

**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD, NEW JERSEY  
PUBLIC BOARD MEETING  
October 24, 2016**

**RESOLUTION      3474A**

**FOR ACTION**

**SUBJECT:            AUTHORIZE PARTICIPATION IN STATE HEALTH BENEFITS  
PROGRAM AND/OR SCHOOL EMPLOYEES HEALTH BENEFITS  
PROGRAM OF THE STATE OF NEW JERSEY**

WHEREAS, The Board of Education has been advised that its current provider of Health Insurance Coverage is raising its premiums by approximately 29% rendering the premium costs for 2017 higher than the premiums charged by the New Jersey School Employees Health Benefits Plan and

WHEREAS, The Board of Education has determined that it cannot continue with such Health Insurance Provide, Effective February 1, 2017,

NOW THEREFORE BE IT RESOLVED THAT:

1. The South Orange and Maplewood Board of Education hereby elects to participate in the Health Program provided by the New Jersey State Health Benefits Act of the State of New Jersey (N.J.S.A. 52:14-17.26 and N.J.S.A. 52:14-17.46.2) and to authorize coverage for all the employees and their dependents thereunder in accordance with the statute and regulations adopted by the State Health Benefits Commission and/or School Employees' Health Benefits Commission.
2. We elect to participate in the Employee Prescription Drug Plan defined by N.J.S.A. 52:14-17.25 et seq. and authorize coverage for all employees and their dependents in accordance with the statute and regulations adopted by the State Health Benefits Commission and/or School Employees' Health Benefits Commission.
3. We will be maintaining Delta Dental as our dental plan.
4. We elect 25 hours per week (average) as the minimum requirement for full time status in accordance with N.J.A.C. 17:9-4.6.
5. As a participating employer we will remit to the State Treasury all charges due on account of employee and dependent coverage and periodic charges in accordance with the requirements of the statute and the rules and regulations duly promulgated thereunder.
6. We hereby appoint Paul Roth, Business Administrator/Board Secretary to act as Certifying Officer in the administration of this program.
7. This resolution shall take effect immediately and coverage shall be effective as of 2/1/2017 or as soon thereafter as it may be effectuated pursuant to the statutes and regulations (can be no less than 75 or 90 days pursuant to the provisions of N.J.S.A. 17:9-1.4).

**BACKGROUND INFORMATION**

Horizon's final health insurance rates for 2017 reflect a 29% increase as compared to the 2017 School Employees Health Benefits Program (SEHBP) rates of 15%. Since the rates offered by the SEHBP for 2017 are lower for the District and employees than the rates offered by the current provider, the recommendation is for the district to re-enter the SEHBP as of February 1, 2017. The approved budget for the 2016-2017 school year included funding for a 15% increase. The District will remain within budget by moving to the SEHBP.

**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD, NEW JERSEY  
PUBLIC BOARD MEETING  
October 24, 2016**

**RESOLUTION        3474B**

**FOR ACTION**

**SUBJECT:**            ADOPT THE PROVISIONS OF CHAPTER 88, P.L. 1974,

WHEREAS, the Board of Education agrees to continue chapter 88 coverage until the Board of Education determines to discontinue chapter 88,

BE IT RESOLVED THAT:

1. The South Orange and Maplewood Board of Education hereby elects to adopt the provisions of Chapter 88, P.L. 1974 and adhere to the rules and regulations promulgated by the State Health Benefits Commission to implement the provisions of the law. We hereby acknowledge that the rules and regulations of the State Health Benefits Commission established that Chapter 88, P.L. 1974 does:
  - a. Apply to all eligible current and future pensioners of the employer and their dependents;
  - b. Continue as long as the State is paying the cost of its eligible pensioners and their dependents in accordance with the provision of Chapter 75, P.L. 1972;
  - c. Provide for local employer reimbursement of Federal Medicare Part B premiums for eligible pensioners and/or their spouses as well as the payment of health insurance premiums required by the program on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with the provisions of Chapter 75, P.L. 1972; and
  - d. Require the local employer to pay the full cost of such premiums up to the cost of Traditional Plan coverage.
2. We do elect to adopt Chapter 436, P.L. 1981, which extends the provisions of Chapter 88 to surviving spouses of eligible retirees.
3. We hereby agree to pay the premium or periodic charges for the benefits provided to all eligible retired employees and their dependents covered under the program, including surviving spouses if we also adopted Chapter 436, P.L. 1981, if such employees retired from a State- or locally-administered retirement system on a benefit based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement but including the employees who retired on disability pensions based on fewer years of service credited in such retirement system. We also agree to reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program covering the retired employees and spouses in accordance with the regulations of the State Health Benefits Commission.
4. This resolution shall provide for an effective date not earlier than the first day of the month at least 90 days following the receipt of such resolution by the Health Benefits Bureau in the State Division of Pensions and Benefits.

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**RESOLUTION        3474C**

**FOR ACTION**

**SUBJECT:            EXTEND AN AGREEMENT WITH HORIZON BLUE CROSS BLUE  
SHIELD OF NEW JERSEY**

BE IT RESOLVED THAT the Board of Education extends an agreement with Horizon Blue Cross Blue Shield of NJ to provide medical and prescription drug benefits for a period of one month effective January 1, 2017 through January 31, 2017.

BE IT FURTHER RESOLVED THAT the Board President, Superintendent and Board Secretary are authorized to execute and deliver any necessary contracts and reports on behalf of the Board.

**BACKGROUND INFORMATION**

The State Employee Health Benefits Program requires a 90 day notice to join. The District's current contract with Horizon Blue Cross and Blue Shield ends on December 31, 2016. Insurance rates were received in October and notification to change can be initiated on October 25, 2016 at the earliest. Due to the timing of events a one month extension with Horizon Blue Cross and Blue Shield is required.