

To: All Local 5089/5094 at Rutgers

From: Marsha Lauriano, Grievance Chair, Local 5089; Justin O'Hea and Ryan Novosielski, Co-Presidents, Local 5094

Subject: Healthcare – Open Enrollment/Changes to State Health Benefit Program

When to send: ASAP

Open enrollment for healthcare plans under the State Health Benefit Program is scheduled to begin October 1, 2022. We wanted to take this time to explain the changes to the healthcare plans for the State Benefit Program.

The healthcare premiums for the State Health Benefits Program are scheduled to increase January 1, 2023. As you are aware, our collective negotiations agreement between Rutgers University and HPAE provide the opportunity for negotiations in the event the increases in employee healthcare contributions will exceed the blended premium for the preceding baseline plan year.

The State Health Benefit Program issued a report in July 2022 recommending a 20.7% increase for the plans in which active employees in the State Employee Group are enrolled. We fought back. In solidarity with other State Unions, our collective power pushed the vote back to September and contract negotiations with the State began to offset these costs. We took part in a state-wide rally in Trenton on September 13th to show the legislature this increase was unacceptable.

For those negotiations unit employees currently enrolled in the Chapter 78 PPO and HMO plans (NJ Direct 15, NJ Direct 15/25, or the High Deductible plan) and the final approved **premium increase is 19.6%**. There is no increase in copays for the PPO plans. The Specialist copay will increase from \$15 to \$30 for the Tiered Network plan and the HMO plan. The Urgent Care copay will increase from \$15 to \$45 for the Tiered Network plan and the HMO plan.

In a negotiated agreement with our Unions and the State, we were able to negotiate a much lower increase to premium cost for the Unity/NJ Direct and Unity NJ Direct 2019 plans. The premium increase will be 3% starting in January 2023. For example, if an employees' current contribution for the family plan is 7% of salary, effective January 1, 2023, the employee's contribution shall be 7.21% of salary. Negotiations Unit Employees participating in the Tiered Network plan shall continue to 75% of the NJ direct/Unity plan contributions. The Specialist Copay for the NJ Direct/Unity plans will increase from \$15 to \$30 and will also apply to the Tiered Network plan and the HMO plan. The Urgent Care Copay will increase from \$15 to \$45 and will also apply to the Tiered Network plan and the HMO plan. There will be no changes of copays for the treatment of OB/GYN for any plan type.

These changes are part of a one-year pilot program following the States assertion of increased plan use following the COVID pandemic and recommendations from Aon, the actuary for the State Health Benefit Program. Prior to the end of the Plan Year 2023, the Unions and the State shall review relevant and available utilization and cost information relevant to the Specialist and Urgent Care copays.

Please take the time to review these changes to make decisions regarding your healthcare that would be most beneficial to you and your family. If you have any questions regarding the plan changes, please reach out to your local union representative.

We will continue to provide you with updates as more information becomes available from the State and during the Open Enrollment period.

In Solidarity,

Justin O’Hea and Ryan Novosielski, Co-Presidents, Local 5094

Marsha Lauriano, Grievance Chair, Local 5089