

**SHBP PDC RESOLUTION #2023-3**

**RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE RELATED TO FORMULARY REIMBURSEMENT AND OUT OF NETWORK REIMBURSEMENT RATES FOR PHYSICAL THERAPY**

WHEREAS, pursuant to N.J.S.A. 52:14-17.25 to -17.46a, the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State of New Jersey (State) and participating local employers; and

WHEREAS, the SHBP was created in 1961 to provide 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 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 for health and prescription drug benefits continue to increase exponentially, which has strained the budgets of the State and local employers and caused increased costs to members; 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 and Resolution #5 on out of network physical therapy reimbursements, finding these changes to be in the best interest of the State, local employers, and employees; and

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

WHEREAS, on June 22, 2018, the SHBP Plan Design Committee, adopted Resolution 2018-1, which extended Resolutions #3 and #5 for one year; and

WHEREAS, on September 26, 2019, the SHBP Plan Design Committee, adopted Resolution 2019-08, which extended Resolutions #3 and #5 for one year; and

WHEREAS, on August 31, 2020, the SHBP Plan Design Committee adopted Resolution 2020-1, which extended Resolutions #3 and #5 for one year; and

WHEREAS, on August 13, 2021, the SHBP Plan Design Committee adopted Resolution 2021-3, which extended Resolutions #3 and #5 for one year; and

WHEREAS, on September 14, 2022, the SHBP Plan Design Committee adopted Resolution 2022-1, which extended Resolutions #3 and #5 for one year; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.29(D), the SHBP Plan Design Committee finds it in the best interest of the State, local employers, and employees, to continue the formulary management and structured out of network physical therapy reimbursements because they provide a substantial savings to the SHBP and its members.

2023-3 Formulary Management and Out of Network Physical Therapy

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 is continued until further action by the SHBP 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 is continued until further action by the SHBP 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: July 26, 2023