

**SHBP PDC RESOLUTION #2019-11**

**RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE RELATED TO PILOT PROGRAM GRANTING FINANCIAL INCENTIVES FOR SELECTING A TIERED NETWORK MEDICAL PLAN**

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State and participating local employers; and

WHEREAS, the SHBP was enacted in 1961 for the purpose of providing affordable health care coverage for public employees on a cost effective basis; and

WHEREAS, on August 29, 2016, after reviewing multiple recommendations and reports of AON Consulting, Inc., Horizon and Aetna, the SHBP Plan Design Committee adopted Resolution #7 on pilot program to incent subscribers to select a tiered network medical plan (attached) finding this change to be in the best interest of the State, local employers, and employees; and

WHEREAS, the Resolution #7 adopted on August 29, 2016, authorized a pilot program for one year; and

WHEREAS, the Resolutions #7 was reviewed by the SHBP Plan Design Committee on July 27, 2017; and

WHEREAS, on July 27, 2017, the SHBP Plan Design Committee, adopted Resolution 2017-02 (attached), which extended Resolution #7 for a period of one year; and

WHEREAS, on June 22, 2018, the SHBP Plan Design Committee, adopted Resolution 2018-02 (attached), which extended Resolution #7 for a period of one year; and

WHEREAS, the SHBP Plan Design Committee continues to find that continuing the pilot program is in the best interest of the State, local employers, and employees and desires to continue this plan design provision with certain modifications to the incentive structure.

**NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:**

*1. The financial incentive program for selecting a tiered network medical plan by new subscribers approved by the SHBP Plan Design Committee on August 29, 2016 in Resolution #7 (attached) and extended by Resolution 2017-02 (attached) is continued, with the following modifications:*

*\$1000 for single, member and spouse, parent and child or family coverage who change to the Tiered Network Plan*

*The modified financial incentive set forth above requires that the SHBP subscriber be enrolled in the Tiered Network Plan for one full Plan Year;*

*and*

2. New subscribers shall be defined to include all new employees eligible for the SHBP whose benefits were effective on or after August 29, 2016 or any existing employees who experienced a life event prior to January 1, 2107 and submitted an application to alter coverage and who otherwise meet the requirements of Resolution #7 adopted on August 29, 2016 and who has not received an incentive in the past related to Tiered Network; and

3. Those eligible subscribers described in #2 above shall be paid an incentive as set forth above no later than the end of the current tax year; and

4. This provision shall continue for one plan year and may only be continued upon affirmative

vote of SHBP Plan Design Committee.

DATED: DRAFT