



DEPARTMENT OF ADMINISTRATION  
CITY OF CAMDEN  
NEW JERSEY

VICTOR CARSTARPHEN  
MAYOR

TIMOTHY J. CUNNINGHAM ESQ.  
BUSINESS ADMINISTRATOR  
TEL: 856-757-7150  
FAX: 856-968-4708  
EMAIL: BUSADMIN@CLC.CAMDEN.NJ.US  
WEBSITE: WWW.CL.CAMDEN.NJ.US

To All City Employees and Non-Medicare Retirees Eligible To Receive Health Benefits:

The City is pleased to announce the details for our annual open enrollment for health and pharmacy benefits for 2024. *The open enrollment period will run from October 9, 2023 to November 3, 2023.* Please read this letter carefully so you are aware of the latest important information about the City's health benefits and know what, if any, action you may need to take.

Last year the City made a strategic decision to exit the NJ State Health Benefits Plan (State Plan) and obtained health insurance coverage through Aetna. The decision to exit the State Plan was not reached without significant deliberation since health care is important to us all and we all share in the cost. A year ago, as widely reported in the press and evidenced by significant rate increases, the State Plan faced poor financial results and incredible instability; a situation that continues today with no end in sight. Because of the significant cost pressures associated with its situation, the State announced that, for 2023, it would pass along an increase that was intolerable to the City. The Administration reacted quickly, sending our own claims experience history to other insurance providers fast enough that we were able to exit the State Plan for the same benefits at a lower cost with Aetna. I am proud to say we were among the first to announce an exit, the first major city, and others followed our example including the City of Newark and the City of Trenton. Any local government unit that could get out of the State plan likely did so.

While we could have congratulated ourselves on our decisive exit, this Administration has emphasized the critical importance of future planning and looked beyond just 2023, establishing a multi-year plan. Phase one was to exit the State Plan and get to a private plan that was better run, which we did when we moved to Aetna. The plan for phase two was to move to a "self-funded" plan or into one of the Health Insurance Funds, or "HIFs", that offer regional pooling with other area municipalities to give us independence and purchasing power with other Camden County area groups. Though phase two was originally expected to occur at some point in the near future, as we received the data on how the City's covered population was utilizing its benefits in 2023, we again took action to ensure that our health benefits costs, which are shared between the City and the employees, are kept as low as possible while maintaining the excellent coverage levels we all rely on. Therefore, phase two has begun now, and I am writing to announce that we are moving into the Southern NJ Health Insurance Fund (the HIF) as of January 1, 2024.

I want to be very clear – **the benefits and plan design offered by the City through the HIF remain "equal to or better than" what we have through Aetna (and what we had when in SHBP).** In fact, our coverage will continue to be provided by Aetna, because the HIF *also* uses Aetna to administer the plan; therefore there will be no interruption for employees. The Pharmacy vendor is now going to be Express Scripts, which some of you may remember from when the City used them in years prior.

This change is happening now as a direct result of our recent claim experience wherein our employees and covered dependents are utilizing health insurance far more often and in more expensive ways than when we were in the State Plan. Similar to auto insurance, when you file a claim, your premiums typically go up. Our population has had several very large claimants and many others have chronic conditions. These costs are unavoidable no matter who handles our insurance. However, the HIF has more than 40 other municipal and governmental groups in the area as members so we are entering an established insurance pool that will give us local control, protection, and power. This power includes the new targeted and confidential programs offered through the HIF to work with, and support, patients with complex care needs; and continues our longstanding goal of providing the best care, and support for our employees and the City.

The City continues to operate transparently and thoughtfully with the complex issue of healthcare. While the issue may be complex, the open enrollment period does not need to be. Though we are implementing a rapid shift to the HIF, most aspects of your coverage will remain largely the same because Aetna will continue to be the network, only now through the HIF. Additional information will be forthcoming, and I thank you all in advance for your support and understanding as we react quickly in order to ensure the continued success of Team Camden.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Timothy J. Cunningham', with a long horizontal stroke extending to the right.

Timothy J. Cunningham  
Business Administrator