essentially mirrors the benefits of the current traditional plan. Essentially, you are grandfathered into the traditional plan benefit and will receive it upon retirement.

Will there be any changes to prescription drug co-pays ?

There should not be any changes through June 30, 2009. Prescription drug co-pays are subject to negotiation and is a term and condition of employment covered under our contract with the University.

AAUP's contract expressly provides that "prescription drug co-pays should not exceed \$10 unless otherwise provided by statute." UMDNJ has violated its' contract with AAUP when it unilaterally increased co-pays for brand names where there is a generic equivalent from \$10 to \$25 for a 30-day supply and \$40 for a 90-day supply. AAUP is pursuing this contract violation to arbitration to hold the University to the contractual commitment that prescription drug co-pays would not exceed \$10 and to ensure the University does not unilaterally modify your prescription drug co-pays in the future. To the extent you have been charged more than \$10 for a prescription, we recommend you maintain all your prescription receipts so that you can be made whole should we prevail at the arbitration.

How do I obtain additional information ?

Attached for your reference is *A Guide to Choosing a SHBP*, which will provide you with the details of the new medical plan options, lists plan contact information, and offer suggestions on how to select a plan.

During the Special Open Enrollment, seminars will be held at locations around the state. You can find seminar dates, locations, and can register for a seminar online at www.state.nj.us/treasury/pensions