

State Health Benefits Program
Plan Design Committee
Open Session Minutes: November 28, 2018 1:00 pm

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. The meeting notice was mailed to the Secretary of State, Star Ledger and the Trenton Times on September 6, 2018.

The meeting of the State Health Benefits Program Plan Design Committee of New Jersey was called to order on Wednesday, November 28, 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.

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

Roll Call

Committee Members:

Dini Ajmani, Assistant Treasurer

David Ridolfino, Director, Office of Management and Budget

Jennifer Keyes-Maloney, Assistant Treasurer (Chair)

Michael Zaynor, NJSTFA

Kevin Lyons, NJ State PBA

Patrick Nowlan, AAUP – AFT (Chair)

Chigozie Onyemattine, Department of Community Affairs

Robert Little, AFSCME Department of Research (appearing telephonically)

Absent:

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

Tennille McCoy, Assistant Director, Department of Labor

Abdur R. Yasin, NJ FMBA

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

Also Present:

Danielle Schimmel, Deputy Attorney General

Mark Cipriano, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

Joseph Palladino, Division of Pensions and Benefits

Presentation on Improving Maternity Care

Linda Schwimmer of NJ Health Care Quality Institute presented on improving maternity care focusing on episodes of care for the SHBP. Ms. Schwimmer focused on C-sections noting that New Jersey's low risk C-section rate is over higher than both the national average and the national target. She noted that more C-sections than are medically necessary adds costs to the system and risks for the mother. There are built in financial incentives for C-sections and there can be other associated costs. Ms. Schwimmer recommended a three part strategy of providing women more information to make informed choices, using a universal risk assessment tool, and having an outcome based payment. The outcome based payment is an episode of care model where more control is in the physician's hands, rather than the hospitals, and if certain metrics are met, the providers share in the savings. Ms. Schwimmer also discussed a blended rate payment model, in which a large purchaser, like the SHBP, sets a flat dollar amount on payment for a delivery. Committee Member Ridolfino requested that the carriers provide information on what they are doing to address some of the disparity in C-section rates across the State. He also requested that Aon provide possible rates for a blended rate payment and the cost savings associated with rate.

Presentation on Reference Based Pricing

Christin Deacon, NJDPB, presented an overview of Reference Based Pricing (RBP) using examples of other states and plans that have moved to this method of payment and reimbursement. In addition to using RBP for certain shop-able medical procedures, some states have moved to RBP for prescription drug costs where they set a price the plan pays per pill in a specific drug class and the member is responsible for any cost difference. Ms. Deacon noted the challenges with RBP is the administrative design and set up, selecting the right procedures and the right RBP price. Committee Member Ajmani questioned how to start an RBP program. Ms. Deacon recommended one or two procedures, state-wide. She indicated it is not just an in-network or out-of-network rate issue, but a recommended service would be one for which the plan is seeing great variations in price with no difference in outcome or quality.

Presentation by Direct Primary Care Vendors R-Health & Paladina

Mason Reiner and Amber Van Nierkerk, R-Health, presented on the current member enrollment in R-Health, and their efforts to increase member enrollment.

Craig Peterson, Paladina Health, a presented on the current member enrollment in Paladina services and the continued efforts to increase population in the plan.

Co-Chair Nowlan asked how the NJDBP advertises the program. Mark Cirpiano, NJDPB explained that the program is on the NJDBP website and it is promoted during open enrollment. However, because it is not a separate plan, members do not always realize it is a benefit.

Committee Member Little asked how the HR departments in the large facilities have been promoting the programs. Mr. Reiner explained that it varies which is why R-Health suggested a series of webinars.

Committee Member Ajmani asked about data on the cost savings because this is a program that only began January 1, 2017. Mr. Reiner noted that they are working with both Aetna and Horizon to get the data and can updated the PDC in the New Year.

Committee Member Little left the meeting. The meeting stopped briefly when Committee Member Lyons left the room and there was no quorum. The meeting resumed when Committee Member Lyons returned and quorum was reestablished.

Co-chair Nowlan questioned how Aetna and Horizon are supporting the program. Kim Ward, Aetna, explained that the program is part of the open enrollment brochure, the brochure was sent to all members, and the program is discussed with new employer groups joining the SHBP. Chris Lowry, Horizon, explained that the program is promoted during open enrollment and it is discussed with new SHBP employers.

Discussion regarding Dental Code D-7281

Acting Secretary Ludwig explained that this matter is a referral from the State Health Benefits Commission. The Commission considered an appeal for the dental code service, which is not a covered service under the Dental Expense Plan but is a covered service under the DMO plans. Kim Ward and Ian Carucci, Aetna, explained that the procedure is uncommon and relates to a sinus perforation as a result of an extraction in the upper jaw. Committee Member Lyons made a motion to include the procedure code in the Dental Expense Plan. Committee Member Zaynor seconded the motion. All voted in favor.

Adjournment

Committee Member Ajmani made a motion to adjourn; Committee Member Lyons seconded the motion and all voted in favor. There being no further matters to discuss, the meeting was adjourned at 3:12 pm.

Respectfully Submitted,



Nicole Ludwig
Acting Secretary, SHBP-PDC