

**State Health Benefits Program**  
**Plan Design Committee**  
**Open Session Minutes: January 22, 2016**

Adequate notice of this meeting has been provided and filed with and prominently posted in the offices of the Secretary of State. The meeting notice was mailed to the Secretary of State, Star-Ledger and Trenton Times on January 4, 2016.

The meeting of the SHBP Plan Design Committee was called to order on Friday, January 22, 2015 at 1:03 P.M. The meeting was held at the Division of Pensions and Benefits, 50 West State Street, in Trenton.

The text of Resolutions A (Closed Session) and 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 Kierney Corliss took Roll Call and established that a quorum was present.

**Committee Members:**

**John Hutchison**, Senior Policy Advisor, Department of Environmental Protection

**David Jones**, Retired President, STFA (via teleconference)

**Kevin Lyons**, NJ State PBA (via teleconference)

**Mary Meeker**, AFSCME

**Patrick Nowlan**, AAUP – AFT

**Dave Ridolfino**, Associate State Deputy Treasurer, Office of the State Treasurer

**Hetty Rosenstein**, NJ Area Director, CWA/District 1

**Harold Wirths**, Commissioner, Department of Labor (via teleconference)

**Abdur Yasin**, NJ FMBA

**Also in Attendance:**

**Danielle Schimmel**, Deputy Attorney General

**Florence Shepherd**, Division of Pension and Benefits

**Dave Pointer**, Division of Pension and Benefits

**Douglas Martucci**, Division of Pension and Benefits

**Issues**

**Direct Primary Care Medical Home Resolution Modification to Extend Deadline**

At its prior meeting on July 6, 2015 the SHBP PDC authorized a Direct Primary Care Medical Home pilot project and at the October 16, 2015 meeting, created a subcommittee to oversee implementation. Committee Member Ridolfino stated that the DPCMH subcommittee had met (on January 20, 2016]) and heard concerns from Horizon regarding bidders' ability to meet the Resolution's stated deadline of April 1, 2016 for the Medical Home practices to be up and running. Mr. Ridolfino made a Motion to Modify the Resolution extending the deadline to not later than six months from the execution of the contract or contracts between Horizon and the Homes. Committee Member Wirths seconded the

motion. Committee Member Ridolfino noted that the subcommittee unanimously agreed that the deadline should be postponed. All voted in favor (9-0-0).

### **Compound Drug Management Update**

The next agenda item was for an update on the implementation of changes to the Compound Drug Coverage. Robin Kelly of Express Scripts noted that SHBP Compound Drug Spending was again increasing notwithstanding the approval and implementation of the changes in December 2015. Ms. Kelly explained that the increased spending occurred when Compounding Pharmacies became aware of the specific ingredients that the PDC had resolved to exclude from coverage. Jeff Brown, Express Scripts, noted that Compounding Pharmacies were increasing the prices of non-excluded ingredients, and that there had also been a degree of members stockpiling medications prior to the implementation of the Compound Management Solution on December 1, 2015. Committee Member Ridolfino stated that the School Employees Health Benefits Program Plan Design Committee had voted to implement Express Scripts' full Compound Drug Management solution in order to prevent the possibility of Compound Drug spend increasing again, as it was for the SHBP. He stated that he would like to do the same thing with the SHBP PDC, and adopt the full Compound Management Solution, thus excluding all compounded ingredients from coverage. He noted that there is a process in place so that truly medically necessary Compounded Drugs would be available to members. Committee Member Rosenstein asked if the proposed solution applied only to topical compound medications. Robin Kelly advised yes. Chairperson Nowlan stated that he would like an opportunity to digest the information provided in the update from Express Scripts before implementing additional restrictions to Compound Medications. Committee Member Rosenstein asked if there was an appeal process available to members where an independent party would make the final decision on medical necessity. Dave Pointer, Pensions, stated that appeals for Compounds would go through the normal SHBP clinical appeal process, in which the member has the right to have their case heard by an Independent Review Organization (IRO) after 2 denials from their carrier. Chairperson Nowlan stated that the Labor Representatives would be prepared to review the information quickly, and could get back to the Division by early the following week to schedule a vote by the Committee. There being no further business, Committee Member Rosenstein made a motion to adjourn. Committee Member Ridolfino seconded the motion and all voted in favor.

### **Adjournment**

The meeting was adjourned at 2:05 p.m.

Respectfully submitted,

Douglas Martucci Acting Secretary  
SHBP Plan Design Committee