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Governor Christie Announces Agreement to Extend Mental Health Parity, Create Incentive Wellness Programs and Provide Lower-Cost Health Plan Options for Members of the State's Largest Employee Health Benefit Program

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Tags: [Pension and Health Benefits](#)

Unions and Administration Agree on Plan to Build a Healthier New Jersey in 2014

Trenton, NJ – Governor Chris Christie announced today that the committee that determines health benefits for the more than 217,000 active and retired members of the State Health Benefits Program (SHBP) and their dependents approved a plan to create Mental Health Parity in the benefits it provides, as well as a new Wellness Program that will offer employees financial incentives of up to \$250 a year to encourage them to maintain healthy lifestyles, and four new lower-cost health plan options. All the changes will take effect in Plan Year 2014.

The State Health Benefits Program Plan Design Committee voted unanimously to adopt the plan changes and the new plan options at its meeting on Friday, September 20. The Committee is made up of six representatives of management and six representatives of public employee labor unions. The SHBP's coverage will now align with the expanded options that the School Employees Health Benefits Program (SEHBP) adopted last month. The SHBP provides health benefits coverage to State, county and municipal workers in New Jersey as well as employees of State colleges and universities, while the SEHBP covers teachers and other employees of local school districts around the state. Together the two plans provide health benefits for more than 880,000 active and retired workers and their dependents.

"Both of the State's health benefit plans will now be using a plan design that maintains long-term cost-effectiveness and achieves my abiding commitment to dealing fairly and compassionately with those battling mental illness and substance abuse. Wellness programs like this have also become a proven method of maintaining healthy lifestyles and dealing with chronic, treatable illnesses such as diabetes, asthma and others through proper choices and consistent medication and treatment management," said Governor Christie. "I also applaud the labor-management cooperation of the Plan Design Committees in hammering out this effective health care approach."

The joint labor-management plan design committees for both the SHBP and the SEHBP represent a new, cooperative approach to managing public employee health care costs and benefit offerings. They were created as part of the comprehensive package of pension and health benefit reforms that Governor Christie signed into law in June 2011. The committees have provided a forum for joint decision-making by all interested parties on how limited health care dollars will be spent and how benefits can best be tailored to the needs of all plan participants.

Governor Christie has made significant public policy steps to ensure that individuals dealing with mental illnesses and substance-abuse disorders are treated with dignity and given the support they deserve. Providing Mental Health Parity to SHBP members continues that commitment. Parity means that non-biologically-based mental illness will be treated in the same way as biologically-based conditions. The SHBP already provides coverage for biologically-based mental illness on the same basis as other illnesses. However, limits have been in place on the coverage levels and number of days of treatment available on both an in-patient and out-patient basis for non-biologically-based mental illnesses. While those limits will no longer apply, all benefits for biologically and non-biologically-based mental illnesses will be subject to medical necessity and physician review and the additional cost to the SHBP of providing expanded mental health coverage is expected to be less than \$5.1 million per year.

Starting next year, SHBP's active employee members and their spouses or partners will also be able to participate in a

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comprehensive, incentive-based wellness program that will offer them a broad array of options for improving their overall health by joining exercise programs, diet, medical screenings and education programs and adopting positive action plans.

The incentives for participation will include gift cards worth up to \$100 that will be available in the first year of participation in a wellness program and that can be worth up to \$250 per person in the third year of the program.

The Committee also approved four new health plan options for active SHBP members that will offer them a choice of 2035 Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) plans from both Aetna and Horizon. The new plans will carry higher copays and deductibles than other coverage options but could reduce employees annual premium costs by as much as 15 percent compared to the lowest cost plan currently offered.

The members of the SHBP Plan Design Committee are Kenneth Kobylowski, Commissioner of the Department of Banking and Insurance, Richard Constable, Commissioner of the Department of Community Affairs, Jim Leonard, Treasury Department Chief of Staff, David Ridolfino, Associate Deputy State Treasurer, John Hutchinson, Senior Policy Advisor at the Department of Environmental Protection, Marc Larkins, Chief Executive Officer of the Schools Development Authority, Jeff Keefe of the American Association of University Professors, Kevin Lyons of the New Jersey State Policemen's Benevolent Association, David Jones, retired President of the State Troopers Fraternal Association, Steven Kreisberg, Director of Collective Bargaining and Health Care Policy, AFSCME, Brian McGonigle of the New Jersey Firefighters Mutual Benevolent Association and Hetty Rosenstein, New Jersey Area Director for the Communications Workers of America, District 1.

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