

School Employees' Health Benefits Commission

Meeting Minutes

January 24, 2018; 10:00 AM

Adequate notice of this meeting was 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 annual meeting notice was mailed to the Secretary of State, Star Ledger and the Trenton Times on December 20, 2017.

The meeting of the School Employees' Health Benefits Commission of New Jersey was called to order on Wednesday, January 24, 2018 at 10:00 AM. The meeting was held at the Division of Pensions and Benefits, 50 West State Street 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.

Joseph Palladino took Roll Call and established that a quorum was present.

Roll Call

Dan Goldman, NJEA

Wendell Steinhauer, Chairperson, NJEA

Thomas Gallagher, representing Acting Commissioner of the Dept. of Banking and Insurance, Marlene Caride

Sonia Rivera-Perez, representing Acting State Treasurer Elizabeth Maher Muoio

Cynthia Jahn, NJ School Boards Association (via telephone)

Absent:

Carmen Gonzalez-Gannon, NJEA

Also Present:

Danielle Schimmel, Deputy Attorney General

Joseph Palladino, Division of Pensions and Benefits

Andrew Lawson, Division of Pensions and Benefits

Mark Cipriano, Division of Pensions and Benefits

Claudia Hanson, Horizon

Donna Ruotola, Horizon

Issues:

Nomination of Interim Chair

Commissioner Steinhauer made a motion to nominate Commissioner Gallagher as interim Chair. Commissioner Goldman seconded the motion and all voted in favor.

PBM Implementation

Mr. Cipriano informed the Commission that there had been some calls with concerns about the switch to Optum Rx as the PBM, but there had been no major issues. The NJDPB is working with the members related to any disruption issues, which mostly have to do with member education.

Member Appeals

Case #01241801 (NJDPB Appeal) – The member appealed from the NJDPB’s denial of the request to continue health benefits coverage for an overage, dependent child. Mr. Palladino explained that the dependent aged out of eligibility and was approved for continued coverage for one year. At that point the dependent became gainfully employed and had health benefits through employment, making the dependent ineligible for continued coverage through the SEHBP. The dependent was removed from coverage and subsequently became unemployed. Once removed from the overage coverage, a dependent is not eligible to return. Mr. Lawson, of the NJDPB explained that when the dependent lost employment the member filed a standard re-enrollment request. The NJDPB did not realize at the time that this was a request to add back coverage for an overage dependent. When the NJDPB realized that this was an overage dependent who had been added, the coverage was terminated retroactively.

Commissioner Steinhauer made a motion to go into Executive Session to seek advice from the Deputy Attorney General. Commissioner Goldman seconded the motion and all voted in favor.

Upon return from Executive Session, Commissioner Steinhauer made a motion to approve the member’s appeal to reinstate the dependent’s health coverage from January 1, 2017 through the end of June 2017, and to pay claims to that point. Commissioner Goldman seconded the motion and all voted in favor.

Case #01241802, #01241803, #01241804, #01241805

Commissioner Steinhauer moved to approve all four request for hearings in the Office of Administrative Law en bloc. Commissioner Goldman seconded the motion, and all voted in favor.

Workers Compensation

Case #01241806- Commissioner Steinhauer made a motion to approve the settlement proposal. Commissioner Goldman seconded the motion and all voted in favor.

Commissioner Steinhauer made motion to go into Closed Session to hear member appeals. Commissioner Goldman seconded the motion. All voted in favor.

The following cases, due to HIPAA regulations, were heard in Closed Session:

Case #01241807 (Horizon Appeal) member present – The member appealed from the denial of the dependent’s claim under the Horizon NJ DIRECT10 Plan for services that were related to treatment for a cleft pallet. The member explained that their child was born with a cleft pallet as a birth defect. While Horizon has indicated to them that the surgery the child will need to correct the birth defect and the bone grafting will be a covered surgical benefit, however the orthodontic appliance to prepare the child’s mouth for the surgery is not covered. The child will likely have a long line of orthodontic work, including another appliance and braces, because of the birth defect. The dental insurance has a lifetime maximum of \$1,500 for orthodontia, which was exceeded with one appliance. Most orthodontic devices are to repair something, but orthodontia will never repair the cleft. Donna Ruotola of Horizon explained that when the claim originally came in, it was billed a dental code, which was denied. The claim was then resubmitted with a miscellaneous code, which is not linked to a specific procedure. Horizon requested records and when they were submitted, a Dental Director reviewed the claim, determined the services were orthodontia, and denied the claim. Another Dental Director found the same thing on a second level appeal. The plan says that orthodontia is not covered. Commissioner Goldman questioned whether New Jersey requires medical plans to cover orthodontic appliances when used to treat a cleft lip or palate, as some other states do. Ms. Ruotola stated that there is no requirement in New Jersey. Chairperson Gallagher questioned if the surgery that the appliance is preparing the child for will be covered by the medical plan. Dr. Hanson, Horizon, stated that she believed that it was a dental procedure, but a predetermination would detail the surgery and would be clinically reviewed to determine if it is dental or medical.

Commissioner Steinhauer made a motion to deny the appeal, Commissioner Goldman seconded and all voted in favor. Commissioner Steinhauer spoke to his motion and stated most of the health benefits regulations derive from state law and the path to require coverage of orthodontia for cleft palates would be through the Legislature. Chairperson Gallagher stated that there is a separate group that makes changes to the plan, that the Commission has a fiduciary responsibility and the Commission cannot change the plan.

Commissioner Steinhauer made a motion to go into Executive Session to discuss pending litigation. Commissioner Goldman seconded the motion and all voted in favor.

Adjournment

Upon return from Executive Session, Chairperson Gallagher made motion to adjourn the meeting at 10:58 am. Commissioner Steinhauer seconded the motion. All voted in favor.

Respectfully Submitted,

Joseph Palladino
School Employees’ Health Benefits Commission