

CHAPTER 9

STATE HEALTH BENEFITS PROGRAM

Authority

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

Source and Effective Date

R.2003 d.437, effective October 9, 2003.  
See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Chapter Expiration Date

Chapter 9, State Health Benefits Program, expires on October 9, 2008.

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).

Subchapter 8, Prescription Drug Program, was formerly codified at 17:1-10 and was adopted as R.1977 d.117, effective April 7, 1977. See: 9 N.J.R. 142(c), 9 N.J.R. 243(a).

Subchapter 9, Dental Expense Program, was formerly codified at N.J.A.C. 17:1-11 (Chapter 1) and adopted as R.1978 d.99, effective March 15, 1978. See: 10 N.J.R. 38(b), 10 N.J.R. 175(d).

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.1985 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).

Subchapter 9, Dental Expense Programs, was recodified by R.1993 d.268, effective August 2, 1993. See: 25 N.J.R. 675(b), 25 N.J.R. 3506(b).

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: 30 N.J.R. 1919(a), 30 N.J.R. 2953(a).

Chapter 9, State Health Benefits Program, was readopted as R.2003 d.437, effective October 9, 2003. See: Source and Effective Date. See, also, section annotations.

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#### SUBCHAPTER 1. ADMINISTRATION

##### 17:9-1.1 Commission meetings

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

(b) Any three members of the Commission, at least two of whom are ex-officio members, shall constitute a quorum for the purpose of conducting the business of the Commission. Each member shall be entitled to one vote and a majority of all votes of the entire Commission shall be necessary for a motion to carry.

(c) If a member is unable to attend a meeting, the member, if an ex-officio member, or the Public Employees' Committee of the AFL-CIO or the New Jersey Education Association shall designate, in writing, an alternate. The person so designated shall be permitted to vote on business brought before the Commission.

(d) All Commission members and alternates shall complete mandatory training required by the implementing regulations of the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) prior to hearing any appeals before the Commission.

Amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

In (a), substituted "Chairperson" for "chairman"; in (c), rewrote the first sentence.

Amended by R.2004 d.21, effective January 20, 2004.

See: 35 N.J.R. 3745(a), 36 N.J.R. 440(a).

Rewrote (b); in (c), rewrote the first sentence; added (d).

##### 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 and Benefits under supervision of the Manager of Policy and Planning, State Health Benefits Program or other representatives of the office.

**17:9-12.1 The Retiree Dental Expense Plan**

(a) The Retiree Dental Expense Plan (Plan) was established under the provisions of N.J.S.A. 52:14-17.29(F) and became effective as of January 1, 2005. The Plan is available to retirees eligible for participation in the State Health Benefits Program and their eligible dependents. New retirees may enroll by completing an application at the time of retirement. The Plan is a Dental Expense Plan which is a traditional indemnity-type plan which allows the employee to select any licensed dentist for dental care.

(b) Participation in the Plan is voluntary. A separate election will be required for enrollment and for a change in, or a voluntary termination of, coverage in the Plan.

(c) The rules are the same as those of the State Health Benefits Program as administered by the State Health Benefits Commission in accordance with the provisions of N.J.S.A. 52:14-17.25 et seq. with the following exceptions:

1. Coverage is not continued in the event of termination from the State Health Benefits Program. There is no eligibility to continue retired dental coverage under the Federal Consolidated Omnibus Budget Reconciliation Act of 1985, 29 U.S.C. §§ 1161 through 1168 (COBRA) law;
2. There is no right of conversion from the Plan to non-group coverage;
3. Duplicate coverage is not permitted; an individual may be covered as a retiree or as an employee or dependent but not as both a retiree and a dependent or retiree or employee. Dependent children may only be covered by one parent; and
4. Retirees are offered one opportunity to elect enrollment in the Plan. If a retiree declines coverage when first eligible or elects to terminate Plan coverage, the retiree and the retiree's dependents are ineligible to enroll in the Plan at a later date except as permitted under the provisions of N.J.A.C. 17:9-6.

**17:9-12.2 Plan premiums**

(a) The State will not make any contributions for the cost of dental coverage.

(b) Local participating employers through collective negotiation agreements may pay nothing, all or a portion of the premium cost of the Plan for eligible retirees pursuant to the provisions of N.J.A.C. 17:9-5.4(e).

(c) Premium payments are deducted directly from a retiree's monthly retirement allowance. If the retirement allowance is not sufficient to cover the full premium, the retiree will be billed monthly for the coverage.

**17:9-12.3 Plan progressive coinsurance design**

(a) The Plan has three progressive coinsurance tiers. The highest tier provides a greater percentage of reimbursement for reasonable and customary charges than the lower two tiers. Each year a retiree remains a member of the Plan, the coinsurance tier rises until the retiree reaches the highest tier.

1. A retiree who was enrolled in a group dental plan immediately preceding eligibility for coverage in the Plan, and who was covered under a group dental plan for at least one year within 60 days of joining this Plan, is eligible for enrollment at the highest tier of reimbursement.
2. A retiree who was not enrolled in a group dental plan for at least one year immediately preceding eligibility for coverage in the Plan shall be enrolled in the lowest tier of reimbursement.
3. A dependent is enrolled at the same tier of reimbursement as the retiree.

(b) The maximum annual benefit amount is the same for each tier.

**17:9-12.4 Covered expenses**

The Plan handbook supplements the master contracts and contains the specific provisions for services to be covered and those which are excluded. Orthodontic services are not covered under the Plan.

**17:9-12.5 Deductible**

Charges incurred by a retiree prior to enrollment in the Plan shall not be considered toward satisfying the Plan deductible.