

State Health Benefits Program
Plan Design Committee
Open Session Minutes: May 20, 2019 10:00 a.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 Monday, May 20, 2019 at 10:00 a.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)

Abdur R. Yasin, NJ FMBA (Appearing Telephonically)

Michael Zanyor , NJSTFA

Kevin Lyons, NJ State PBA

Justin Zimmerman, Chief of Staff, Department of Banking and Insurance

David Ridolfino, Director, Office of Management and Budget

Hetty Rosenstein, New Jersey Area Director, CWA/District 1 (Appearing Telephonically)

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

Kimberly Holmes Assistant Commissioner, Office of the Commissioner DCA NJ Department of Community Affairs

Absent:

Robert Little, AFSCME Department of Research

Also Present:

Christopher Meyer, Deputy Attorney General

Mark Cipriano, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

RESOLUTION 2019-5 NEW PPO PLAN & ALLOWING CERTAIN STATE PUBLIC EMPLOYEES & EARLY RETIREES ACCESS TO THE PLAN

Chairperson Keyes-Maloney advised the Resolution would allow unaligned members access to the new PPO plan that was created for the CWA. Committee member Lyons asked for clarification on the parameters that would define “unaligned members”. He went on to explain that the PBA does not support this Resolution for its members. Chairperson Keyes-Maloney advised that the clarification of the parameters would be sent to the State Health Benefits Commission for review.

Committee member Zanyor would also like to have clarification on the parameters, as the State Police do not intend to follow the new PPO. Chairperson Keyes-Maloney advised that a motion would need to be passed to have the SHBC clarify the parameters of “unaligned members”. Committee member Zanyor made a motion to present Resolution 2019-5 to the SHBC for clarification of the parameters that define unaligned members. Chairperson Nowlan seconded the motion, all voted in favor.

Chairperson Nowlan made a motion to pass resolution 2019-5. Committee member Zanyor seconded the motion; all voted in favor.

With no further matters to discuss, Committee member Holmes made a motion to adjourn. Chairperson Nowlan seconded the motion; all voted in favor. The meeting adjourned at 10:25am.

Respectfully Submitted,



Nicole Ludwig

Acting Secretary SHBP PDC

SHBP PDC Resolution #2019-5

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE ESTABLISHING A NEW PPO PLAN & ALLOWING CERTAIN STATE AND LOCAL GOVERNMENT PUBLIC EMPLOYEES 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 and Local Government Group members as defined below; and

WHEREAS, the new PPO plan design is identical to the plan design of the new PPO plan created pursuant to SHBP PDC resolution #2019-3.

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 herein, shall be created effective July 1, 2019, which shall be available either through Horizon or Aetna (the "New PPO Plan") as an additional plan option available to State and local government public employees in the State Active Group or Local Active Group.
2. No State or local government public employee for whom there is a majority representative for purposes of collective negotiations shall, by virtue of this Resolution, be required to enroll in the new PPO or have plan options restricted unless the majority representative and public employer have agreed upon such a requirement or restriction.
3. The SHBP 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 New PPO Plan;
4. This resolution shall take effect immediately.

Appendix 1

New PPO ¹ Horizon & Aetna	
Medical Cost Sharing	
Primary Care Copayment	\$15
Specialist Care Copayment	\$15
Emergency Room Copayment ²	\$150
In-Network Deductible ³	\$100 (New hires only after 7/1/19)
In-Network Coinsurance ⁴	10%
In-Network Coinsurance Maximum (Individual/Family)	\$800/\$2,000
In-Network Out-of-Pocket Maximum (Individual/Family)	\$6,320 / \$12,640
Out-of-Network Deductible (Individual/Family)	\$400/\$1,000
Out-of-Network Coinsurance ⁵	30%
Out-of-Network Out-of- Pocket Maximum (Individual/Family)	\$2,000/\$5,000
Out-of-Network Inpatient Hospital Deductible	\$500
Out-of-Network Reimbursement Rate	175% CMS Exception ⁶ : Mental Health 195% CMS after reaching OON out of pocket max (through 12/31/2020)
Prescription Drug Copayments	
Retail: Generic	\$7
Retail: Brand	\$16
Retail: Multi-Source Brand	Member Pays the Difference ⁷
Mail: Generic	\$18

Mail: Brand	\$40
Mail: Multi-Source Brand	Member Pays the Difference ⁷
Prescription Drug Out-of-Pocket Maximum (Individual/Family)	\$1,580/\$3,160
NJWell Incentive	\$350 for eligible subscriber & \$350 for eligible spouse/partner ⁸

¹ All other provisions of the PPO plans remain the same unless modified here.

² Pediatric (0-19) ER & ER for those directed by primary care physician copayment is \$50.

³ The in-network deductible will have the following exclusions: preventive care, second wellness visit, obstetric services, and pediatric services. ER visit copayment counts toward deductible.

⁴ On select services including, but not limited to, durable medical equipment, ambulance transportation, oxygen therapy, etc.

⁵ After deductible.

⁶ Members receiving obstetric services as of July 1, 2019 will be reimbursed at the rate of 195% of CMS for duration of care.

⁷ Member pays the applicable generic copayment listed above, plus the cost differential between the brand and the generic drug.

⁸ Starting with the NJWELL plan year beginning 11/01/2019