

School Employees' Health Benefits Program
Plan Design Committee
Open Session Minutes: June 26, 2018

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. A meeting notice was mailed to the Secretary of State, Star Ledger and the Trenton Times on June 18, 2018.

The meeting of the School Employees' Health benefits Program Plan Design Committee of New Jersey was called to order on Tuesday, June 26, 2018. 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 Board desires, at any point in the meeting, to approve a motion to go into closed session.

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

Roll Call

Committee Members:

David Ridolfino, Director, Office of Management and Budget
David Pointer, Deputy Director, Division of Pensions and Benefits
Kevin Kelleher, NJEA
Julie Giordano Plotkin, NJEA
Jennifer Keyes-Maloney, Governor Appointee
Jean Pierce, AFT/AFL-CIO

Also Present:

Mark Cipriano, Division of Pensions and Benefits
Danielle Schimmel, Deputy Attorney General
Joseph Palladino, Division of Pensions and Benefits
Nicole Ludwig, Division of Pensions and Benefits
Dini Ajmani, State Assistant Treasurer

Issues

Nomination of Chairperson

Committee Member Keyes-Maloney made a motion to nominate David Pointer as chairperson, Committee Member Ridolfino seconded. The motion passed 5-0-1 (Committee Member Pointer abstained).

Meeting Minutes

Committee Member Ridolfino made a motion to approve the Open and Executive session SEHBP PDC meeting minutes from June 19, 2017; Committee Member Kelleher seconded and all voted in favor.

2018 SEHBP PDC Meeting Schedule

Committee Member Keyes-Maloney made a motion to approve the 2018 SEHBP PDC Meeting Schedule subject to confirmation of the Committee Members' availability for the July and August meeting dates. Committee Member Giordano-Plotkin seconded and all voted in favor.

Plan Overview – Presentation by Treasurer's Office

Dini Ajmani, the State Assistant Treasurer, made a presentation to the Committee with an overview of the SEHBP. She noted that with the new administration, there are new members of the Committee and that Treasury wants to communicate a message of engagement, transparency, and decisions based on data. She addressed baseline numbers of the plan in terms of enrollment and cost. She addressed the costs of the plan and the status of contracts with Aon, OptumRx as the Pharmacy Benefits Manager, and the dental contracts.

SHBP Plan Year 2018 Initiatives

Committee Member Pointer made a presentation on the initiatives that the SHBP PDC authorized in order to decrease costs, including: (1) cost share increases for out-of-network (OON) chiropractic, acupuncture, and physical therapy, (2) a mandatory generic initiative and (3) a formulary management plan design change. He stated that all of these changed authorized by the SHBP PDC in 2016 were recently re-authorized by the SHBP PDC for plan year 2019 with the exception of the formulary management resolution.

Mark Cipriano of the NJDPB explained that the Division of Purchase and Property is currently bidding the Medicare advantage contract, and that they hope to have a notice of award by August with the contract effective 01/01/2019. Mr. Cipriano of the NJDPB also explained that the explained that the NJDPB was looking into a timeline to rebid the reverse auction RFP to procure a PBM. DAG Schimmel stated that if there were questions on the status of litigation related to the PBM, the Committee could seek advice in executive session.

Plan Year 2019 Brainstorming Session

Committee Member Keyes-Maloney presented to the Committee on the OON issue, which is a significant cost driver. Professional services, including everything from radiology to mental health are significant costs. The focus of the administration is on using data to make good decisions in terms of value and efficiencies. She discussed the recent OON transparency legislation. She suggested that the Committee examine the OON cost drivers, potentially consider changing the reimbursement rate, and work with the carriers to see why certain areas of use continue to have large OON usage.

Committee Member Kelleher suggested asking Horizon to provide information on the changes in their provider network in all categories over the past 6-8 years.

Committee Member Kelleher also suggested that the PDC look into options for integrating the NJ Well program into the DPCMHs to encourage use of both programs. Committee Member Kelleher suggested a possible option of physical and follow-up visit with the DPCMH satisfying the requirements to receive the full \$250 NJ Well incentive. Chairperson Pointer stated that the NDJPB would look into this and that the new NJ Well year starts in November.

Committee Member Kelleher also requested some suggestions on changing the OON reimbursement rate from the 90th percentile of FAIR health and what the cost savings would be with any suggestion.

Pending Litigation

Committee Member Pierce made a motion to go into Executive Session for an update on pending litigation; Committee Member Kelleher seconded and all voted in favor.

Adjournment

Upon returning to Open Session, Committee Member Kelleher made a motion to adjourn; Committee Member Ridolfino seconded and all voted in favor. There being no further matters to discuss, the meeting was adjourned at 1:35 p.m.

Respectfully Submitted,

Joseph Palladino
Acting Secretary, SEHBP-PDC