

State Health Benefits Program
Plan Design Committee
Open Session Minutes: June 22, 2018

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 special meeting notice was mailed to the Secretary of State, Star Ledger and the Trenton Times on June 18, 2018.

The meeting of the State Health Benefits Program Plan Design Committee of New Jersey was called to order on Friday, June 22, 2018 at 1:00 p.m. The meeting was held at the Division of Pensions and Benefits, 50 West State St, in Trenton.

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.

Mark Cipriano took Roll Call and established that a quorum was present.

Roll Call

Committee Members:

David Ridolfino, Director, Office of Management and Budget
David Pointer, Deputy Director, Division of Pensions and Benefits
Jennifer Keyes-Maloney, Assistant Treasurer
Justin Zimmerman, Chief of Staff, Department of Banking and Insurance
Michael Zaynor, NJSTFA
Kevin Lyons, NJ State PBA
Patrick Nowlan, AAUP – AFT (Chair
Chigozie Onyemattine, Department of Community Affairs
Abdur R. Yasin, NJ FMBA
Hetty Rosenstein, New Jersey Area Director, CWA/District 1
Tennille McCoy, Assistant Director, Department of Labor

Absent:

Robert Little, AFSCME Department of Research

Also Present:

Danielle Schimmel, Deputy Attorney General

John Megariotis, Acting Director, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

Mark Cipriano, Division of Pensions and Benefits

Joseph Palladino, Division of Pensions and Benefits

Pledge of Allegiance

The Committee recited the Pledge of Allegiance in unison.

Meeting Minutes

Committee Member Zaynor made a motion to approve the SHBP PDC meeting minutes from July 27, 2017 as well as August 19, 2016; Committee Member Ridolfino seconded and all voted in favor.

Election of Chairperson

Committee Member Zimmerman made a motion to nominate Committee Member Keyes-Maloney as co-chair for the management side. Committee Member Zaynor made a motion to nominate Committee Member Nowlan as co-chair for the union side. All voted in favor of both co-chairs as nominated.

2018 Meeting Dates

Co-Chair Keyes-Maloney made a motion to approve the 2018 meeting dates. Committee Member Zimmerman seconded the motion. All voted in favor.

Plan Overview – Presentation by Treasurer’s Office

Dini Ajmani, the State Assistant Treasurer, made a presentation to the Committee with an overview of the SHBP. She noted that with the new administration, there are new members of the Committee and that Treasury wants to communicate a message of engagement, transparency, and decisions based on data. She addressed baseline numbers of the plan in terms of enrollment and cost. She noted that the Governor’s task force formed and would be meeting soon.

Committee Member Pointer stated that he hopes for the plan design process to be more collaborative going forward and for there to be great transparency of information.

Reauthorization of Plan Year 2018 Initiatives

Resolution 2 relates to the out-of-network financial incentive program for selecting a tiered network medical plan: Horizon OMNIA and Aetna Liberty. The program was initially adopted by the SHBP PDC in August of 2016 for one year, and continued in 2017 for one year.. Committee Member Pointer stated that the numbers show that members are signing up for the tiered network plans in greater numbers therefore the incentive seems to be working as designed. Committee Member Lyons made a motion to approve Resolution 2. Committee Member Yasin seconded; all voted in favor.

Resolution 3 is to reduce retirees' prescription co-pays for preferred brand co-pays. Committee Member Zaynor made a motion to approve the resolution; Committee Member Ridolfino seconded the motion and all voted in favor.

Committee Member Keyes-Maloney stated that in light of some additional requests for data related to the formulary, the PDC would modify Resolution 1 into separate votes. The first part would be for generic substitution, and the second part would be the adoption of the out-of-network rates for physical therapy. The PDC could look at the formulary portion of the Resolution at a subsequent meeting, after reviewing data.

Committee Member Yasin made a motion to approve the generic substitution portion of the drafted resolution, Committee Member McCoy seconded the motion. The motion passed 10-1 (Committee Member Rosenstein nay).

Co-chair Nowlan made a motion to approve the physical therapy out-of-network reimbursement portion of the drafted resolution; Committee Member Ridolfino seconded and all voted in favor.

RFPs Update

Mr. Cipriano gave an update as to the status of the RFPs. He stated that the health care consultant contract was awarded to Aon. He advised that the Medicare Advantage RFP went out last Friday. He also stated that timeline is being developed to re bid the PBM RFP, which would be for 2020.

Initiatives for PY 2019: Brainstorming Session

Committee Member Keyes-Maloney discussed out-of-network expenses, and that P.L. 2018, c.32, enacted in June 2018 dealing with out-of-network transparency provides an opportunity for the PDC to discuss savings and value. Potential topics for the future are out-of-network reimbursement rates and moving from FAIRHealth to a percentage of CMS, particularly related to behavioral health spend. Committee Member Rosenstein suggested the Committee discuss mental health services and whether there is adequate in-network availability. Committee Member Lyons echoed the need for a discussion about mental health services.

Committee Member Pointer suggested looking at best practices in other states, particularly those of comparable size with comparable cost of living. He also suggested looking at reference based pricing.

Committee Member Yasin requested information on the pilot direct primary care medical home (DPCMH) program; to be discussed at the next meeting.

Committee Member Lyons asked for information on what would be involved in the State running its own PBM rather than using a third party administrator.

Adjournment

Committee Member Yasin made a motion to adjourn; Committee Member McCoy seconded the motion and all voted in favor. There being no further matters to discuss, the meeting was adjourned at 10:45 am.

Respectfully Submitted,

Joseph Palladino
Acting Secretary, SHBP-PDC