

State Health Benefits Program
Plan Design Committee
Open Session Minutes: April 16, 2019 1:00 p.m.

Adequate notice of this meeting was provided through the annual notice of the schedule of regular meetings of the Committee 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 April 12, 2019.

The meeting of the State Health Benefits Program Plan Design Committee of New Jersey was called to order on Tuesday, April 16, 2019 at 1:00 p.m. The meeting was held at the Division of Pensions and Benefits in Trenton, NJ.

The text of Resolution B (Executive Session) – was read in its entirety in the event that the Committee desires, at any point in the meeting, to approve a motion to go into closed session.

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

Roll Call

Committee Members:

Dini Ajmani, Assistant Treasurer

Patrick Nowlan, AAUP – AFT (Chair) (Appearing Telephonically)

Jennifer Keyes-Maloney, Assistant Treasurer (Co-Chair)

Michael Zanyor, NJSTFA

Kevin Lyons, NJ State PBA

Robert Little, AFSCME Department of Research (Appearing Telephonically)

Justin Zimmerman, Chief of Staff, Department of Banking and Insurance (Appearing Telephonically)

David Ridolfino, Director, Office of Management and Budget

Hetty Rosenstein, New Jersey Area Director, CWA/District 1

Tennille McCoy, Assistant Commissioner of Human Capital Strategies, Department of Labor and Workforce Development

Absent:

Abdur R. Yasin, NJ FMBA

Also Present:

Amy Chung, Deputy Attorney General

Mark Cipriano, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

Meeting Minutes

Committee member Lyons made a motion to approve the meeting minutes from January 2019 and February 2019. Motion passed 8:2 (Committee Member Rosenstein and Ridolfino abstained)

RESOLUTION 2019-2 NEW PPO PLAN & ALLOWING CERTAIN STATE PUBLIC EMPLOYEES & EARLY RETIREES ACCESS TO THE PLAN

Chairperson Keyes-Maloney advised that Resolution # 2019-2 would be tabled until the next meeting.

RESOLUTION 2019-3: MODIFYING COVERAGE FOR CERTAIN LAB SERVICES

Chairperson Keyes-Maloney explained this resolution is a result of a discussions with both providers. This was presented to the Committee earlier in the year, and would require that all routine lab services be provided through both Quest and LabCorp. The only exception to this would be genetic testing, and other lab services that are not covered by Quest or LabCorp. Committee member Lyons asked what the value of this would be. Chairperson Keyes-Maloney advised it is \$12 million.

Committee member Rosenstein questioned if this Resolution could prove to be a negotiation tool when securing rates with the providers. Chairperson Keyes-Maloney stated it would be conversation for the future. Committee member Rosenstein asked that the meeting minutes specifically state this change does not apply to clinical lab work performed in hospital visits or surgical centers, related to clinical or medical policy.

Committee member Lyons made a motion to approve Resolution 2019-3. Committee member Zanyor seconded the motion; all voted in favor.

RESOLUTION 2019-4: CREATING A NEW CWA PPO PLAN & ALLOWING CERTAIN STATE PUBLIC EMPLOYEES & EARLY RETIREES ACCESS TO THE PLAN

Co-Chairperson Keyes-Maloney explained Resolution 2019 would create a new CWA PPO plan. She stated there are two amendments and referred to Committee member Rosenstein to articulate the modifications. Committee member Rosenstein stated that in the Appendix the ER copay states the cost is \$150 for pediatric visits; however this would also apply to anyone that was directed to the ER by a physician. She also advised that NJWell has a rate that should be added. The new NJWell rate would be \$350 for member visits and \$350 for spouse visits, increasing the current incentive by \$100.00.

Committee member Lyons made a motion to approve Resolution 2019-4 with the amendments. Committee member Zanyor seconded the motion, with the stipulation that the State Police reserve all rights in negotiation. The affirmative vote should not be viewed as giving up any rights. All voted in favor.

With no further matters to discuss, Committee member Zanyor made a motion to adjourn. Committee Member Rosenstein seconded the motion; all voted in favor. The meeting adjourned at 1:42pm.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Nicole Ludwig". The signature is written in a cursive, flowing style.

Nicole Ludwig

Acting Secretary SHBP PDC

SHBP PDC Resolution #2019-3

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE MODIFYING COVERAGE FOR CERTAIN LAB SERVICES

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State and participating local employers; and

WHEREAS, the SHBP was enacted in 1961 for the purpose of providing affordable, quality health care coverage for public employees on a cost-effective basis; and

WHEREAS, all SHBP plans, with the exception of Medicare Advantage plans, are self-funded, which means that the money paid out for benefits comes directly from an SHBP fund funded by State appropriations, participating local employers, and member premiums; and

WHEREAS, the SHBP Plan Design Committee (SHBP PDC) aims to encourage the use of in-network services to ensure better access to quality patient services and cost savings; and

WHEREAS, the current SHBP carriers, Horizon and Aetna, provide comprehensive in-network coverage for routine lab services.

NOW, THEREFORE, BE IT RESOLVED:

1. The SHBP PDC directs that, beginning July 1, 2019, all routine lab services, with the exception of genetic testing and other lab services that are not covered by Quest and LabCorp such as molecular and surgical pathology, Transfusion Medicine and Immunology, shall be provided on an in-network basis;
2. The SHBP PDC further directs that the carriers shall communicate this change in coverage with members and the provider community prior to, and following, the July 1, 2019 implementation;
3. Plan Members shall be afforded a one-time forgiveness for their first routine out-of-network lab service after July 1, 2019.
4. This resolution shall take effect immediately.

SHBP PDC Resolution #2019-4

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE CREATING A NEW CWA PPO PLAN & ALLOWING CERTAIN STATE PUBLIC EMPLOYEES & EARLY RETIREES ACCESS TO THE PLAN

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State and participating local employers; and

WHEREAS, the SHBP was enacted in 1961 for the purpose of providing affordable, quality health care coverage for public employees on a cost-effective basis; and

WHEREAS, all SHBP plans, with the exception of Medicare Advantage plans, are self-funded, which means that the money paid out for benefits comes directly from an SHBP fund funded by State appropriations, participating local employers, and member premiums; and

WHEREAS, the SHBP Plan Design Committee (SHBP PDC) aims to encourage the use of in-network providers by creating a new PPO plan with revised out-of-network reimbursement amounts for the State Active Group and the Early Retiree Group as defined below;

WHEREAS, the Communication Workers of America (CWA) currently represents over 31,000 employees in State service; and

WHEREAS, the CWA worked with the Administration, the Office of Employee Relations, and the Division of Pensions and Benefits to negotiate a new health plan offering:

NOW, THEREFORE, BE IT RESOLVED:

1. A new PPO plan design for both medical and prescription drug coverage as outlined in Appendix 1, attached hereto and incorporated hereof, shall be created effective July 1, 2019 (State Monthly) and July 6, 2019 (State Biweekly), and offered through Horizon and Aetna (the "CWA PPO Plan").
2. The CWA PPO Plan shall be made available to:
 - a. Any State public employee for whom the CWA serves as the majority representative for collective negotiating; and
 - b. Pursuant to operation of law (i.e. N.J.S.A. 52:14-17.28b(b)), any early retiree, defined as a person who is not yet eligible for Medicare (the "Early Retiree Group"), who is a State public employee for whom the CWA served as the majority representative for collective negotiating, and who accrues 25 years of non-consecutive or consecutive service credit on or after July 2, 2019, and who retires on or after July 1, 2019.
3. The SHPB PDC directs the Division of Pensions and Benefits to take such steps as necessary

in order to have the current vendors, Horizon and Aetna, offer the CWA PPO Plan.

4. The SHBP PDC further directs the Division of Pensions and Benefits to transfer all State public employees for whom the CWA serves as the majority representative for collective negotiating who are currently enrolled in one of the current PPO plans to the new CWA PPO Plan that is provided by the same carrier as currently used by such employee; and
5. The SHBP PDC additionally directs the Division of Pensions and Benefits to hold a special open enrollment in order to allow impacted public employees and retirees who do not wish to be transferred to the CWA PPO Plan to enroll in another plan available to them. The special open enrollment shall also allow impacted employees who are enrolled in one of the other plans to enroll in the CWA PPO plan.
6. NJWell Incentive will be \$350.00 for eligible subscriber and eligible spouse/partner.
7. This resolution shall take effect immediately.