

**MINUTES OF THE MEETING OF THE
NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
October 16, 2024**

Members Present:

Kelly Fernandez
Gary Cupo
Phil Gennace
Staci Grant
Kathy Hempstead
Margaret Koller
Taylor Kopelan
Jason Premus
Bob Morrow
Adam Young

Others:

Jeffrey Posta (DAG)
Mike Fahncke (DOBI)

Public:

Theresa Sullivan (Horizon)
Kate Shamszad (NJ Health Care Quality Institute)
Kelly Ferreira (Horizon)
Sandra Araujo Russo (Horizon)
Dana Kelly (Horizon)
Julie Bogorad (AmeriHealth)

I. Call to Order

M. Koller called the meeting to order at 10:02 A.M.

II. Public Comments

No public comments were offered.

III. Welcome New Board Members

Kelly Fernandez, Staci Grant, and Kathy Hempstead introduced themselves to the meeting participants.

IV. Review of Meeting Minutes

A. Young made a motion to approve the Meeting Minutes for May 15, 2024, with no suggested edits. This motion was seconded by P. Gennace. B. Morrow, T. Kopelan, and M. Koller voted yes, and K. Fernandez, S. Grant, K. Hempstead, and G. Cupo abstained. The motion carried.

V. Review of Expenses

Mike Fahncke explained the charges for the fourth quarter of the 2024 fiscal year. The only expenses the Board had was for services for the New Jersey Office of the Attorney General. The account balance is sufficient to cover those expenses. A. Young made a motion to approve the payments to the New Jersey Office of the Attorney General and accept the Q4 budget. M. Koller seconded the motion to approve. G. Cupo was not present, all other members approved.

VI. Update & Discussion of Draft Policy Forms

P. Gennace explained the following updates to the policy forms:

- Implement P.L. 2023, c. 275, which allows a health insurer to limit the coverage of hearing aids to one hearing aid for each hearing-impaired ear every 24 months and provides coverage for the cost of treatment related to cochlear implants.
- Amend text to clarify that hearing aids are not durable medical equipment, consistent with Grace's Law. Creates uniformity in the market.

A. Young commented that when the law was originally passed it was for children with a yearly benefit limit. When the Department issued the bulletin regarding this provision, the yearly benefit was in place. The Board decided to cover the hearing aids as DME because the alternative would be cost prohibitive. Significant cost increase now that coverage is expanded to adults and will cause an increase in rates.

B. Morrow and T. Kopelan reiterated the issue that A. Young mentioned and indicated that their respective companies were researching how this change to the policy form would impact rates.

P. Gennace reminded that rates can be updated quarterly and that rates can be amended later in 2025. DOBI made their position clear in the spring. P. Gennace emphasized that covering hearing aids in this way is important.

S. Grant asked where in the regulation does it require coverage in this manner.

P. Gennace explained that nothing in a law indicates that it is covered as durable medical equipment. Hearing aids were made durable medical equipment in policy forms, but that is not aligned with the DOBI 2009 bulletin and the Affordable Care Act.

A. Young reiterated that this would increase premiums, which goes against the purpose of the Affordable Care Act even if cost sharing is lower.

M. Koller asked if it would be helpful for the carriers to prepare a comparative summary of cost sharing and premiums for the plans.

- Implement P.L. 2023, c. 105, which places a flat cap on the out-of-pocket contribution (prohibits any deductible, copayment or coinsurance) for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers.

Board members disputed if this flat cap on out-of-pocket contribution should be applied to a single insulin product or any insulin products across categories.

T. Kopelan explained that “a” was added to the law according to the legislative history, which supports the assertion that the contribution cap would only be on a single insulin product.

P. Gennace responded by pointing out that if the Legislature intended it to apply to one product the language would have looked like the Epinephrine language, which was clearer that it is one product because it stated, “at least one”.

K. Fernandez noted that Epinephrine is perceived as one prescription and that inhalers are not administered in a similar way as insulin.

A. Young explained that AmeriHealth had the view that one product from each class of product would be covered.

B. Morrow agreed that it is coverage of one product.

- Update references to P.L. 2017, c. 117, pertaining to telehealth and telemedicine, with a statutory citation.
- Implement P.L. 2023, c. 194, which removes limits on copayments, coinsurance or deductibles beyond those set forth in the Affordable Care Act. Plans can offer a closed formulary.

P. Gennace asked for comments and a collection of data for the next meeting so that we are prepared for action in the advance of the November meeting.

VII. Close of Meeting

S. Grant made a motion to adjourn the meeting. G. Cupo seconded the motion. All voting members present voted yes. The motion was carried.

[The meeting adjourned at 11:03 A.M.]

Public known to be in attendance:

Theresa Sullivan (Horizon)

Kate Shamszad (NJ Health Care Quality Institute)

Kelly Ferreira (Horizon)

Sandra Araujo Russo (Horizon)

Dana Kelly (Horizon)

Julie Bogorad (AmeriHealth)