

SHBP PDC RESOLUTION #2021-8

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE REQUESTING THE DIVISION OF PENSIONS & BENEFITS EXPLORE DEVELOPMENT OF A MEDICAL PHARMACY SPECIALTY PHARMACY PILOT

WHEREAS, pursuant to N.J.S.A. 52:14-17.25 to -17.46a, the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State of New Jersey (State) and participating local employers; and

WHEREAS, the SHBP was created in 1961 to provide affordable health care coverage for public employees on a cost-effective basis; and

WHEREAS, all SHBP plans, with the exception of Medicare Advantage plans, are self-funded, which means the money paid out for benefits comes directly from a SHBP fund supplied by the State, participating local employers, and member premiums; and

WHEREAS, the costs for health and prescription drug benefits continue to increase exponentially, which has strained the budgets of the State and local employers and caused increased costs to members; and

WHEREAS, the SHBP Plan Design Committee recognizes pharmaceuticals, are an integral part of medical treatment, keep patients healthier, and extend or save lives and in many situations, proper pharmaceutical use saves money by avoiding costly hospitalizations, emergency room use, moving to a nursing home, or repeat visits to specialists; and

WHEREAS, a specialty drug is a high-cost medication that requires special handling or administration in the treatment of complex conditions, often accompanied by potential serious side effect; and

WHEREAS, the Academy of Managed Care Pharmacy (AMCP) defines specialty pharmacy as “a pharmacy coordinating many aspects of patient care and disease management” including the ‘efficient delivery of medications’; and

WHEREAS, specialty pharmacies are designed to improve clinical and economic outcomes for patients requiring specialty drugs who have complex, often chronic and rare conditions, with close contact and management by clinicians; and

WHEREAS, health care professionals employed by specialty pharmacies provide patient education, help ensure appropriate medication use, promote adherence, and attempt to avoid unnecessary costs; and

WHEREAS, only approximately 2.3 percent of the SHBP’s population receive specialty drugs yet, specialty pharmacy is approximately 48 percent of the SHBP’s pharmacy healthcare cost; and

WHEREAS, approximately 50 percent of the SHBP’s specialty pharmacy costs are for medical pharmacy, which means drugs administered in a hospital or physician’s office covered under the SHBP’s medical benefit; and

WHEREAS, the consumption of specialty drugs in a medical pharmacy setting is ripe for exploration into better management practices, including the infusion of a specialty pharmacy review process to ensure better patient outcomes and significant cost constraint.

NOW, THEREFORE, BE IT RESOLVED, the SHBP PDC requests that the Division of Pensions and Benefits, as administrators of the SHBP Plans, to explore and provide regular updates to the PDC on what would be required for the PDC to develop a specialty Rx pilot program solely related to medical pharmacy, including information on any impediments or challenges, and the procurement of any necessary contracts to effectuate such a pilot.

DATED: October 27, 2021