

School Employees' Health Benefits Commission  
Open Session Minutes  
September 12, 2024

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 2023 annual meeting schedule was mailed to the Secretary of State on December 20, 2022, and Star Ledger and the Trenton Times on December 20, 2022. The annual meeting schedule was posted to the Division website on December 1, 2022.

The meeting of the School Employees' Health Benefits Commission of New Jersey was called to order on Monday, July 12, 2023 at 1:00 pm at the Division of Taxation in Trenton, NJ.

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.

Kelly Fields took Roll Call and established that a quorum was present.

**Board Members:**

**Danielle Schimmel  
Philip Gennace  
Carl Tanksley  
John Cunha  
Denise Graff Policastro  
Sarah Favinger  
John Megariotis  
Kelly Fields  
Michael Salerno (Late)  
DAG- Alison Keating**

**Also Present:**

**Becky Searles (AON)  
Joe Tappe (AON)  
Theresa Williams**

**Absent:**

**Interim Chair**

Sarah Favinger motioned to nominate Denise Graff Policastro to interim chair, in which John Cunha seconded the motion. The commission voted in favor, and Denise Graff Policastro was named as Interim Chair for the meeting.

**Resolution to Accelerate Implementation of New Jersey Public Law 2023, Chapter 258**

Kelly Fields states resolution would make provisions of Public Law 2023, Chapter 258 effective as of October 1<sup>st</sup>, 2024, instead of waiting until 2028. Provisions of law would become effective for

contracts with Aetna, Verizon, and Garden State Health Plan. Resolution is to increase access to ( ) for those who are non-heterosexual. If no action is taken place by the commission, then the law would not take effect until next contract the Commissioner entered for.

Roll call was taken, only Michael Salerno was still not present. Resolution 2024-1 was approved and will be posted to the Division of Pensions and Benefits website.

### **2025 Rate Renewal Presentation:**

AON provided presentation. Becky Searles (AON), presented that there are changes to Medical Rx Renewal Rates and dental rates. Rx renewal rates are updating specifically on the EGWP's Medicare side. Expressed there were improvements to what was expected and rates are decreasing. Joe Tappe expressed IRA was significantly driving up plan costs, which was a major driver of direct subsidy revenue, also known as National Average Paid Premium (NAP). This increased revenue for the plan, which brought premium increase down to what was previously expected.

Joe Tappe also states that the Center for Medicare and Medicaid Services (CMS) announced a voluntary premium stabilization demonstration program. This means all carriers had the option to opt in or out of the program. The program impacts individual market plans, and that the only impact to employer plans is the additional revenue. This will bring in an additional \$15 per member per month for EGWP revenue.

Denise Graff Policastro, states this is a significant change from the expected 14.9% down trend to 5.2%, and if this trend will continue

Joe Tappe could not confirm if this trend is to be expected moving forward, there are still unknowns, but this trend was higher than the higher end projections AON initially planned for.

Denise Graff Policastro asked if it would make sense to start splitting the data between Horizon and Aetna.

Becky Searles responded that enrollment in Aetna is very low. Due to this, it was previously decided it was not worth it to have separate rates for both plans. States that this could change if enrollment is increased with Aetna in the future.

Denise Graff Policastro expressed concerns of employers leaving the plan, so that it may make sense to start looking at alternative ways to make plan more appealing, such as looking into having separate Rx rates for both plans.

Becky Searles states that members have a fear of the unknown. Such as what would happen if a member changes plan, they are not able to be provided with information, such as if the drugs they currently taken will continue to be covered if they change plans. Suggested maybe adding a second open enrollment period so members can have a trial period in a plan, and switch back if the plan does not work for them.

Denise Graff Policastro, motioned to have a second open enrollment period for 2025.

In favor were Carl Tanksley, John Cunha, Michael Salerno, and Sarah Favinger.

Not in favor: Danielle Schimmel, Philip Gennace, and John Megariotis.

Joe Tappe moved on to dental. Went over changes to plan design for upcoming year, 2025. There is now an option for plan design enhancement for the SEHBP. Implant coverage is being added to base plan offered, and also an additional orthodontics for children on plan for retirees. There are no changes to the active side.

Sarah Favinger wanted to have a motion to go into executive session to go over RFP contract discussions.

Back from executive session.

Denise Graff Policastro made motion to pass medical rate with 67/33 split. All were in favor.

Denise Graff Policastro made motion to adjourn. All were in favor.

Respectfully submitted,

Kelly Fields  
Acting Secretary  
School Employees' Health Benefits Commission