



What's Inside

Pharmacy Benefits Management Contract Awarded to Medco	2
Dependent Coverage Audit	2
Letter from Medco.....	3
Coverage for Children Past Age 23	4
Supporting Documentation Required for Dependent Coverage.....	5
Need Access to Your Health Information Now?.....	6
Plan Contact Information.....	6
Medicare Premium Reimbursements for 2010.....	7
Medical Plan Rates for 2010	8

Program Update for 2010

For retired group members of the State Health Benefits Program (SHBP) and the School Employees' Health Benefits Program (SEHBP) your benefits under the participating medical plans (Aetna HMO, CIGNA HealthCare, or NJ DIRECT) will remain the same for 2010. However, it is important to update our membership on some administrative changes that go into effect for the coming plan year regarding the management and cost of your prescription drug benefits, the retiree dental provider network, and Medicare premiums for 2010.

- ◆ Beginning January 1, 2010, all pharmacy benefits (including mail order prescription drugs) will be managed through Medco, Health Solutions, Inc. **All retirees should see the article “Pharmacy Benefits Management Contract Awarded to Medco” on page 2 and the announcement letter from Medco on page 3.**
- ◆ In 2010 there will be a slight increase in prescription drug copayments for all retirees. For more information regarding copayments for all retiree benefits visit our Web site at: www.state.nj.us/treasury/pensions/shbp.htm Please note that the increase in copayments is part of the overall prescription drug plan design and was scheduled prior to the transition to Medco as the new pharmacy benefits manager.
- ◆ The Retiree Dental Expense Plan is a Preferred Provider Organization (PPO) dental plan. Therefore, for 2010 the reimbursement levels have been restructured to differ when using an in-network or an out-of-network provider; contact your dentist to find out if they are an in-network provider or contact Aetna (see page 7 for contact information) to find a participating in-network dentist. The restructuring also allows for a reduction in dental plan premiums.
- ◆ For members eligible for Medicare, your Part B premium charged by Social Security is now partly based on income, Social Security eligibility, and Medicare Part B enrollment date. While most of our membership will continue to pay the same standard Medicare Part B premium and not have an increase, in 2010 there may be some members who will have to pay more than the standard Part B premium based on their income. For details, see the article “Medicare Premium Reimbursement for 2010” on page 7.

For more information visit our Web site at: www.state.nj.us/treasury/pensions The plan member handbooks (Aetna HMO, CIGNA HealthCare, and NJ DIRECT), the *Retiree Dental Expense Plan Member Handbook*, and the *Summary Plan Description* handbook will be revised for the 2010 plan year and available on our Web site in early 2010.

Pharmacy Benefits Management Contract Awarded to Medco

Beginning January 1, 2010, the retired SHBP and SEHBP prescription drug benefit will be under contract with Medco Health Solutions, Inc. of Franklin Lakes, New Jersey. (As of January 1, the pharmacy benefit will no longer be under the management of CVS/Caremark, Aetna HMO, or CIGNA HealthCare.)

You can expect to receive more information about the change to Medco during the implementation process. An announcement letter from Medco introducing the program is printed on page 3 of this newsletter. In mid-December, you will receive a "Welcome Package" from Medco that will contain even more information about your pharmacy benefits and your Medco identification card.



Dependent Eligibility Verification Audit

This year and next the Division of Pensions and Benefits is conducting a full legal document audit of all State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) members who cover dependents. This will require that you provide legal documentation for all dependents you cover under your plan(s). Those who do not have proper legal documentation will be terminated from your coverage.

Since ineligible dependents are one reason health care costs are increasing, it is important to verify that individuals listed as dependents in the SHBP/SEHBP meet the definition of "dependent" as described in N.J.A.C. 17:9-3.1.

The Division of Pensions and Benefits has retained Aon Consulting to perform a **Dependent Eligibility Verification Audit (DEVA)**. Each retiree who covers a dependent under their health plan will receive a letter from Aon with specific instructions. They will have until a specified date to furnish Aon with the required legal documentation confirming that their dependents are eligible for coverage under the SHBP/SEHBP programs. (See documentation requirements on page 5.)

The audit of the retired group members who are retirees of State employers ends December 11, 2009.

All other local government or local education retired group members will be contacted by Aon early in 2010. If you currently do not have the required legal documentation, you should start now to obtain it so that you do not miss the deadline.

Providing ineligible dependents with health coverage is not always intentional on the part of the retiree. For this reason, as part of the DEVA, the SHBP/SEHBP is allowing an amnesty period during which you will have the opportunity to voluntarily identify any ineligible dependents and therefore avoid any penalties or other legal action. After the close of the amnesty period there will be legal consequences as outlined under Chapter 89, P.L. 2008, for members who are found to have knowingly enrolled, or attempted to enroll ineligible dependents under the programs.

We appreciate your cooperation in contributing to our efforts to continue to provide quality health care at a reasonable cost. Any person who knowingly enrolls, or attempts to enroll, individuals that they know are ineligible are guilty of a crime and subject to prosecution. To report a possible fraud call the Division's Office of Client Services at (609) 292-7524. All calls will remain confidential.

Medco Health Solutions, Inc.
100 Parsons Pond Drive
Franklin Lakes, NJ 07417



Dear Retired Group Member:

We're pleased to announce that, beginning January 1, 2010, the State Health Benefits Program/School Employees' Health Benefits Program (SHBP/SEHBP) prescription drug benefit will be managed by Medco, the world's most advanced pharmacy®. Medco looks forward to putting its clinical experience and state-of-the-art technology to work for you.

With Medco, you'll have access to:

- **Convenient mail-order services through the Medco Pharmacy.** You'll be able to have up to a 90-day supply of long-term medication delivered directly to you for one mail-order copayment. Long-term medications are those taken to treat ongoing conditions, such as high blood pressure, high cholesterol, or diabetes.
- **A wide network of participating retail pharmacies.** You'll have access to nearly 60,000 retail pharmacies nationwide, including most major drugstores.
- **Helpful resources on Medco's Web site, www.medco.com** plus having the ability to order mail-order refills, check order status, compare medication costs, request order forms and envelopes, and access useful health and benefit information.
- **Medco Member Services representatives, available 24 hours a day, 7 days a week** (except Thanksgiving and Christmas) to assist with questions about your benefit and orders.
- **Medco specialist pharmacists, who have expertise in the medications that treat a single condition, such as high blood pressure, asthma, diabetes, or cancer.** Specialist pharmacists can answer your questions about how your medications work with each other and how to make them work best for you. Since they know how your plan works, specialist pharmacists can also advise you on potentially reducing your medication costs.

In December, you'll receive a Welcome Package that explains your benefit and offers simple instructions on how to take full advantage of all the prescription services available to you. Your Medco prescription drug ID cards will also be included. Beginning January 1, 2010, please be sure to present your prescription drug ID card to your pharmacist when filling prescriptions.

To refill remaining mail-order prescriptions through the Medco Pharmacy

If you have refills remaining with your current mail-order pharmacy, you do not need to get a new prescription in most cases. Before filling your next order, Medco will need to confirm that your prescription information has been transferred correctly. You should submit a refill when you still have a two-week supply of medication remaining. After January 1, 2010, you can refill your prescription in one of three ways:

- Visit www.medco.com and activate your account by registering with your Medco member ID number and a current prescription number. Then, click "Order status."
- Mail the transfer form, included in the Welcome Package that you will receive in December, along with your refill slip or label, to the Medco Pharmacy Order Center.
- Call Medco toll-free at 1-866-220-6512. You'll need to have your prescription number handy when you call.

Please note that controlled substances and compound medications will not be transferred. If you take one of these medications, you must obtain a new prescription from your doctor. Your Welcome Package will contain instructions for submitting new prescriptions to the Medco Pharmacy.

If you have any questions regarding your new prescription drug benefit, please visit us online at: www.medco.com/statenewjersey beginning December 1, 2009. Some of the implementation Web site features include being able to locate participating pharmacies and look up medications on a formulary. You may also call toll-free 1-866-220-6512 for answers to implementation questions.

Sincerely,

A handwritten signature in black ink that reads "Barney Gallassio".

Barney Gallassio
Vice President of Member Services

P.S. When you receive your new prescription drug ID card, please place it in your wallet or purse. Beginning January 1, 2010 show it to your pharmacist when you fill a prescription.

Coverage for Children Past Age 23

In general, coverage for an enrolled child will end on December 31 of the year in which the child turns age 23. The following information explains the different coverage options and the eligibility requirements your child must meet in order to maintain coverage through the SHBP or SEHBP after reaching age 23.

Over Age Dependents with Disabilities

Unmarried children with disabilities who turn age 23 during 2009, who are still dependent on you for support, and meet the definition of a dependent may remain on your health plan upon approval of their disabled status. Requests for the continuation of coverage must be sent to the SHBP/SEHBP by the **January 31, 2010 deadline**.

To apply for an extension of health benefits coverage for a dependent with disabilities, write to the Division of Pensions and Benefits, Health Benefits Bureau, P.O. Box 299, Trenton, NJ 08625-0299 or call (609) 292-7524. Please provide your name, address, and Social Security number, and ask for the *Request for Continuance for Dependent with Disabilities* form. Previously approved requests are reviewed annually to determine if the disabled child still meets the eligibility requirements.

Children Over Age 23

The SHBP/SEHBP has specific guidelines about providing health coverage to children past the age of 23 until age 31. A child who previously "aged-out" of a plan and does not currently receive coverage or who has coverage under COBRA, provided he or she meets certain requirements for dependent status, may elect continued coverage — even if there has been a gap in coverage. The eligibility requirements are outlined as follows:

1. be 30 years of age or younger at the time of application;
2. be unmarried;
3. have no dependent(s) of his or her own;
4. be a resident of New Jersey or enrolled as a full-time student at an accredited public or private institution of higher education;
5. have no other coverage as a named subscriber, insured, enrollee, or covered person under any other group or individual health benefits plan, church plan, or entitled to benefits under Medicare; and
6. provide proof of loss of previous coverage.

An over age child is eligible for coverage until age 31 in the medical and/or prescription drug plan that is identical to the plan in which the parent is enrolled. In order to enroll, you must complete an *Application for Chapter 375 Coverage* and return it to the Division of Pensions and Benefits, Health Benefits Bureau, P.O. Box 299, Trenton, NJ 08625-0299. The application for an over age child must be signed by both the child and parent responsible for paying for the cost of coverage. The application can be found on our Web site at: www.state.nj.us/treasury/pensions/shbp_forms.htm or contact the Division's Office of Client Services at (609) 292-7524.

There is no provision under Chapter 375 for enrollment in dental or vision benefits. Continued dental and vision coverage may be available under federal COBRA rules. For more information about COBRA visit our Web site at: www.state.nj.us/treasury/pensions/shbp.htm

Supporting Documentation Required for Dependent Coverage

The SHBP and SEHBP are required to ensure that only eligible employees and retirees, and their dependents, are receiving health care coverage under the program. As a result, the Division of Pensions and Benefits must guarantee consistent application of eligibility requirements within the SHBP/SEHBP health plans. All dependents enrolled for coverage (spouses, civil union partners, domestic partners, children, disabled dependents, and continued coverage for over age children) must be verified by documentation that proves the dependent’s relationship to the member. The charts below lists the required documentation that a member must provide in order to enroll an eligible dependent for coverage.

DEPENDENTS	REQUIRED DOCUMENTATION
SPOUSE	Photocopy of the marriage certificate and a copy of the front page of the retiree’s most recently filed federal tax return* (<i>Form 1040</i>) that includes your spouse.
CIVIL UNION PARTNER	Photocopy of the <i>New Jersey Civil Union Certificate</i> or a valid certification from another jurisdiction that recognizes same-sex civil unions and a copy of the front page of the retiree’s most recently filed NJ income tax return* that includes the partner or a copy of a recent (within 90 days of application) bank statement or bill received in both partners’ names at the same address.
DOMESTIC PARTNER	Photocopy of the <i>New Jersey Certificate of Domestic Partnership</i> dated prior to February 19, 2007 or a valid certification from another State of foreign jurisdiction that recognizes same-sex domestic partners and a copy of the front page of the retiree’s most recently filed NJ income tax return* that includes the partner or a copy of a recent (within 90 days of application) bank statement or bill received in both partners’ names at the same address.
CHILDREN	<p>Natural Child – Photocopy of the child’s birth certificate showing the retiree’s name as a parent.</p> <p>Step Child – Photocopy of the child’s birth certificate showing the retiree’s spouse/partner’s name as a parent; and a copy of marriage/partnership certificate showing the retiree and parent’s name.</p> <p>Legal Guardian, Adoption, Grandchild(ren), or Foster Child(ren) – Photocopy of <i>Affidavits of Dependency</i>, <i>Final Court Order</i> with presiding judge’s signature and seal, or <i>Adoption Final Decree</i> with presiding judge’s signature and seal. <i>Court Order</i> with presiding judge’s signature and seal, or <i>Adoption Final Decree</i> with presiding judge’s signature and seal.</p>
DEPENDENT CHILDREN WITH DISABILITIES	Documentation as noted for the “Child” dependent type and a copy of the front page of the retiree’s most recently filed federal tax return* (<i>Form 1040</i>) that includes the child. If a Social Security Disability has been awarded, or is currently pending, please include this information in the documentation submitted. Please note that this documentation only verifies the child’s eligibility as a dependent, not the disability status of the child.
CONTINUED COVERAGE FOR OVER AGE CHILDREN	Documentation as noted for the “Child” dependent type and a copy of the front page of the retiree’s most recently filed federal tax return* (<i>Form 1040</i>) that includes this child, or if the over age child is not listed on the retiree’s tax return, a copy of the front page of the child’s most recently filed tax return,* and if the child resides out of the State of New Jersey, documentation of full time student status is required.

*On the tax return you may black out all financial information and all but the last 4 digits of any Social Security numbers.

Need Access to Your Health Information Now?

Retirees who are registered **Member Benefits Online System (MBOS)** users and enrolled in the State Health Benefits Program (SHBP) or the School Employees' Health Benefits Program (SEHBP) can view their present health benefits coverage information, as well as their health benefits coverage history (any previous coverage as an active or retired member). For example, when you add or drop a dependent from your coverage or change health plans, this application will allow you to check that your health plan changes have been made.

Registered members can access this application by clicking on the "State Health Benefits Program" button on the MBOS retiree home page. The

"Subscriber/Eligibility Selection" page will appear first. To access your health benefits account information, simply click on the link for the account you wish to view listed under the heading, "Employer ID."

The page that appears next will show your Eligibility Summary, Coverage Information, and Dependent Information. You can view your health benefits account history by using the link, "Click here to view coverage history."

Information on how to register for MBOS is available on the Division's Web site, at: www.state.nj.us/treasury/pensions/mbosretired.htm There you will also find the *MBOS Retired User's Information Guide*, with instructions for using the Health Benefits application.

SHBP & SEHBP Plan Contact Information

MEDICAL PLAN NAME	WEB ADDRESS	PHONE#
<u>Preferred Provider Organization (PPO)</u>		
NJ DIRECT10 and NJ DIRECT15	www.horizonblue.com/shbp	1-800-414-7427 (SHBP)
<i>Administered by Horizon Blue Cross Blue Shield of New Jersey</i>		
<u>Health Maintenance Organizations (HMO)</u>		
Aetna HMO	www.aetna.com/statenj	1-877-STATE NJ
Aetna Medicare Open Plan <i>For retirees enrolled in Medicare</i>	www.aetna.com/statenj	1-866-234-3129
CIGNA HealthCare	www.cigna.com/stateofnj	1-800-564-7642
<i>All plans are available nationwide. There are no longer specific service areas in different states; however, you should check with your medical provider to verify his or her plan participation.</i>		
<u>Prescription Drug Coverage</u>		
Medco Health Solutions, Inc.	www.medco.com/statenj <i>(as of January 1, 2010)</i>	1-866-220-6512
<u>Retiree Dental Expense Plan</u>		
Aetna Dental	www.aetna.com	1-877-238-6200

Medicare Premium Reimbursements for 2010

The U.S. Department of Health and Human Services has announced the Medicare premiums and deductibles for calendar year 2010.* Among the announcements, the monthly premium for Medicare Part B coverage will remain at \$96.40 for 2010 for those retirees who *currently* have their Medicare Part B premium deducted from their Social Security allowance with incomes of \$85,000 or less. However, for retirees who are *newly* enrolled in Medicare in 2010, the standard Medicare Part B premium will be \$110.50.

Members who retired with 25 years of pension credit or on a disability retirement may be eligible for reimbursement of Medicare Part B premiums. Eligible retirees of the State, State universities and colleges, and school board and county colleges are reimbursed in their pension checks, provided they receive a pension check from the State. (Alternate Benefit Program and local board of education retirees are reimbursed in a separate check.) Eligible retired local employees whose former employer provides post-retirement medical coverage may be reimbursed directly by their former employer.

Limitations on Reimbursement for 2010

Many retired members who are eligible for the Medicare reimbursement receive the full amount of the Part B premium (either \$96.40 or \$110.50); however, State retirees and retirees of State colleges or universities who attained 25 years of service after July 1, 1997, or retired on a disability retirement on or after August 1, 1997 are reimbursed for Medicare Part B premiums according to the terms specified in the bargaining unit (union) agreements in effect at the time they reached 25 years of service credit or retired on a disability retirement. For some of these retirees, the Medicare Part B reimbursement is capped at a maximum reimbursement level of \$46.10. Reimbursement for SHBP/SEHBP members who are retired from a local employer is dependent upon the local employer's adopted agreements.

NOTE: *Since January 1, 2007 your Medicare Part B premiums have been based on your income. If your income was above \$85,000 (single) or \$170,000 (married couple), your Medicare Part B premium in 2009 may be higher than the standard premium of \$96.40. Additional information about Medicare deductibles and premiums for 2009 is available over the Internet, at: www.medicare.gov or by calling Social Security, at 1-800-772-1213.*

Reimbursement for Premiums Paid in 2009

During 2009, if you or your eligible spouse/partner paid more than the standard monthly premium of \$96.40 per month for Medicare Part B coverage, you must remit verification of the extra amount paid to the Health Benefits Bureau at the Division of Pensions and Benefits. To do so, forward a copy of your Social Security Administration Medicare Part B notification of income-related premium (cost of living letter) along with your Social Security form SSA-1099 (or RRB-1099 if in the Railroad Retirement System) or other proof of payment of Medicare Part B premiums for calendar year 2009 to the following address no later than **March 31, 2010**: Division of Pensions and Benefits, ATTN: Health Benefits Financial Section, PO Box 295, 50 West State Street, Trenton, NJ 08625-0295.

If you are eligible for reimbursement of the full Medicare Part B premium, you will receive a check after March 31, 2010 representing the unreimbursed balance you paid in 2009. No additional reimbursement will be made where the State's reimbursement for Medicare Part B is capped by law or by bargaining agreement. In addition, if you pay a higher Medicare Part B premium due to a late enrollment penalty, you will not be reimbursed for the penalty.

If you have any questions about the Medicare Part B reimbursement, please contact the Division of Pensions and Benefits' Office of Client Services at (609) 292-7524 or you can e-mail the Division at: pensions.nj@treas.state.nj.us

*There also may be additional costs if you did not enroll in Medicare Part B when first eligible.

Medical Plan Rates for 2010

New rates for retiree health plans go in effect on January 1, 2010. For members who pay a full or shared premium for their health coverage, information was mailed in October. The mailer includes the rates specific to your chosen health plan. The rates are in effect through December 31, 2010.

For more information on the costs for all the available plans at all coverage levels visit our Web site at: www.state.nj.us/treasury/pensions/shbp.htm or contact the Division of Pensions and Benefits, Office of Client Services at (609) 292-7524.

SHBP & SEHBP


Health Reporter

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The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to Health Reporter, Division of Pensions and Benefits, Office of Client Services, PO Box 295, Trenton, NJ 08625-0295 or e-mail us at: pensions.nj@treas.state.nj.us

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