

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.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).

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.

Subchapter 13, Chapter 375 Dependents, was adopted as new rules by R.2008 d.99, effective April 21, 2008. See: 39 N.J.R. 1645(a), 40 N.J.R. 2130(a).

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 Employer participation
- 17:9-1.5 Voluntary termination of employer; notice
- 17:9-1.6 Default of employer; notice
- 17:9-1.7 Employer incentives for non-enrollment prohibited
- 17:9-1.8 Definitions

SUBCHAPTER 2. COVERAGE

- 17:9-2.1 Enrollment and charges
- 17:9-2.2 Enrollment form
- 17:9-2.3 Annual open enrollment period
- 17:9-2.4 Coverage changes; exceptions
- 17:9-2.5 Employee coverage requirements
- 17:9-2.6 Effective date for new hires; State employees and dependents
- 17:9-2.7 Effective date for new hires; local employees and dependents
- 17:9-2.8 Transfers
- 17:9-2.9 HMO; elections
- 17:9-2.10 Coverage for survivors—death of active employee
- 17:9-2.11 Traditional Plan major medical and out-of-network NJ PLUS; eligible charges at enrollment (local employees)
- 17:9-2.12 Extension of coverage charges
- 17:9-2.13 Duplication of benefits
- 17:9-2.14 Policy provisions adoption

SUBCHAPTER 3. DEPENDENTS

- 17:9-3.1 Dependents and children defined
- 17:9-3.2 Military service
- 17:9-3.3 Certification of dependency
- 17:9-3.4 Children with disabilities age 23 or older; determination of eligibility for continuation of coverage
- 17:9-3.5 Multiple coverage; employee and spouse

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 Charges; interest charges
- 17:9-5.3 Local employer payment of charges
- 17:9-5.4 Local employer resolution; P.L. 1974, c.88; P.L. 1979, c.54; P.L. 1999, c.48
- 17:9-5.5 Medicare refunds
- 17:9-5.6 Refunds rejected
- 17:9-5.7 Retroactive charges; payment due
- 17:9-5.8 Charges and coverage; 10-month employees
- 17:9-5.9 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 retirants
- 17:9-6.3 Retiree coverage; limitation
- 17:9-6.4 Suspension of allowance
- 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 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 of eligibility
- 17:9-7.3 Continuation of coverage
- 17:9-7.4 Voluntary termination

SUBCHAPTER 8. EMPLOYEE PRESCRIPTION DRUG PLAN

- 17:9-8.1 Employee Prescription Drug Plan
- 17:9-8.2 Prescription drug cards
- 17:9-8.3 Termination; effective date

SUBCHAPTER 9. EMPLOYEE DENTAL PLANS

- 17:9-9.1 Employee Dental Plans
- 17:9-9.2 Dental identification cards
- 17:9-9.3 Enrollment charges
- 17:9-9.4 Waiting period—Orthodontics under the Dental Expense Plan
- 17:9-9.5 Covered expenses
- 17:9-9.6 Deductible
- 17:9-9.7 (Reserved)

SUBCHAPTER 10. PROCUREMENT OF STATE HEALTH BENEFITS PROGRAM CONTRACTS

- 17:9-10.1 Purpose
- 17:9-10.2 Source for public information
- 17:9-10.3 Definitions
- 17:9-10.4 Procurement methodology
- 17:9-10.5 Notice of formal, advertised, sealed bidding opportunities
- 17:9-10.6 Requirements for formal, advertised, sealed bidding
- 17:9-10.7 Performance security
- 17:9-10.8 Bid opening
- 17:9-10.9 Bid errors
- 17:9-10.10 Evaluation of bid proposals
- 17:9-10.11 Evaluation of bid proposals permitting negotiation
- 17:9-10.12 Preference laws; out-of-State bidders
- 17:9-10.13 Protest
- 17:9-10.14 Protest of an RFP requirement
- 17:9-10.15 Protest of a Commission contract award decision
- 17:9-10.16 Appeal to Commission
- 17:9-10.17 Discovery procedures
- 17:9-10.18 Contract execution
- 17:9-10.19 Exceptions to formal, advertised, sealed bidding
- 17:9-10.20 Contract rescission
- 17:9-10.21 Mutual cancellation of contract
- 17:9-10.22 Waiver of time periods
- 17:9-10.23 Authority to contract

SUBCHAPTER 11. PART-TIME EMPLOYEES GROUP

- 17:9-11.1 Establishment of Part-time Employees Group
- 17:9-11.2 Eligible part-time employees
- 17:9-11.3 Coverage available
- 17:9-11.4 Payment of coverage
- 17:9-11.5 Cost of coverage
- 17:9-11.6 Effective date of coverage
- 17:9-11.7 Effect of full-time employment on participation in the Part-time Employees Group