

State Health Benefits Program
Plan Design Committee
Open Session Minutes: October 27, 2021 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 December 26, 2020. Updates regarding the Telephonic meeting was sent to the Secretary of State and posted to the Division's website on October 6, 2021.

The meeting of the State Health Benefits Program Plan Design Committee of New Jersey was called to order on Wednesday, October 27, 2021 at 1:00 p.m. Due to COVID-19 this meeting was held telephonically.

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 Nicole Ludwig led the Committee in the Pledge of Allegiance. Mrs. Ludwig then took Roll Call and established that a quorum was present.

Roll Call

Committee Members:

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

Michael Zanyor, NJSTFA (Co-Chair)

Patrick Nowlan, AAUP – AFT

Lynn Azarchi, Director, Office of Management and Budget

Kevin Lyons, NJ State PBA

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

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

Kimberly Holmes Assistant Commissioner /Chief of Staff, Department of Community Affairs

Robert Little, AFSCME Department of Research

Absent:

Jenelle Blackmon, New Jersey Area Director, CWA/District 1

David Krueger, NJ FMBA

Also Present:

Alison Keating, Deputy Attorney General

Joyce Malerba, Division of Pensions and Benefits

Theresa Williams, Division of Pensions and Benefits

Debra Pelto, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

Pledge of Allegiance:

Acting Secretary Nicole Ludwig led the PDC in reciting the Pledge of Allegiance.

SHBP PDC Resolution 2021-8

Nicole Ludwig read the title SHBP PDC Resolution 2021-8, which requested the Division of Pensions and Benefits explore development of a medical pharmacy specialty pharmacy pilot. As administrators of the SHBP plan, it is requested the NJDPB explore and provide regular updates to the PDC of what would be required for the PDC to develop a specialty RX pilot program solely related to a medical pharmacy including information on any impediments or challenges and the procurement of any necessary contract to effectuate such a pilot.

Co-Chair Keyes-Maloney advised that this came from the work of a subgroup that met over the prior several months to examine the issue, and found this could be a solution that provides plan members with potential savings and improved care quality. Specialty pharmacy is defined as high cost medication that requires special handling, or administrative treatment for complex conditions. These programs are designed to improve clinical and economic outcomes for patients who require these special treatments requirements. Initial information showed that 2.3 percent of the SHBP population receives specialty drugs that make up about 48 percent of the SHBP pharmacy costs, either in medical pharmacy (hospital or clinical setting) and traditional pharmacy.

The proposed resolution would review the option for the medical pharmacy component, asking the Division to explore procurement pieces of a pilot program as well as any potential impediments, either legally or contractually. The PDC is requesting regular updates at PDC meetings to so that both groups could be moving forward together. Commissioner Lyons made a motion for resolution, it was seconded by Committee Member Little. The resolution was approved.

DISCUSSION: PENDING LEGISLATION

Co-Chair Keyes-Maloney advised that legislation A5872 would require the SHBP and the SEHBP to implement referenced-based pricing program and bundle payment program. The bill would allow the Commission to contract with a healthcare marketplace vendor to establish a bundle payment program and engage in a program whereby the payment methodology of certain elective medical procedures would be allowed to utilize a metric based allowable amount. While currently there are large variations in price for elective procedures, and higher price does not guarantee a better health outcome, the

legislation would aim to drive members to the best healthcare with significant savings. It was proposed that the PDC develop a subgroup to come up with recommendations around the legislation and come up with a pilot program. Committee Member Lyons made a motion to form the subcommittee. Co-Chair Zanyor seconded. All voted in favour. It was clarified that this vote was not in any way to endorse the legislation. Co-Chair Keyes-Maloney, Co-Chair Zanyor, Committee Member Nowlan and Committee Member Lyons volunteered for the committee.

DIVISION UPDATE

Debra Pelto from the Division of Pensions & Benefits, Policy and Planning spoke about the vaccine and flu campaign. She advised that there are some issues with Aetna data, as there is a long lag collecting data from CMS. Also, some members are vaccinated at public sites and are not using insurance cards or the site does not collect the information. The current data shows 135,600 members who are fully vaccinated who have received either a single dose of Johnson and Johnson Janssen vaccine or two Moderna or Pfizer vaccines.

Mrs. Pelto advised that the flu campaign was important, as the flu is also an infectious disease which could pass through the population. The campaign to educate the public about the flu vaccine was to post information on different state websites, advising that the shot is free for all SHBP and SEHBP members and their dependents with resources for appointments. Horizon also posted the information, sent emails and is sponsoring several flu clinics. Aetna has structured phased outreach that runs from September into December. Optum has expedited emails regarding the flu, and arranged for members to be able to use out-of-state pharmacies. Amino and Benefits Solver both posted flu education resources and vaccine information. The Direct Primary Care Medical Homes Centers (Everside, R-Health and Sanitas) are being linked as a flu resource and some are hosting free flu clinics. The division plans to measure engagement online, attendance at flu clinics, and track vaccination numbers.

Discussion: Other Business

Co-Chair Keyes-Maloney advised that at the last PCD meeting a question was raised if COVID testing for return to work employees would be through the health plan, and it has been determined that it will be an independent expenditure and will not run through the health plan. Co-Chair Zanyor asked if booster shots for the COVID vaccine would maintain a no-cost status or if action was needed by the PCB, and Co-Chair Keyes-Maloney advised she will follow-up on that question.

It was noted that the November PDC meeting was late in the month, in conflict with the Thanksgiving holiday, and Nicole Ludwig advised she would be in contact via email to also address the December meeting and the 2022 meetings.

Committee Member Nowlan asked if the Presidential Executive Order regarding a vaccine mandate for Federal contractors would impact state workers. As some state locations have Federal grants and contracts with the Federal government, those locations are instituting a mandate for vaccination without the option of testing. It was asked what the interpretation was for state workers. Commissioner Keyes-Maloney advised that there was not guidance available yet, but when available she will share with all members of the committee.

Committee Member Lyons advised that he would like to address the issue of transparency within the health insurance industry at the next PDC meeting, stating that he would like to be a leader in that movement. Commissioner Keyes-Maloney advised that she will commit to a conversation on the next agenda.

Adjournment

Having no further action to discuss, Committee Member Nowlan made a motion to adjourn. Co-Chair Keyes-Maloney seconded the motion; all voted in favor. The meeting concluded at 1:45 pm.

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 #2021-8

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE REQUESTING THE DIVISION OF PENSIONS & BENEFITS EXPLORE DEVELOPMENT OF A MEDICAL PHARMACY SPECIALTY PHARMACY PILOT

WHEREAS, pursuant to N.J.S.A. 52:14-17.25 to -17.46a, the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State of New Jersey (State) and participating local employers; and

WHEREAS, the SHBP was created in 1961 to provide affordable 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 the money paid out for benefits comes directly from a SHBP fund supplied by the State, participating local employers, and member premiums; and

WHEREAS, the costs for health and prescription drug benefits continue to increase exponentially, which has strained the budgets of the State and local employers and caused increased costs to members; and

WHEREAS, the SHBP Plan Design Committee recognizes pharmaceuticals, are an integral part of medical treatment, keep patients healthier, and extend or save lives and in many situations, proper pharmaceutical use saves money by avoiding costly hospitalizations, emergency room use, moving to a nursing home, or repeat visits to specialists; and

WHEREAS, a specialty drug is a high-cost medication that requires special handling or administration in the treatment of complex conditions, often accompanied by potential serious side effect; and

WHEREAS, the Academy of Managed Care Pharmacy (AMCP) defines specialty pharmacy as “a pharmacy coordinating many aspects of patient care and disease management” including the ‘efficient delivery of medications’; and

WHEREAS, specialty pharmacies are designed to improve clinical and economic outcomes for patients requiring specialty drugs who have complex, often chronic and rare conditions, with close contact and management by clinicians; and

WHEREAS, health care professionals employed by specialty pharmacies provide patient education, help ensure appropriate medication use, promote adherence, and attempt to avoid unnecessary costs; and

WHEREAS, only approximately 2.3 percent of the SHBP’s population receive specialty drugs yet, specialty pharmacy is approximately 48 percent of the SHBP’s pharmacy healthcare cost; and

WHEREAS, approximately 50 percent of the SHBP’s specialty pharmacy costs are for medical pharmacy, which means drugs administered in a hospital or physician’s office covered under the SHBP’s medical benefit; and

WHEREAS, the consumption of specialty drugs in a medical pharmacy setting is ripe for exploration into better management practices, including the infusion of a specialty pharmacy review process to ensure better patient outcomes and significant cost constraint.

NOW, THEREFORE, BE IT RESOLVED, the SHBP PDC requests that the Division of Pensions and Benefits, as administrators of the SHBP Plans, to explore and provide regular updates to the PDC on what would be required for the PDC to develop a specialty Rx pilot program solely related to medical pharmacy, including information on any impediments or challenges, and the procurement of any necessary contracts to effectuate such a pilot.

DATED: October 27, 2021