

School Employees' Health Benefits Commission

Open Session Minutes

January 22, 2020

Adequate notice of this meeting has been provided through the annual notice of the schedule of regular meetings of the Commission filed with and prominently posted in the offices of the Secretary of State. The 2020 annual meeting schedule was mailed to the Secretary of State, Star Ledger and the Trenton Times on December 26, 2019.

The meeting of the School Employees' Health Benefits Commission of New Jersey was called to order on Wednesday, January 22, 2019 at 10 am. The meeting was held at the Division of Pensions and Benefits, 50 West State Street in Trenton.

The text of Resolution A (Closed Session) and Resolution B (Executive Session) were read in their entirety in the event that the Commission desires, at any point in the meeting, to approve a motion to go into Closed or Executive session.

Acting Secretary Nicole Ludwig took Roll Call and established that a quorum was present

Present:

Sonia Rivera-Perez, representing State Treasurer Elizabeth Maher Muoio

Thomas Gallagher, representing Commissioner Marlene Caride of the Dept. of Banking and Insurance

Dan Goldman, NJEA

Julie Giordano Plotkin, NJEA

Michael Maillaro, AFL-CIO representative

Kevin Kelleher, NJEA

Cynthia Jahn, N.J. School Boards Association (appearing telephonically)

Also Present:

Christin Deacon, New Jersey Division of Pensions and Benefits

Andrew Lawson, New Jersey Division of Pensions and Benefits

Nicole Ludwig, New Jersey Division of Pensions and Benefits

Christopher Meyer, Deputy Attorney General

INTERIM CHAIR

Commissioner Kelleher made a motion to nominate Thomas Gallagher as the interim chair. Commissioner Goldman seconded the motion; all voted in favor.

Commissioner Maillaro made a motion to go into closed session to hear member's appeals. Commissioner Giordano-Plotkin seconded the motion; all voted in favor.

The following appeals were heard in Closed Session.

CASE #01222001: The member presented the case for an overaged handicapped child to continue on the coverage. The member stated the child was covered for a brief time under their own insurance and was removed by request from the SEHBP coverage. Commissioner Kelleher made a motion to go into executive session to seek advice from the Deputy Attorney General.

Upon return from Executive Session, Chairperson Gallagher made a motion to deny the appeal based on the regulations that govern the SEHBP. Commissioner Rivera Perez seconded the motion; all voted in favor.

CASE #01222002: Acting Secretary Nicole Ludwig explained the appeal is for a tier cost reduction through OptumRx. Jonathan Hjelm of OptumRx explained the appeal is for a tier cost reduction for SYNTHOID. He stated that in accordance with the SEHBP a tier cost reduction is not available since there is not a penalty for choosing brand name medications.

Commissioner Maillaro made a motion to deny the appeal. Commissioner Giordano-Plotkin seconded the motion: all voted in favor.

CASE #01222003: DAG Strickler presented the OAL reconsideration request. He stated the ALJ has asked that the Commission reconsider the appeal which was denied by the Commission in January 2019. Donna Ruotola provided an overview of the appeal.

Commissioner Giordano-Plotkin made a motion to accept the text of DAG Strickler's analysis outlined in the memo dated September 26, 2019. Commissioner Rivera Perez seconded the motion. Commissioner Kelleher made a motion to go into executive session to seek legal advice from the Deputy Attorney General.

Commissioner Giordano-Plotkin made a motion to amend the motion on the floor. The amendment was to clarify the following:

First, there is insufficient evidence in the record to show that the procedure performed was medically necessary as determined under the Horizon Uniform Medical Policy Guidelines. These guidelines state a procedure must be medically necessary in order for it to be a covered procedure. Horizon Medical Policy 058 explains the criteria that must be met for a procedure to constitute a medical necessity. Specifically, the Commission found the Guidelines were not met because:

- 1) There was no evidence of progressive deterioration of vision;
- 2) There was no evidence that functional vision could no longer be achieved with contact lenses of glasses;

- 3) There was no evidence that the corneal thickness was less than 450 microns; and
- 4) There was no documentation showing that corneal transplant was the only remaining option to improve functional vision.

Second, the procedure was the result of Lasik surgery, which is classified as an elective cosmetic surgery. Cosmetic procedures or complications that result from a cosmetic surgery are not covered under the plan and Lasik procedures are specifically identified as a non-covered service.

Commissioner Goldman seconded the motion; all voted in favor.

CASE 01222004 & 01222005: Acting Secretary Nicole Ludwig stated that DAG Meyer has asked for an extension on the response to the settlement agreements. Commissioner Kelleher made a motion to table the agreements to the March meeting. Chairperson Gallagher seconded the motion. All voted in favor.

Chairperson Gallagher made a motion to go into Open Session. Commissioner Giordano Plotkin seconded the motion; all voted in favor.

Case #01222006: Chairperson Kelleher made a motion to authorize Equian to settle the matter as presented. Commissioner Maillaro seconded the motion; all voted in favor.

Commissioner Kelleher asked where the regulations related to the SEHBP stood. She stated she would provide an update at the next meeting. DAG Meyer stated that the current regulations are set to expire in September 29, 2023.

Commissioner Kelleher made a motion to go back and look into any possible mistakes allowing tier cost reductions in the past year. Chairperson Goldman seconded the motion; all voted in favor.

Commissioner Maillaro asked where the SEHBC stood with the rate stratification, as there has not been any discussions since the initial presentation. Acting Secretary Nicole Ludwig stated she will ask the subgroup to reconvene on this.

Having no further actions to discuss, Chairperson Gallagher made a motion to adjourn. Commissioner Kelleher seconded; all voted in favor.