

State Health Benefits Program  
Plan Design Committee  
Open Session Minutes  
June 28, 2023

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 State Health Benefits Plan Design Committee of New Jersey was called to order on Wednesday, June 28, 2023 at 1:00 pm at the Department of Treasury in Trenton.

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.

**Board Members:**

Joyce Malerba  
Andrea Spalla  
Kim Walker  
Kimberly Holmes  
Nikki Ludwig  
Binsy Francis  
Serena Merrill  
John Megariotis  
Justin Zimmerman  
Tariq Shabazz  
Michael Zanyor  
Kevin Lyons  
Robert Little  
Patrick Nowlan  
David Krueger  
Joseph Tappe  
Jon Pipas  
Kelly Fields, Secretary

**Absent:**

Jim McAsey

### **High Deductible Discussion:**

Michael Zanyor questioned enrollment, disruption impact and the best course of action regarding the raise in deductibles for plan year 2024. Andrea Spalla stated that the plan would have to be revisited every year. John Megariotis noted that this needs to be resolved in time for open enrollment in October and if pushed to the August meeting then action must be taken at that time.

### **Resolution 2023-1:**

Nikki Ludwig touched base on the reduced specialty copay for plan year 2023. Joyce Malerba stated the amount could change from year to year by CMS. Joyce Malerba suggested that the division be reviewing cost share as well as the subgroup.

Kevin Lyons made a motion to adopt resolution 2023-1. Michael Zanyor seconded the motion; all voted in favor. Resolution 2023-1 was approved.

### **Aon Presentation:**

Joe Tappe and Jon Pipas discussed the annually approved continuing resolution for plan year 2024, sharing their analysis on the cost impact of those resolutions. Mr. Tappe stated that the impact on costs would be the same impact on the premium price. For example, if costs go up then premiums go up.

### **Subgroup Update:**

Kelly Fields stated the medical specialty pharmacy subgroup had met to hear updates about previous concepts and presentations, where they were informed that those concepts and proposals were not viable. Michael Zanyor gave an update on the member based pricing.

### **Horizon Telehealth Briefing:**

Binsy Francis stated that the intent of this presentation was to give a high-level overview of the telehealth options that are available through Horizon for members. Serena Merrill outlined a platform called Care Impacts, a telemedicine solution that connects members to doctors and is available 24 hours a day, 365 days a year. Therapy and psychiatry is also offered. The copay is the same amount a member would pay for a family care visit. Michael Zanyor and Binsy Francis discussed reimbursement rates, among many other topics that Horizon will be taking back with them.

### **Follow up from the PDCs First Super Conciliator Meeting:**

Michael Zanyor provided a report from the June 20<sup>th</sup> super conciliator meeting. There are five resolutions under consideration.

Mr. Zanyor made the following joint motion:

“Whereas pursuant to a superconciliation application filed on December 16, 2022 due to the PDC’s impasse on five resolutions proposed by PDC labor representatives but not approved by the PDC in September 2022, the PDC held its first superconciliation meeting on June 20, 2023, with PERC-appointed superconciliator Brian Kronick; and

Whereas the superconciliation meeting was constructive and productive; and

Whereas both PDC labor representatives and PDC management representatives generally agreed that since the filing of the superconciliation request, the PDC has continued to work on various cost-containment measures within the PDC subgroup structure, including and most notably reference-based pricing and medical specialty pharmacy reforms, which were the topics of two of the five resolutions that are the subject of the superconciliation process; and

Whereas DPB staff reported to the PDC members during the superconciliation meeting of the significant progress made by the Division in analyzing and evaluating the various “point solutions,” with the goal of ensuring measurable return on investment for the plan and its members; and that the investigation of those point solutions commenced in the fall of 2021 and is ongoing; and

Whereas while there may still be some points of disagreement as to some or all of the five resolutions as they were originally drafted, the superconciliation meeting revealed and focused on the significant areas of agreement between the labor and management PDC representatives; and

Whereas all members agree on the urgency and importance of finalizing resolutions for a reference-based pricing pilot program and a medical specialty pharmacy reform program; and

Whereas as a result of the constructive discussion and the information shared, as well as the recommendations of Mr. Kronick, the PDC co-chairs agreed, with consensus from the PDC members, to put forward this joint motion as follows:

1. Through the PDC co-chairs and with the ongoing involvement of Mr. Kronick, the PDC will continue its work to develop and finalize resolutions regarding a reference-based pricing pilot program, and a medical specialty pharmacy program, in good faith and using best efforts, with the shared goal of having a resolution on reference based pricing providing a general overview of the goals to be presented to the full PDC at the July 2023 meeting and a more detailed resolution regarding reference based pricing by or before the September 2023 PDC meeting; and will continue to work in the PDC subgroup on medical specialty pharmacy reform initiatives; with the shared understanding and agreement that there may be factors outside of the PDC or Division’s control that slow the work; and that should potential delays arise, the Division shall communicate these to the co-chairs as soon as practicable; and
2. The PDC’s July agenda shall include the annually-approved continuing resolutions. While not the subject of the superconciliation process, the continuing resolutions were discussed during the June 20 superconciliation meeting, and the PDC recognizes the relationship between demonstrable, regular progress on the matters set out in the contested resolutions and renewal of the continuing resolutions.”

Andrea Spalla seconded the motion; all voted in favor.

### **Aon Plan Design Comparison Report:**

Kevin Lyons expressed that he is upset the court report was published in the newspaper and didn’t come to the division first. He also requested that staff and management collaborate on topics so that everyone can share their ideas. Mr. Nowlan voiced that he would like the union side to have access to information as well. Michael Zanyor suggested the division receive a courtesy copy of reports if they are going to first be released externally.

Kevin Lyons made a motion to adjourn. Mr. Nowlan seconded. All voted in favor and the meeting was adjourned.

Respectfully submitted,

Kelly Fields  
Acting Secretary  
State Health Benefits Commission