



Three Penn Plaza East  
Newark, NJ 07105-2200  
www.horizon-bcbsnj.com

December 16, 2005

Mr. Joseph Maurillo  
IMAC Insurance Agency  
540 Mill St.  
Belleville, NJ 07109

**Re: Nutley BOE**

Dear Mr. Maurillo:

Horizon Blue Cross Blue Shield of New Jersey (Horizon BSBCNJ) agrees and warrants that the insured benefits as proposed to the Nutley BOE through our Traditional and Direct Access plans, shall be equal to or better than the benefits provided under the Traditional and NJPlus plans, as currently administered by Horizon BCBSNJ for the State Health Benefits Program, without any limitation whatsoever. Please note that this benefit equivalency guarantee does not include provider and ancillary networks, which Horizon BCBSNJ administers in accordance with its own medical and pharmacy policies, protocols and utilization management practices. Additionally, Horizon BCBSNJ agrees to administer the program in accordance with the labor contracts as negotiated with the various unions.

If you have any questions or concerns I am available at your convenience. Thank you for considering Horizon Blue Cross Blue Shield of NJ.

Sincerely,


A handwritten signature in black ink that reads "Richard M. Rispoli". The signature is written in a cursive, flowing style.

Richard M. Rispoli  
Senior Sales Executive  
Major Accounts Market  
Direct Dial: (973) 466-5248  
Fax: (973) 466-5586  
E-mail: richard\_rispoli@horizon-bcbsnj.com


**Nutley Board of Education  
Traditional Plan Comparison  
SHBP vs. Horizon BCBS Alternative**

**Advantages of the Horizon BCBS Traditional Plan vs. the SHBP Traditional Plan**


1. Horizon plan has adult and well-baby preventive care (e.g., routine physicals and tests like PAP smears and prostate cancer screening) that the SHBP does not cover.
2. Horizon plan has no separate dollar maximums on mental health – the SHBP has \$10,000 annual/\$20,000 lifetime maximums.
3. Horizon has no lifetime cap on total benefits – the SHBP has \$1,000,000 lifetime cap.

PLAN DESIGN	STATE HEALTH BENEFITS PLAN (SHBP)	
HOSPITAL INPATIENT	100% for up to 365 days; day 366+ at 80% after deductible	100% for up to 365 days; day 366+ at 80% after deductible
SKILLED NURSING FACILITY	100% for up to 30 days per confinement	100% for up to 30 days per confinement
HOSPITAL PRE-ADMISSION TESTING	100%	100%
PHYSICIAN (SURGERY)	Basic benefit at 100%; balance at 80% after deductible	Basic benefit at 100%; balance at 80% after deductible
PHYSICIAN (OFFICE VISITS)	80% after deductible. No coverage for well care.	80% after deductible; except 100% coverage for annual well care visits – see below
CHIROPRACTIC	80% after deductible for up to 30 visits per calendar year	80% after deductible for up to 30 visits per calendar year
EMERGENCY ROOM ACCIDENT/NON-ACCIDENT	100% in hospital emergency room for accidental injury; 80% in hospital for non-accidental injury after deductible. All physician fees paid at 80% after deductible	100% in hospital emergency room for accidental injury; 80% in hospital for non-accidental injury after deductible. All physician fees paid at 80% after deductible
EMERGENCY ROOM (OTHER)	80% after deductible	80% after deductible
RADIATION/CHEMOTHERAPY OUTPATIENT	80% after deductible	80% after deductible
HOSPICE	100%	100%
IMMUNIZATIONS	Not covered	Child immunizations and lead screenings covered at 80% (no deductible)
MATERNITY	Basic benefits at 100%; balance at 80% after deductible	Basic benefits at 100%; balance at 80% after deductible
PHYSICAL EXAMS	Not covered	Annual physical (adult and child) covered at 100% not subject to deductible
WELL BABY	Not covered	100% not subject to deductible
ALCOHOL ABUSE (INPATIENT)	Same as any other illness	Same as any other illness
DRUG ABUSE (INPATIENT)	Same as any other illness	Same as any other illness

**Nutley Board of Education  
Traditional Plan Comparison  
SHBP vs. Horizon BCBS Alternative**

PLAN DESIGN	STATE HEALTH BENEFITS PLAN (SHBP)	 Horizon Blue Cross Blue Shield of New Jersey
ALCOHOL ABUSE (OUTPATIENT)	Same as any other illness	Same as any other illness
DRUG ABUSE (OUTPATIENT)	Same as any other illness	Same as any other illness
MENTAL HEALTH (INPATIENT)	100% for 20 days per calendar year; balance at 80% after deductible up to annual/ lifetime maximums	100% for 30 days per calendar year; balance at 80% after deductible with no separate annual or lifetime dollar maximums
MENTAL HEALTH (OUTPATIENT)	80% after deductible up to annual/lifetime maximum	80% after deductible with no separate annual or lifetime dollar maximums
PHYSICAL/SPEECH THERAPY	80% after deductible	80% after deductible
DENTAL COVERAGE WITHIN YOUR MEDICAL PLAN	None	None
X-RAYS/LAB TESTS	80% after deductible; some charges paid at 100%	80% after deductible; some charges paid at 100%
PRESCRIPTION DRUGS Benefits for ACTIVE employees without employer prescription drug plan.	80% after deductible	80% after deductible
PRESCRIPTION DRUGS RETIREES	Co-payments (2005) per 30 day supply: Generic - \$7 co-payment Preferred brand - \$14 Other brands - \$29 Mail Order: (90 day supply) Generic-\$7 Preferred brand-\$21 Other brands-\$35	Co-payments (2005) per 30 day supply: Generic - \$7 co-payment Preferred brand - \$14 Other brands - \$29 Mail Order: (90 day supply) Generic-\$7 Preferred brand-\$21 Other brands-\$35
VISION	None	None
HOME HEALTH CARE	Services and supplies covered with pre-approval; 60 visits in 61 days at 100% per occurrence	Services and supplies covered with pre-approval; 60 visits in 61 days at 100% per occurrence
INFERTILITY SERVICES (Must be Pre-Authorized)	Diagnosis covered; treatment covered with limitations; subject to a coinsurance and deductible.	Diagnosis covered; treatment covered with limitations; subject to a coinsurance and deductible.
DEDUCTIBLES (INDIVIDUAL)	\$100 per year	\$100 per year
DEDUCTIBLES (FAMILY MAXIMUM)	Employee and/or retirees plus one dependent must meet individual deductible	Employee and/or retirees plus one dependent must meet individual deductible
MAXIMUM OUT-OF-POCKET (INDIVIDUAL)	\$400 per calendar year coinsurance + \$100 deductible	\$400 per calendar year coinsurance + \$100 deductible
MAXIMUM OUT-OF-POCKET (FAMILY)	\$400 per calendar year per individual + deductibles	\$400 per calendar year per individual + deductibles

**Nutley Board of Education  
Traditional Plan Comparison  
SHBP vs. Horizon BCBS Alternative**



PLAN DESIGN	STATE HEALTH BENEFITS PLAN (SHBP)	
MAXIMUM PLAN COVERED EXPENSES	\$1,000,000 lifetime (major medical expense only); \$10,000 annual mental health - \$20,000 lifetime mental health; up to \$2000 restoration feature each year	No lifetime maximum for major medical expense and no separate annual and lifetime dollar maximums for mental health

NOTE: This chart only shows highlights of the medical plans. Notwithstanding anything stated above, Horizon BCBS has guaranteed in writing to provide coverage that is "equal to or better than" the coverage offered by the SHBP.



**Nutley Board of Education**  
**SHBP NJ Plus POS vs. Horizon BCBS Direct Access**

**Advantages of the Horizon BCBS Direct Access Plan vs. the SHBP NJ Plus POS Plan**



1. Horizon Direct Access has a national network – SHBP NJ Plus POS does not.
2. Horizon Direct Access does not require choice of a PCP and does not require referrals for specialists – the SHBP does.
3. Horizon Direct Access has no separate dollar maximums on mental health – the SHBP NJ Plus has \$15,000 annual/\$50,000 lifetime maximums.

SHBP NJ PLUS vs. HORIZON BCBS DIRECT ACCESS	STATE HEALTH BENEFITS PLAN (SHBP) NJ PLUS In-network	STATE HEALTH BENEFITS PLAN (SHBP) NJ PLUS Out-of-network	 <b>Horizon.</b> <small>Horizon Blue Cross Blue Shield of New Jersey</small> Direct Access In Network	 <b>Horizon.</b> <small>Horizon Blue Cross Blue Shield of New Jersey</small> Direct Access Out-of Network
SERVICE AREA	All of NJ and FL, parts of NY and PA	Unrestricted	Nationwide Network	Unrestricted
HOSPITAL INPATIENT	100%	70% after \$200 per hospital stay deductible	100%	70% after \$200 per hospital stay deductible
SKILLED NURSING FACILITY	100% up to 120 days per calendar year	70% for up to 60 days per calendar year	100% up to 120 days per calendar year	70% for up to 60 days per calendar year
HOSPITAL PRE-ADMISSION TESTING	100%	70% after deductible	100%	70% after deductible
PHYSICIAN (SURGERY)	100%	70% after deductible	100%	70% after deductible
PHYSICIAN (OFFICE VISITS)	100% after \$5 per visit copayment	70% after deductible; no coverage for well-care	Same as SHBP except that no choice of PCP required and no referrals needed for specialists	70% after deductible; includes annual adult routine physicals beginning at age 20
CHIROPRACTIC	100% after \$5 per visit copayment; 30 visits per calendar year; no PCP referral required	70% after deductible; 30 visits per calendar year combined in and out of network	100% after \$5 per visit copayment; 30 visits per calendar year; no PCP referral required	70% after deductible; 30 visits per calendar year combined in and out of network
EMERGENCY ROOM ACCIDENT/NON-ACCIDENT	100% after \$25 copayment if reported to PCP and/or NJ Plus within 48 hours	100% after \$25 copayment if reported to NJ PLUS or PCP within 48 hours. If not reported within 48 hours, subject to deductible and coinsurance.	100% after \$25 copayment if reported to PCP and/or NJ Plus within 48 hours	100% after \$25 copayment if reported to NJ PLUS or PCP within 48 hours. If not reported within 48 hours, subject to deductible and coinsurance.
RADIATION/CHEMOTHERAPY OUTPATIENT	100%	70% after deductible	100%	70% after deductible
HOSPICE	100%	70% after deductible	100%	70% after deductible
IMMUNIZATIONS	100% after \$5 copayment per visit (except for travel and/or job related)	70% for children under 12 months, after deductible	100% after \$5 copayment per visit (except for travel and/or job related)	70% for children under 12 months, after deductible
MATERNITY	\$5 copayment for first prenatal visit, then 100% covered.	70% after deductible	\$5 copayment for first prenatal visit, then 100% covered.	70% after deductible
PHYSICAL EXAMS	100% after \$5 per visit copayment	Not covered	100% after \$5 per visit copayment	Not covered
WELL BABY	100% after \$5 per visit copayment	Not covered	100% after \$5 per visit copayment	Not covered
ALCOHOL ABUSE (INPATIENT)	Same as any other illness	Same as any other illness	Same as any other illness	Same as any other illness
DRUG ABUSE (INPATIENT)	Same as any other illness	Same as any other illness	Same as any other illness	Same as any other illness
ALCOHOL ABUSE (OUTPATIENT)	100%, no visit limit	70% after deductible	100%, no visit limit	70% after deductible
DRUG ABUSE (OUTPATIENT)	100%, no visit limit	70% after deductible	100%, no visit limit	70% after deductible

**Nutley Board of Education**  
**SHBP NJ Plus POS vs. Horizon BCBS Direct Access**

SHBP NJ PLUS vs. HORIZON BCBS DIRECT ACCESS	STATE HEALTH BENEFITS PLAN (SHBP) NJ PLUS In-network	STATE HEALTH BENEFITS PLAN (SHBP) NJ PLUS Out-of-network	 Direct Access In Network	 Direct Access Out-of Network
MENTAL HEALTH (INPATIENT)	100% for up to 25 days per calendar year; balance at 90% up to annual / lifetime maximums	50 days per calendar year at 50% after deductible up to annual / lifetime maximums	100% for up to 25 days per calendar year; balance at 90% without annual and lifetime dollar maximums	50 days per calendar year at 50% after deductible without annual and lifetime dollar maximums
MENTAL HEALTH (OUTPATIENT)	90% up to annual/lifetime maximum	70% after deductible up to annual /lifetime maximum	90% without separate annual and lifetime dollar maximums	70% after deductible without separate annual and lifetime dollar maximums
PHYSICAL/SPEECH THERAPY	100% after \$5 per visit copayment	70% after deductible	100% after \$5 per visit copayment	70% after deductible
DENTAL COVERAGE WITHIN MEDICAL PLAN	None	None	None	None
X-RAYS/LAB TESTS	100%	70% after deductible	100%	70% after deductible
PRESCRIPTION DRUGS Benefits for ACTIVE employees without employer prescription drug plan	90% reimbursement	70% after deductible	90% reimbursement	70% after deductible
PRESCRIPTION DRUGS <sup>5</sup> <i>RETIREES</i>	Co-payments (2005) per 30 day supply: Generic - \$7 co-payment Preferred brand - \$14 Other brands - \$29 Mail Order: (90 day supply) Generic-\$7 Preferred brand-\$21 Other brands-\$35	Co-payments (2005) per 30 day supply: Generic - \$7 co-payment Preferred brand - \$14 Other brands - \$29 Mail Order: (90 day supply) Generic-\$7 Preferred brand-\$21 Other brands-\$35	Same as SHBP – Retirees remain eligible for SHBP retiree coverage as A-4 retiree surcharge is included in Horizon premiums	Same as SHBP – Retirees remain eligible for SHBP retiree coverage as A-4 retiree surcharge is included in Horizon premiums
VISION	100 % after \$5 copayment; one exam per calendar year, no referral	None	100 % after \$5 copayment; one exam per calendar year; no referral	None
HOME HEALTH CARE	Services and supplies covered with pre-approval; prior inpatient hospital stay not required; nursing home care or custodial care not covered	Services and supplies covered with pre-approval; prior inpatient hospital stay not required; nursing home care or custodial care not covered; subject to out-of-network insurance and deductible	Services and supplies covered with pre-approval; prior inpatient hospital stay not required; nursing home care or custodial care not covered	Services and supplies covered with pre-approval; prior inpatient hospital stay not required; nursing home care or custodial care not covered; subject to out-of-network insurance and deductible
INFERTILITY SERVICES (Must be Pre-Authorized)	Diagnosis covered; treatment covered with limitations	Diagnosis covered; treatment covered with limitations; subject to out-of-network insurance and deductible.	Diagnosis covered; treatment covered with limitations	Diagnosis covered; treatment covered with limitations; subject to out-of-network insurance and deductible.
DEDUCTIBLES (INDIVIDUAL)	None	\$100 per year; \$200 per hospital admission	None	\$100 per year; \$200 per hospital admission
DEDUCTIBLES (FAMILY MAXIMUM)	None	\$250 per year; \$200 per hospital admission	None	\$250 per year; \$200 per hospital admission
MAXIMUM OUT-OF-POCKET (INDIVIDUAL)	\$400 per year (coinsurance only)	\$2000 per year (coinsurance only)	\$400 per year (coinsurance only)	\$2000 per year (coinsurance only)

Nutley Board of Education  
SHBP NJ Plus POS vs. Horizon BCBS Direct Access

SHBP NJ PLUS vs. HORIZON BCBS DIRECT ACCESS	STATE HEALTH BENEFITS PLAN (SHBP) NJ PLUS In-network	STATE HEALTH BENEFITS PLAN (SHBP) NJ PLUS Out-of-network	 Direct Access In Network	 Direct Access Out-of Network
MAXIMUM OUT-OF-POCKET (FAMILY)	\$1000 per calendar year (coinsurance only)	\$5000 per calendar year (coinsurance only)	\$1000 per calendar year (coinsurance only)	\$5000 per calendar year (coinsurance only)
MAXIMUM PLAN COVERED EXPENSES	Unlimited; \$15,000 annual mental health; \$50,000 lifetime mental health; up to \$2000 restoration feature each year.	\$1,000,000 lifetime; \$15,000 annual mental health; \$50,000 lifetime mental health; up to \$2,000 restoration feature each year.	Same as SHBP without separate annual and lifetime dollar maximums	Same as SHBP without separate annual and lifetime dollar maximums

NOTE: This chart only shows highlights of the medical plans. Notwithstanding anything stated above, Horizon BCBS has guaranteed in writing to provide coverage that is "equal to or better than" the coverage offered by the SHBP. The Horizon BCBS Direct Access plan is intended to replace both the SHBP NJ Plus POS program and the HMOs offered by the SHBP. You will note that the Horizon BCBS Direct Access program offers In Network benefits using the Horizon BCBS managed care network comparable to the benefit levels offered by the SHBP HMOs. A major advantage of the Direct Access program for HMO participants is that the Direct Access plan also offers Out Of Network coverage, which the HMOs do not offer other than for emergencies.