

**CHAPTER 9**

**STATE HEALTH BENEFITS PROGRAM**

**Authority**

N.J.S.A. 52:14-17.27.

**Source and Effective Date**

R.1998 d.406, effective July 13, 1998.  
See: 30 N.J.R. 1919(a), 30 N.J.R. 2953(c).

**Executive Order No. 66(1978) Expiration Date**

Chapter 9, State Health Benefits Program, expires on July 13, 2003.

**Chapter Historical Note**

All provisions of this chapter were adopted by the Commission, pursuant to authority delegated at N.J.S.A. 52:14-17.27 and became effective prior to September 1, 1969. Amendments became effective December 19, 1969 as R.1969 d.33. See: 1 N.J.R. 10(b), 2 N.J.R. 8(a).

1970 Revisions: Amendments became effective December 10, 1970 as R.1970 d.147. See: 2 N.J.R. 94(d), 3 N.J.R. 11(a).

1971 Revisions: Amendments became effective February 17, 1971 as R.1971 d.21. See: 3 N.J.R. 10(a), 3 N.J.R. 52(c). Further amendments became effective October 5, 1971 as R.1971 d.177. See: 3 N.J.R. 138(a), 3 N.J.R. 236(a).

1972 Revisions: Amendments became effective October 4, 1972 as R.1972 d.200. See: 4 N.J.R. 168(b), 4 N.J.R. 283(c).

1973 Revisions: Amendments became effective January 4, 1973 as R.1973 d.8. See: 4 N.J.R. 282(a), 5 N.J.R. 59(b). Further amendments became effective June 6, 1973 as R.1973 d.148. See: 5 N.J.R. 76(a), 5 N.J.R. 181(a). Further amendments became effective October 2, 1973 as R.1973 d.285. See: 5 N.J.R. 243(a), 5 N.J.R. 393(a).

1974 Revisions: Amendments became effective August 19, 1974 as R.1974 d.228. See: 6 N.J.R. 156(a), 6 N.J.R. 360(c).

1975 Revisions: Amendments became effective March 14, 1975 as R.1975 d.68. See: 7 N.J.R. 76(a), 7 N.J.R. 181(a). Further amendments became effective March 13, 1975 as R.1975 d.65. See: 6 N.J.R. 495(a), 7 N.J.R. 180(c). Further amendments became effective June 9, 1975 as R.1975 d.159. See: 7 N.J.R. 118(e), 7 N.J.R. 349(b).

1976 Revisions: Amendments became effective April 22, 1976 as R.1976 d.124. See: 8 N.J.R. 85(c), 8 N.J.R. 263(a). Further amendments became effective October 8, 1976 as R.1976 d.313. See: 8 N.J.R. 443(c), 8 N.J.R. 539(a).

1978 Revisions: Amendments became effective April 8, 1978 as R.1978 d.130. See: 9 N.J.R. 600(a), 10 N.J.R. 265(a). Further amendments became effective April 18, 1978 as R.1978 d.131. See: 10 N.J.R. 80(b), 10 N.J.R. 265(b). Further amendments became effective December 26, 1978 as R.1978 d.442. See: 10 N.J.R. 456(a), 11 N.J.R. 105(b).

1979 Revisions: Amendments became effective April 23, 1979 as R.1979 d.159. See: 11 N.J.R. 94(d), 11 N.J.R. 304(c). Further amendments became effective July 3, 1979 as R.1979 d.261. See: 11 N.J.R. 208(b), 11 N.J.R. 415(a). Further amendments became effective October 4, 1979 as R.1979 d.396. See: 11 N.J.R. 303(d), 11 N.J.R. 595(c).

1980 Revisions: Amendments became effective July 1, 1980 as R.1980 d.300. See: 12 N.J.R. 216(b), 12 N.J.R. 497(b).

1981 Revisions: Amendments became effective June 4, 1981 as R.1981 d.138. See: 13 N.J.R. 110(b), 13 N.J.R. 376(b).

1982 Revisions: Amendments became effective October 18, 1982 as R.1982 d.341. See: 14 N.J.R. 36(a), 14 N.J.R. 1165(a).

1983 Revisions: Amendments became effective March 7, 1983 as R.1983 d.44. See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b). Further amendments became effective May 2, 1983 as R.1983 d.129. See: 15 N.J.R. 81(b), 15 N.J.R. 697(b). This chapter was readopted pursuant to Executive Order 66(1978) effective May 16, 1983 as R.1983 d.177. See: 15 N.J.R. 529(a), 15 N.J.R. 930(e). Further amendments became effective August 15, 1983 as R.1983 d.332. See: 15 N.J.R. 793(a), 15 N.J.R. 1383(d).

1984 Revisions: Amendments became effective December 17, 1984 as R.1984 d.560. See: 16 N.J.R. 2422(b), 16 N.J.R. 3479(b).

1985 Revisions: Amendments became effective February 4, 1985 as R.1985 d.18. See: 16 N.J.R. 2422(a), 17 N.J.R. 320(b). Further amendments became effective April 1, 1985 as R.1985 d.165. See: 16 N.J.R. 3192(b), 17 N.J.R. 841(a). Further amendments became effective November 18, 1985 as R.1985 d.587. See: 17 N.J.R. 1399(a), 17 N.J.R. 2784(b).

1986 Revisions: Amendments became effective January 21, 1986 as R.1986 d.676. See: 17 N.J.R. 2386(a), 18 N.J.R. 2135(c). Further amendments became effective February 18, 1986 as R.1986 d.28. See: 17 N.J.R. 2868(a), 18 N.J.R. 427(b). Further amendments became effective October 20, 1986 as R.1986 d.423. See: 18 N.J.R. 1451(b), 18 N.J.R. 2135(c).

1987 Revisions: Amendments became effective December 7, 1987 as R.1987 d.497. See: 19 N.J.R. 1636(b), 19 N.J.R. 2303(b).

1988 Revisions: Pursuant to Executive Order No. 66(1978), Chapter 9 expired on June 6, 1988, and subsequently was adopted as new rules by R.1988 d.461, effective October 3, 1988. See: 20 N.J.R. 1536(a), 20 N.J.R. 2466(d). Amendments became effective October 3, 1988 d.469. See: 20 N.J.R. 1536(b), 20 N.J.R. 2466(e). Further amendments became effective October 3, 1988 as R.1988 d.471. See: 20 N.J.R. 1537(a), 20 N.J.R. 2467(a). Further amendments became effective October 17, 1988 as R.1988 d.442. See: 20 N.J.R. 741(a), 20 N.J.R. 2590(b). Further amendments became effective October 3, 1988 as R.1988 d.470. See: 20 N.J.R. 1182(a), 20 N.J.R. 2467(b).

1989 Revisions: Added new rule 1.8 effective March 6, 1989 as R.1989 d.126. See: 20 N.J.R. 2863(a), 21 N.J.R. 638(c).

Pursuant to Executive Order No. 66(1978), Chapter 9, State Health Benefits Program, was readopted as R.1993 d.463, effective August 23, 1993. See: 25 N.J.R. 2651(b), 25 N.J.R. 4508(b).

Pursuant to Executive Order No. 66(1978), Chapter 9, State Health Benefits Program, was readopted as R.1998 d.406, effective July 13, 1998. See: Source and Effective Date.

**Law Review and Journal Commentaries**

State Health Benefits Program. Judith Nallin, 134 N.J.L.J. No. 3, 61 (1993).

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. ADMINISTRATION**

- 17:9-1.1 Commission meetings
- 17:9-1.2 Records
- 17:9-1.3 Appeals from Commission decisions
- 17:9-1.4 (Reserved)
- 17:9-1.5 Voluntary termination of employer; notice
- 17:9-1.6 Default of employer; notice
- 17:9-1.7 Guidelines; local employers; purchase of contracts
- 17:9-1.8 Employer incentives for non-enrollment prohibited
- 17:9-1.9 Definitions

**SUBCHAPTER 2. COVERAGE**

- 17:9-2.1 Enrollment charges
- 17:9-2.2 Enrollment form
- 17:9-2.3 Annual enrollment period
- 17:9-2.4 Coverage and plan changes; exceptions
- 17:9-2.5 Employee coverage requirements
- 17:9-2.6 Effective date; State employees and dependents
- 17:9-2.7 Effective date; local employees and dependents
- 17:9-2.8 Effective date; ineligible employees and dependents
- 17:9-2.9 Transfers
- 17:9-2.10 HMO; elections
- 17:9-2.11 Coverage for survivors
- 17:9-2.12 Major Medical; eligible charges at enrollment (local employees)
- 17:9-2.13 Major Medical; extension of coverage charges
- 17:9-2.14 Effective date; maternity benefits
- 17:9-2.15 Major Medical; separate plans
- 17:9-2.16 Policy provisions adoption
- 17:9-2.17 Chapters 384 and 386, Laws of 1987; enrollment of retirees

**SUBCHAPTER 3. DEPENDENTS**

- 17:9-3.1 Dependents and children defined
- 17:9-3.2 Military service
- 17:9-3.3 Medicare
- 17:9-3.4 Certification of dependency
- 17:9-3.5 Additional dependents
- 17:9-3.6 Basic benefits; ineligible dependents
- 17:9-3.7 Major Medical; ineligible dependents
- 17:9-3.8 Children with disabilities age 23 or older; determination of eligibility for continuation of coverage
- 17:9-3.9 Multiple coverage; employee and spouse
- 17:9-3.10 (Reserved)

**SUBCHAPTER 4. EMPLOYEES**

- 17:9-4.1 State employee defined
- 17:9-4.2 State; full-time defined
- 17:9-4.3 Ineligible employees defined
- 17:9-4.4 State; ineligible employees defined
- 17:9-4.5 Local; employee defined
- 17:9-4.6 Local; full time defined
- 17:9-4.7 Multiple positions

**SUBCHAPTER 5. CHARGES**

- 17:9-5.1 Separate experience; State and local
- 17:9-5.2 Waiting period
- 17:9-5.3 Advance charges; interest charges
- 17:9-5.4 Local employer payment of dependent charges
- 17:9-5.5 Local employer resolution; Chapter 88, P.L. 1974; Chapter 54, P.L. 1979
- 17:9-5.6 (Reserved)
- 17:9-5.7 State and local; multiple coverage refunds
- 17:9-5.8 Medicare refunds
- 17:9-5.9 Refunds rejected
- 17:9-5.10 Retroactive charges; payment due
- 17:9-5.11 Charges and coverage; 10-month employees
- 17:9-5.12 Premium-sharing for active employee State Health Benefits Coverage

**SUBCHAPTER 6. RETIREMENT**

- 17:9-6.1 Retired employee defined
- 17:9-6.2 Coverage for prospective retirees
- 17:9-6.3 Retired coverage; limitation
- 17:9-6.4 Disability earnings
- 17:9-6.5 Discontinuance of allowance
- 17:9-6.6 Beneficiary, dependent or survivor
- 17:9-6.7 Coverage for PFRS and SPRS accidental death benefit recipients
- 17:9-6.8 Premium-sharing for retired employee State Health Benefit Coverage and reimbursement for Medicare Part B costs
- 17:9-6.9 Eligibility for State payment of retiree coverage under P.L. 1997, c.330

- 17:9-6.10 Retiree prescription drug card plan
- 17:9-6.11 Aggregation of nonconcurrent pension credit to qualify for employer-paid retired SHBP benefits under P.L. 2001, c.209

**SUBCHAPTER 7. TERMINATION**

- 17:9-7.1 Termination effective date
- 17:9-7.2 Termination conversion rights; effective dates
- 17:9-7.3 Termination; Basic Benefits
- 17:9-7.4 Voluntary termination

**SUBCHAPTER 8. PRESCRIPTION DRUG PROGRAM**

- 17:9-8.1 State Prescription Drug Program comparable to State Health Benefits Program
- 17:9-8.2 Prescription drug cards and booklets
- 17:9-8.3 Termination; effective date

**SUBCHAPTER 9. DENTAL EXPENSE PROGRAM**

- 17:9-9.1 State Dental Expense Program; comparable to State Health Benefits Program
- 17:9-9.2 Dental expense cards and booklets
- 17:9-9.3 Enrollment charges
- 17:9-9.4 Enrollment forms
- 17:9-9.5 Annual enrollment period
- 17:9-9.6 Waiting period
- 17:9-9.7 Covered expenses
- 17:9-9.8 Premiums and coverage; 10-month employees
- 17:1-9.9 (Reserved)

**SUBCHAPTER 1. ADMINISTRATION****17:9-1.1 Commission meetings**

(a) The Commission shall meet, as necessary, at the call of the chairman or the secretary.

(b) Any two members of the Commission shall constitute a quorum for the purpose of conducting the business of the Commission.

(c) If a member is unable to attend a meeting, he shall designate a person to represent him as his alternate. The person so designated shall be permitted to vote on business brought before the Commission.

**17:9-1.2 Records**

(a) The minutes of the Commission meetings are public records and may be inspected during regular business hours at the office of the Division of Pensions under supervision of the Chief of the Health Benefits Bureau or other representatives of the office.

(b) Records considered confidential include all matters related to the coverage of individual participants and their families, mailing addresses of active and retired participants and individual files related to major medical claims where no official purpose or reason for inspection is indicated.

**Case Notes**

Board of education had sufficiently strong interest in obtaining information regarding health insurance claims paid for each employer

participating in health care plan to permit it to gain access to information regarding its claims history under common-law right to inspect public records. Board of Educ. of Newark v. New Jersey Dept. of Treasury, Div. of Pensions, 145 N.J. 269, 678 A.2d 660 (1996).