

State Health Benefits Program
Plan Design Committee
Open Session Minutes: August 31, 2020 1:00 p.m.

Adequate notice of this meeting was provided through the annual notice of the schedule of regular meetings of the Committee filed with and prominently posted in the offices of the Secretary of State. A meeting notice was mailed to the Secretary of State, Star Ledger and the Trenton Times on December 26, 2019. Updates regarding the Telephonic meeting was sent to the Star Ledger and Trenton Times on August 26, 2020.

The meeting of the State Health Benefits Program Plan Design Committee of New Jersey was called to order on Wednesday, August 31, 2020 at 1:00 p.m. Due to COVID-19 this meeting was held telephonically.

The text of Resolution B (Executive Session) – was read in its entirety in the event that the Committee desires, at any point in the meeting, to approve a motion to go into closed session.

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

Roll Call

Committee Members:

Jennifer Keyes-Maloney, Assistant Treasurer (Co-Chair)

Dini Ajmani, Assistant Treasurer

Michael Zanyor, NJSTFA

Kevin Lyons, NJ State PBA

Justin Zimmerman, Chief of Staff, Department of Banking and Insurance

Kimberly Holmes ECOS and Assistant Commissioner, Department of Community Affairs

David Kreuger, NJ FMBA

Tennille McCoy, Assistant Commissioner of Human Capital Strategies, Department of Labor and Workforce Development

Robert Little, AFSCME Department of Research

Patrick Nowlan, AAUP – AFT (Co-Chair)

Hetty Rosenstein, New Jersey Area Director, CWA/District 1

David Ridolfino, Director, Office of Management and Budget

Also Present:

Christopher Meyer, Deputy Attorney General

Christin Deacon Division of Pensions and Benefits
Nicole Ludwig, Division of Pensions and Benefits
Andrew Lawson Division of Pensions and Benefits

Pledge of Allegiance:

Acting Secretary Nicole Ludwig led the PDC in reciting the Pledge of Allegiance.

MEETING MINUTES

The Committee was presented the meeting minutes for October 30, 2019 as well as December 4, 2019. Co-Chair Jennifer Keyes-Maloney made a motion to approve the minutes. Committee member Holmes seconded the motion; all voted in favor.

RESOLUTIONS

SHBP PDC RESOLUTION 2020-1: RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO CONTINUE RESOLUTIONS 2016-3, AND 2016-5; 2019-8 RELATED TO FORMULARY REIMBURSEMENT AND OUT OF NETWORK REIMBURSEMENT RATES FOR PHYSICAL THERAPY

Co-Chair Keyes-Maloney made a motion to approve Resolution 2020-1. Committee Member Zanyor seconded the motion; all voted in favor.

SHBP PDC RESOLUTION 2020-2: RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO REDUCE THE RETIREE PRESCRIPTION DRUG COPAYMENT FOR MAIL ORDER PREFERRED BRAND COPAYS

Committee Member Holmes made a motion to approve Resolution 2020-2. Committee Member McCoy seconded the motion; all voted in favor.

SHBP PDC RESOLUTION # 2020-3: RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO INCENTIVIZE MAIL ORDER PRESCRIPTIONS AND ADOPT \$0 COPAYS FOR GENERIC MAIL ORDER PRESCRIPTION DRUGS

Committee Member Zanyor made a motion to approve Resolution 2020-3. Committee Member McCoy seconded the motion; all voted in favor.

SHBP PDC RESOLUTION #2020-4: RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE RELATED TO PILOT PROGRAM GRANTING FINANCIAL INCENTIVES FOR SELECTING A TIERED NETWORK MEDICAL PLAN

Co-Chair Zanyor made a motion to approve Resolution 2020-4. Committee Member Lyons seconded the motion; all voted in favor.

SHBP PDC RESOLUTION # 2020-5: RESOLUTION OF THE STATE HEALTH BENEFITS PLAN DESIGN COMMITTEE TO ADOPT GENERIC SUBSTITUTION PREFERENCE OFFERED BY STATE PHARMACY BENEFIT MANAGER

Committee Member Holmes made a motion to approve Resolution 2020-5. Committee Member Little seconded the motion; all voted in favor.

SHBP PDC RESOLUTION 2020-6: RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO REDUCE THE RETIREE PRESCRIPTION DRUG COPAYMENT FOR EGWP SPECIALTY MEDICATION

Committee Member Lyons made a motion to approve Resolution 2020-6. Committee Member Zanyor seconded the motion; all voted in favor.

SHBP PDC RESOLUTION #2020-7: RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE

Committee Member Zanyor made a motion to approve Resolution 2020-7. Co-Chair Keyes-Maloney seconded the motion; all voted in favor.

Adjournment

Having no further actions to discuss, Committee member Holmes made a motion to adjourn. Co-Chair Keyes-Maloney seconded the motion; all voted in favor. The meeting concluded at 1:29 pm.

Respectfully Submitted,



Nicole Ludwig
Acting Secretary SHBP PDC

SHBP PDC RESOLUTION #2020-1

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO CONTINUE RESOLUTIONS 2016-3, AND 2016-5; 2019-8 RELATED TO FORMULARY REIMBURSEMENT AND OUT OF NETWORK REIMBURSEMENT RATES FOR PHYSICAL THERAPY

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified 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, on August 29, 2016, after reviewing multiple recommendations and reports of AON Consulting, Inc., Horizon and Aetna, the SHBP Plan Design Committee adopted Resolution #3 on formulary management (attached) and Resolution #5 on out of network physical therapy reimbursements (attached), finding these changes to be in the best interest of the State, local employers, and employees; and

WHEREAS, the Resolutions #3 and #5, adopted on August 29, 2016, authorized the respective programs for one year, upon which time a review was required; and

WHEREAS, the Resolutions #3 and #5, adopted on August 29, 2016 were reviewed by the SHBP Plan Design Committee on July 27, 2017; and

WHEREAS, on July 27, 2017, the SHBP Plan Design Committee, adopted Resolution 2017-01, which extended Resolutions #3 and #5, adopted on August 29, 2016, for a period of one year; and

WHEREAS, on June 29, 2019, the SHBP Plan Design Committee, adopted Resolution 2019-08, which extended Resolutions #3 and #5, adopted on August 29, 2016, for a period of one year; and

WHEREAS, the SHBP Plan Design Committee continues to find that formulary management and structured out of network physical therapy reimbursements are in the best interest of the State, local employers, and employees, providing a substantial savings to the State Health Benefits Plan and its members, and desires to continue these plan design provisions.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The formulary management approved by the SHBP Plan Design Committee on August 29, 2016 in Resolution #3 (attached), continued by the SHBP Plan Design Committee on July 27, 2017 in Resolutions #2017-01, and continued by the SHBP Plan Design Committee on June 29, 2019 in Resolution # 2019-8 (attached) is continued until further action by the Plan Design Committee;

2. The structured out of network reimbursement rates for physical therapy approved by the SHBP Plan Design Committee on August 29, 2016 in Resolution #5, continued by the SHBP Plan Design Committee on July 27, 2017 in Resolutions #2017-01, and SHBP Plan Design Committee on June 29, 2019 in Resolution # 2019-8 (attached) is continued until further action by the Plan Design Committee.
3. These provisions shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the Committee.

DATED: August 31, 2020.



Resolution #3



Resolution #5



2019-8



2017-1

SHBP PDC RESOLUTION #2020-2

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO REDUCE THE RETIREE PRESCRIPTION DRUG COPAYMENT FOR MAIL ORDER PREFERRED BRAND COPAYS

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified 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, the SHBP Plan Design Committee finds that incenting retirees to use cost effective preferred medications through mail service by reducing the copayment for retiree prescription drug copayments for mail order preferred brand copayments in the PPO 10 and 15 plans is in the best interest of the State, local employers, and retirees;

WHEREAS, on July 27, 2017, the SHBP Plan Design Committee, adopted Resolution 2017-03 (attached), which reduced the retiree copayments in the Retiree Prescription Drug Plan associated with the PPO 10 and 15 medical plans from \$33 per 90-day prescription to \$28 per 90-day prescription for Plan Year 2018; and continued by the SHBP Plan Design Committee on June 29, 2019 in Resolution # 2019-9 (attached) and

WHEREAS, the SHBP Plan Design Committee continues to find that incenting retirees to use cost effective preferred medications through mail service by reducing the copayment for retiree prescription drug copayments for mail order preferred brand copayments in the PPO 10 and 15 plans is in the best interest of the State, local employers, and retirees;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The retiree copayments in the Retiree Prescription Drug Plan associated with the PPO 10 and 15 medical plans shall continue to be set at \$28 per 90-day prescription for Plan Year 2020 and 2021
2. This provision shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the Committee.

DATED: August 31, 2020



2017-3



2019-9

SHBP PDC RESOLUTION # 2020-3

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO INCENTIVIZE MAIL ORDER PRESCRIPTIONS AND ADOPT \$0 COPAYS FOR GENERIC MAIL ORDER PRESCRIPTION DRUGS

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

WHEREAS, the statute creating 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 premiums; and

WHEREAS, the costs to employees, retirees and employers for continued health care benefits and prescription drug benefits at comparable levels of coverage continue to increase exponentially and the ability for employers and employees to pay for these benefits has strained the budgets of the State and local employers and causes increased costs to participants; and

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

WHEREAS, the SHBP Plan Design Committee seeks to adopt a plan design change which would encourage utilization by plan participants of generic drug products, as that term is defined in N.J. S.A. 52:14-17.46.6.; and;

WHEREAS, the SHBP Plan Design Committee recognizes that the federal Food and Drug Administration (FDA), which approves all drug products sold legally in the United States, certifies the “safety and suitability of generic drugs and encourages their use” and that all generic drugs must meet the same strict quality guidelines and have exactly the same active ingredient as brand-name drug equivalents; and

WHEREAS, the Division of Pensions and Benefits authorized implementation of a program that encourages non-Medicare eligible members in the SHBP prescription plan that are on maintenance medications to utilize mail order service through Optum Rx, by requiring members to make an affirmative election of whether to continue purchasing prescription drugs through retail or through the mail order service program by contacting Optum Rx via telephone or on the Optum Rx online portal; and

WHEREAS; in order to incentivize members to utilize mail order service for generic drugs, the SHBP Plan Design Committee seeks to reduce the member copay for generic prescriptions filled through the mail service program; and

2020-3 MAIL ORDER GENERIC

WHEREAS, the above-described plan design change is within the scope of the State Health Benefits Design Committee pursuant to P.L. 2011, c.78;

WHEREAS, pursuant to N.J.S.A. 52:14-17.29(D) the Committee finds that it is in the best interest of the State, local employers, and employees and to incentivize utilization of cost effective generic drug products; and

WHEREAS, on September 6, 2019, the SHBP Plan Design Committee, adopted Resolution 2019-10 (attached), that specified that if a generic substitution applies, where filled through the State's Pharmacy Benefit Manager's Mail Order Pharmacy by active members, the be a \$0 copay.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the SHBP Plan Design Committee continues the approval of the design of the prescription drug program administered by Optum Rx for active members, including the requirement that prescriptions for generic drug products or prescriptions for which generic substitution applies, which are filled through the State's Pharmacy Benefit Manager's Mail Order Pharmacy by active members, shall have a \$0 copay; and.
2. The foregoing mail order generic provision shall not apply to retirees, including Medicare eligible retirees; and
3. The Committee requests that the State Health Benefits Commission and/or Division of Pensions and Benefits take appropriate action to effectuate a modification of the existing contract, if required, and to require that the Pharmacy Benefits Manager provide adequate notice to the plan participants of the changes, including notice to Medicare eligible retirees that such changes shall not apply to them.
4. The Mail Order Generic \$0 copay shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the Committee.

DATED: August 31, 2020

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



2019-10

SHBP PDC RESOLUTION #2020-4

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE RELATED TO PILOT PROGRAM GRANTING FINANCIAL INCENTIVES FOR SELECTING A TIERED NETWORK MEDICAL PLAN

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified 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, on August 29, 2016, after reviewing multiple recommendations and reports of AON Consulting, Inc., Horizon and Aetna, the SHBP Plan Design Committee adopted Resolution #7 on pilot program to incent subscribers to select a tiered network medical plan (attached) finding this change to be in the best interest of the State, local employers, and employees; and

WHEREAS, the Resolution #7 adopted on August 29, 2016, authorized a pilot program for one year; and

WHEREAS, the Resolutions #7 was reviewed by the SHBP Plan Design Committee on July 27, 2017; and

WHEREAS, on July 27, 2017, the SHBP Plan Design Committee, adopted Resolution 2017-02 (attached), which extended Resolution #7 for a period of one year; and

WHEREAS, on June 22, 2018, the SHBP Plan Design Committee, adopted Resolution 2018-02 (attached), which extended Resolution #7 for a period of one year; and on September 26, 2019, the SHBP Plan Design Committee adopted resolution 2019-11 and

WHEREAS, the SHBP Plan Design Committee continues to find that continuing the pilot program is in the best interest of the State, local employers, and employees and desires to continue this plan design provision with certain modifications to the incentive structure.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The financial incentive program for selecting a tiered network medical plan by new subscribers approved by the SHBP Plan Design Committee on August 29, 2016 in Resolution #7 (attached) and extended by Resolution 2017-02 (attached) is continued, with the following modifications:

\$1000 for single, member and spouse, parent and child or family coverage who change to the Tiered Network Plan

The modified financial incentive set forth above requires that the SHBP subscriber be enrolled in the Tiered Network Plan for one full Plan Year;

and

2. New subscribers shall be defined to include all new employees eligible for the SHBP whose benefits were effective on or after August 29, 2016 or any existing employees who experienced a life event prior to January 1, 2017 and submitted an application to alter coverage and who otherwise meet the requirements of Resolution #7 adopted on August 29, 2016 and who has not received an incentive in the past related to Tiered Network; and

3. Those eligible subscribers described in #2 above shall be paid an incentive as set forth above no later than the end of the current tax year; and

4. This provision shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the Committee.

DATED: August 31, 2020



Resolution 7



2017-2

GENERIC SUBSTITUTION

SHB PDC RESOLUTION # 2020-5

**RESOLUTION OF THE STATE HEALTH BENEFITS PLAN DESIGN COMMITTEE TO ADOPT GENERIC
SUBSTITUTION PREFERENCE OFFERED BY STATE PHARMACY BENEFIT MANAGER**

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq., the State Health Benefits Program (SHBP) provides health coverage to qualified 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 premiums; and

WHEREAS, the SHBP Plan Design Committee recognizes that pharmaceuticals, are an integral part of medical treatment, keep patients healthier, extend or save lives;

WHEREAS, in many situations, proper pharmaceutical use is documented to save money by avoiding costly hospitalization, emergency room use, moving to a nursing home or repeat visits to specialists; and

WHEREAS, the SHBP Plan Design Committee seeks to adopt a change which would encourage utilization by plan participants of generic drug products, as that term is defined in N.J.S.A. 52:14- 17.46.6, of multi-sourced medications (i.e. a pharmaceutical that can be purchased under any of several trademarks from different manufacturers or distributors) when one is available; and;

WHEREAS, the SHBP Plan Design Committee recognizes that the federal Food and Drug Administration (FDA), which approves all drug products sold legally in the United States, certifies the “safety and suitability of generic drugs and encourages their use”; and

WHEREAS, all generic drugs must meet the same strict quality guidelines and have exactly the same active ingredient as brand-name drug equivalents; and

GENERIC SUBSTITUTION

WHEREAS, pursuant to N.J.S.A. 52:14-17.29(D) the Committee finds that the changes below are in the best interest of the State, local employers, and employees and will incentivize utilization of cost effective generic drug products and dis-incentivize unnecessary utilization of more expensive drugs where there is a clinical equivalent drug therapy lower cost option available; and

WHEREAS, on October 30, 2019 the SHBP Plan Design Committee adopted resolution 2019-12 which stated that a member shall pay the difference in cost between the brand and generic medication if they choose to take the brand instead of the generic;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

Prescription drug plans provided to State and local participants in the SHBP shall include a generic substitution requirement for all FDA authorized generic drugs where the member will pay the difference in cost between the brand and generic medication if they choose to take the brand instead of the generic. It shall be understood that the total cost paid by the member should never exceed the full price of the brand medication. If the provider demonstrates that the name brand drug is medically necessary and appropriate as determined by the laws governing the SHBP and the Plan handbook, the carrier shall not apply the cost difference to the member.

1. This Resolution shall not apply to Medicare eligible retirees.
2. The Committee requests that the State Health Benefits Commission and/or Division of Pensions and Benefits take appropriate action with the carrier to implement this Resolution.
3. The Generic Substitution Preference shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the Committee.

DATED: August 31, 2020

SHBP PDC RESOLUTION 2020-6

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO REDUCE THE RETIREE PRESCRIPTION DRUG COPAYMENT FOR EGWP SPECIALTY MEDICATION

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq., the State Health Benefits Program (SHBP) provides health coverage to qualified 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, pursuant to N.J.S.A. 52:14-17.28, the State Health Benefits Commission contracts with carriers to provide the State Health Benefit Program (SHBP) to eligible participants; 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 premiums; and

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

WHEREAS, the SHBP Plan Design Committee recognizes the Center for Medicare and Medicaid Services (CMS) PY 2020 criteria for the Employer Group Waiver Plan (EGWP) specialty tier as drugs that exceed the \$670 threshold for a 30-day supply.

WHEREAS, on October 30, 2019 the SHBP Plan Design Committee adopted resolution 2019-13 establishing 30 day copays in the Employer Group Waiver Plan (EGWP) (attached)

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. 30 day co-pays for Specialty Pharmacy in the Employer Group Waiver Plan (EGWP) shall be as follows:

	Aetna MA PPO ESA 10	Aetna MA PPO ESA 15			Aetna MA Open Access HMO	Aetna MA Open Access HMO 1525	
			Horizon NJ DIRECT 1525	Horizon NJ DIRECT 2030	Horizon HMO	Horizon HMO 1525	Horizon HMO 2030
Mail: Generic Copayments	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Mail: Preferred Brand Copayments	\$9	\$9	\$13	\$12	\$6	\$13	\$12

Mail: Non-Preferred Brand Copayments	\$18	\$18	\$29	\$30	\$10	\$29	\$30
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2. This provision shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the Committee.

DATED: August 31, 2020



2019-13

SHBP PDC RESOLUTION #2020-7

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified 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, pursuant to 52:14-17.29 subsection (C) “[t]he contract or contracts purchased by the commission pursuant to subsection c. of section 4 of P.L.1961, c.49 (C.52:14-17.28) shall include the following provisions regarding reimbursements and payments...”[r]easonable and customary charges” means charges based upon the 90th percentile of the usual, customary, and reasonable (UCR) fee schedule determined by the Health Insurance Association of America or a similar nationally recognized database of prevailing health care charges.

WHEREAS, on December 12, 2012 the State Health Benefits Commission (SHBC) approved utilization of the Fair Health Index as a the database of prevailing health care charges;

WHEREAS, Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ) is the current third party administrator for the SHBP and is the entity that subscribes to the Fair Health Index in order to determine reasonable and customary charges in accordance with N.J.S.A. 52:14-17.29 and the SHBC resolution dated December 12, 2012.

WHEREAS, there are multiple Fair Health indexes, some of which are charged based, some of which are based on allowed amount paid, and some of which are based upon regional reimbursement indexes rather than national based indexes;

WHEREAS, beginning on March 1, 2020, Horizon BCBSNJ changed its out of network reimbursement policy for those plans that were still subject to reimbursement based upon N.J.S.A. 52:14-17.29 to payment based upon a Fair Health Regional Index to a Fair Health National Index; and

WHEREAS, the SHBP PDC determines that reimbursement based on the Fair Health National Index is in the best interest of the SHBP and its members, as it reduces member costs and overall plan costs resulting in lower premiums;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The SHBP PDC approves that the nationally recognized database of prevailing health care charges shall be Fair Health National Index.
2. The Division of Pensions and Benefits shall monitor and report to the SHBP PDC any change in index which may have a material impact on out of network reimbursement levels, whether undertaken by the third party administrator or otherwise.

3. These provisions shall go into effect as of September 1, 2020.

DATED: August 31, 2020.