

State Health Benefits Commission

Open Session Minutes

March 11, 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, March 11, 2020 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.

Commissioners:

Susanne Culliton, representing State Treasurer Elizabeth Maher Muoio

Gail Simon, representing Commissioner of the Department of Banking and Insurance Marlene Caride (appearing telephonically)

Dudley Burdge, Representative for Local Government Employees (appearing telephonically)

Deirdre Webster Cobb, CEO, Civil Service Commission (appearing telephonically)

Debra Davis, Representative for State Government Employees (appearing telephonically)

Absent:

Also Present:

Cristopher Meyer, Deputy Attorney General (appearing telephonically)

Amy Chung, Deputy Attorney General (appearing telephonically)

Christin Deacon, Division of Pensions and Benefits

Andrew Lawson, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

Amanda Weigers, AT&T TeleConference Moderator (telephonically)

Meeting Minutes

Chairperson Culliton made a motion to approve the July 10, 2019 and September 11, 2019 Open and Executive session meeting minutes. Commissioners Simon seconded the motion; all voted in favor.

Chairperson Culliton made a motion to enter into Closed Session to hear the appeals. Commissioner Davis seconded; all voted in favor. At this time the meeting entered into Closed Session.

RESOLUTION 2020-2: DEEMING NON-ALIGNED STATE EMPLOYEES

Acting Secretary Nicole Ludwig read Resolution 2020-2 in its entirety.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1. The State Health Benefits Commission hereby deems the terms concerning health benefits coverage, including the premium contribution rate, in the AFSCME Council 1 collective negotiations agreement in effect as of September 9, 2019 applicable to non-aligned State employees, specifically non-aligned State active employees and non-aligned State employees who accrue 25 years of non-concurrent service credit on or after the effective date of this resolution and retire on or after the effective date of this resolution, excepting employees who elect deferred retirement.*
- 2. At the next annual open or special enrollment period, non-aligned State employees will have the NJ DIRECT/NJ DIRECT 2019 plan as the only PPO option.*

Commissioner Davis stated that on February 18, 2020 the AFT negotiated and ratified the same terms and conditions for healthcare as did AFSCME and in the NJDirect and NJDirect19 as applicable.

Commissioner Burdge stated that currently CWA is in negotiations with the State to include a substantial number of nonaligned employees that work with a bargaining unit to join the CWA. He asked that CWA be notified when the special enrolment period for the nonaligned is going to occur.

Commissioner Simon asked if these new plans would eliminate NJDirect 10 & NJDirect 15. Assistant Director Deacon clarified that for retirees who attain 25 years prior to the resolution are exempt, however those who attain 25 years after the resolution would be eligible for only these plans. Commissioner Simon asked if the State nonaligned have the option to go into the CWA plan. Mrs. Deacon confirmed.

Commissioner Davis asked when the Open Enrollment period would be. Mrs. Deacon said it will be planned after the Resolution is passed, but most likely it would be in the next few months.

Commissioner Burdge made a motion to adopt SHBC Resolution 2020-2. Commissioner Davis seconded the motion; all voted in favor.

PRESENTATION: AON MID-YEAR EXPERIENCE

Becky Searles presented the Mid-Year Experience for the SHBC. She stated medical trend for actives is up 5.8% early retirees is up five percent. She stated that prescription trend is up, due mostly to rebates which will be discussed later in the presentation.

Mrs. Searles stated that Medicare retirees are down 51% and prescription is down by 8.5%. These changes are due to factors outside the normal plan experience.

Mrs. Searles stated that the 2020 projections show that enrolment will be stable. The per capita cost for both active and early retirees for 2020 are projected to go down. The Rx significantly increases for both active and early retirees, again this is due to a reduction in the rebates. Commissioner Burdge asked if the claims guarantees for Rx could be negotiated under the updated contract. Mrs. Searles states that Aon is not projecting above the contracted guarantees.

Mrs. Searles went over the two changes that took effect for 2020, Fair Health National as well as the Zero dollar co-pay for mail order generic medications.

PRESENTATION: HORIZON 2020 BEHAVIORAL HEALTH INITIATIVES

Rachel Goldberg of Horizon presented on Horizon's Behavior Health initiatives stating that of the 30 percent of the population that suffers from chronic diseases, 30 percent of that population also suffers from behavioral health issues, such as anxiety and depression. She stated that presently there is an issue with fragmented care, Horizon is trying to implement integrated care. She stated a large issue is the capacity as the majority of the treating psychiatrists are currently over 55 years of age. Horizon is working with a network of primary care physicians who also focus on mental and behavioral health.

Commissioner Burdge asked if there is a capacity issue with the psychologists and clinical social workers as well. Mrs. Goldberg stated the capacity issue with psychologist and clinical social workers is not as great, but it is there still. The issue comes in with medication management, which is why Horizon is trying to empower the primary care physicians to step in. She stated that 35 percent of antidepressants are prescribed by primary care physicians currently.

Mrs. Goldberg stated that the stigma with mental and behavioral health is the focus, treating humans and not the condition.

Due to technical issues, the presentation was postponed to a later date.

Case # 311202001: Chairperson Culliton made a motion to approve the Final Administrative Determination. Commissioner Webster Cobb seconded the motion; all voted in favor.

Case # 311202002: Acting Secretary Nicole Ludwig stated the member has asked for an extension to respond to the ALJ. Chairperson Culliton made a motion to approve the extension to May 13, 2020 Commission meeting. Commissioner Davis seconded the motion; all voted in favor.

Case #311020203: Chairperson Culliton made a motion to authorize Equian to settle the matter as presented. Commissioner Davis seconded the motion; all voted in favor.

Case #311020204: Chairperson Culliton made a motion to authorize Equian to settle the matter as presented. Commissioner Davis seconded the motion; all voted in favor.

Division Updates

Assistant Director Deacon provided an update on the Divisions response to COVID-19. She stated the information provided is also available on the Divisions website. She stated that Horizon will waive cost share at the in-network provider for evaluation and testing for COVID-19. Horizon will communicate this with the provider community. She stated that OptumRx has, as a result of the Executive Order (EO) has turned off the early refill edit which is typically applied at retail pharmacies. Mrs. Deacon stated that Aetna will also provide any COVID-19 testing and treatment at no cost to the members. She stated that any member who has been tested positive in the MA population will receive a free package which includes over the counter medications and personal and cleaning supplies. Aetna is also doing a proactive outreach to those members at the highest risk.

Mrs. Deacon said that due to the fluidity of the current situation, members should check the website for up to the minute updates related to COVID-19. Mrs. Deacon stated that currently the Division does not have the technology to conduct the traditional Commission meeting, but will work with OIT to do it's best to have things ironed out before the next meeting.

Commissioner Burdge asked what the Division was doing to communicate the waiver of cost share to the members. Mrs. Deacon stated that the vendors are communicating with the members, and stated the website is the critical place for members to check for the up to the minute COVID-19 testing and treatment.

Commissioner Burdge asked what the impact would be for those members on the High Deductible Health Plans (HDHP). Commissioner Simon stated that the IRS has made an announcement today stating that cost sharing would be waived for COVID-18 treatment and testing for HDHP as well.

Chairperson Culliton made a motion to go into Closed Session. Commissioner Davis seconded the motion; all voted in favor.

Chairperson Culliton stated that the Settlement Proposal needed to be heard in Executive Session.

Chairperson Culliton made a motion to go into Executive Session. Commissioner Davis seconded the motion; all voted in favor.

Chairperson Culliton made a motion to adjourn. Commissioner Burdge seconded. All voted in favor and the meeting was adjourned at 1:08 pm.

Respectfully submitted,



Nicole Ludwig
Acting Secretary
State Health Benefits Commission

SHBC Resolution #
2020-2

**RESOLUTION OF THE STATE HEALTH BENEFITS COMMISSION DEEMING NON-ALIGNED
STATE EMPLOYEES TO CERTAIN HEALTH BENEFITS COVERAGE TERMS**

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified active employees and retirees of the State and participating local employers; and

WHEREAS, the SHBP was enacted in 1961 for the purpose of providing 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 that the money paid out for benefits comes directly from a SHBP fund supplied by the State, participating local employers, and member contributions; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.28, the State Health Benefits Commission contracts with carriers to provide the SHBP to eligible participants; and

WHEREAS, the SHBP PDC created the “CWA PPO Plan” pursuant to SHBP PDC Resolution #2019-04 which made this plan available to State active employees represented by CWA or early retirees who were represented by CWA; and

WHEREAS, the SHBP PDC authorized a new health plan design pursuant to SHBP PDC resolution #2019-5, called the “New PPO Plan” in the resolution; and

WHEREAS, the New PPO Plan as implemented is named “NJ DIRECT” for all employees hired on or before July 1, 2019 and “NJ DIRECT 2019” for employees hired after July 1, 2019; and

WHEREAS, the CWA PPO Plan as implemented is named “CWA Unity DIRECT” for all employees hired on or before July 1, 2019 and “CWA Unity DIRECT 2019” for employees hired after July 1, 2019; and

WHEREAS, pursuant to SHBP PDC resolution #2019-04, the names “CWA Unity DIRECT/CWA Unity DIRECT 2019” may be used only for the plan available to employees represented by CWA; and

WHEREAS, the design of NJ Direct/NJ Direct 2019 is identical to the plan design of CWA Unity DIRECT/CWA Unity DIRECT 2019; and

WHEREAS, since March 1, 2019, the AFSCME Council 1, IBEW Local 30, IBEW Local 33, IFPTE Local 195, and IFPTE Local 32BJ bargaining units have negotiated and ratified new collective negotiations agreements; and

WHEREAS, the collective negotiations agreements ratified by AFSCME Council 1, IBEW Local 30, IBEW Local 33, IFPTE Local 195, and IFPTE Local 32BJ have identical health benefits terms, including the premium contribution rate for NJ DIRECT/NJ DIRECT 2019, the designation of NJ DIRECT/NJ DIRECT 2019 as the only available PPO plan, and the enrollment of individuals as a default into NJ DIRECT/NJ DIRECT 2019; and

WHEREAS, the health benefits terms in the collective negotiations agreements ratified by AFSCME Council

1, IBEW Local 30, IBEW Local 33, IFPTE Local 195, and IFPTE Local 32BJ are identical to the health benefits terms in the collective negotiations agreement that CWA negotiated and ratified, with the only difference being the name of the PPO plan (i.e., "CWA Unity DIRECT/CWA Unity DIRECT 2019" for CWA, and "NJ DIRECT/NJ DIRECT 2019" for the other bargaining units); and

WHEREAS, non-aligned employees are employees for whom there is no majority representative for collective negotiations purposes; and

WHEREAS, aligned employees are employees for whom there is a majority representative for collective negotiations purposes; and

WHEREAS, the State aligned employees totals approximately 54,000, and the State non-aligned employees totals approximately 7,000; and

WHEREAS, the number of employees represented by AFSCME Council 1 is approximately 7,000, the number of employees represented by IFPTE Locals 195 and 32BJ is approximately 4,000, the number of employees represented by IBEW Locals 30 and 33 is approximately 1,000, and the number of employees represented by CWA is approximately 31,000, for a total of approximately 42,000, representing approximately 78% of the State aligned employees; and

WHEREAS, non-aligned employees work with, manage, and/or supervise aligned employees; and

WHEREAS, non-aligned employees should have health benefits coverage identical to the health benefits coverage of the aligned employees whom they work with, manage, and/or supervise; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.28b, the amount of premium contribution required of non-aligned employees for health benefits purposes is to be determined consistent with the terms concerning health benefits coverage that are in a collective negotiations agreement deemed applicable by the employer; and

WHEREAS, deeming non-aligned employees will ensure that the health benefits terms applicable to non-aligned employees are identical to the terms applicable to the majority of the State workforce; and

WHEREAS, AFSCME Council 1 represents the bargaining unit with the largest and most diverse State employment from among the bargaining units that have identical provisions regarding NJ DIRECT/NJ DIRECT 2019; and

WHEREAS, the Division of Pensions and Benefits will hold a special open enrollment for all non-aligned State employees in order to allow them to enroll in NJ DIRECT/NJ DIRECT 2019 as applicable.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Health Benefits Commission hereby deems the terms concerning health benefits coverage, including the premium contribution rate, in the AFSCME Council 1 collective negotiations agreement in effect as of September 9, 2019 applicable to non-aligned State employees, specifically non-aligned State active employees and non-aligned State employees who accrue 25 years of nonconcurrent service credit on or after the effective date of this resolution and retire on or after the effective date of this resolution, excepting employees who elect deferred retirement.

2. At the next annual open or special enrollment period, non-aligned State employees will have the NJ DIRECT/NJ DIRECT 2019 plan as the only PPO option.
3. This resolution shall take effect immediately.

DATED: 03 11 2020

Note: Grammatical, spelling and typographical errors are corrected but remain subject to approval by the State Health Benefits Commission.