

SHBP PDC RESOLUTION #2025-11

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO MODIFY PRESCRIPTION DRUG CO-PAYMENTS AND OUT OF POCKET MAXIMUM AMOUNTS FOR PRESCRIPTION DRUG BENEFITS

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 subscriber¹ premiums; and

WHEREAS, the SHBP currently offers the following plans (herein the “SHBP Plans”) administered by the SHBP third party administrators Horizon and Aetna: NJ Direct 10 and Freedom 10; NJ Direct 15 and Freedom 15; NJ Direct 1525 and Freedom 1525; NJ Direct 2030 and Freedom 2030; NJ Direct 2035 and Freedom 2035; CWA Unity DIRECT and CWA Unity Freedom; CWA Unity DIRECT2019 and CWA Unity Freedom 2019; NJ DIRECT and Freedom; NJ DIRECT2019 and Freedom 2019; Aetna HMO; Liberty Plus Tiered Network; Horizon HMO; Omnia Tiered Network; and

WHEREAS, the SHBP delivers pharmacy benefits through its Pharmacy Benefit Manager (“PBM”) contract; and the current PBM vendor for SHBP is Optum Rx; and

WHEREAS, the pricing and 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 members²; and

WHEREAS, the SHBP Plan Design Committee recognizes pharmaceuticals, both generic and specialty³, 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

¹ “‘Subscriber’ means the person in whose name the coverage is listed.” N.J.A.C. 17:9-1.8.

² “‘Member’ means any individual covered under the SHBP, regardless of whether the person is a subscriber or a dependent.” N.J.A.C. 17:9-1.8.

³ Specialty Drugs are those drugs on the Specialty Drug List maintained and updated from time to time by the PBM, which have two or more of the following key characteristics:

- a. Target a chronic or complex disease state;
- b. Frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the probability for beneficial treatment outcomes;
- c. Intensive patient training and compliance assistance to facilitate therapeutic goals;
- d. Limited or exclusive product availability and distribution; and/or
- e. Specialized product handling and/or administration requirements.

hospitalizations, emergency room use, moving to a nursing home, or repeat visits to specialists; and

WHEREAS, all generic drugs must meet the same strict quality guidelines and have exactly the same active ingredient as brand-name drug equivalents; and

WHEREAS, the SHBP Plan Design Committee, therefore, seeks to encourage members to use “generic drug products,” N.J.S.A. 52:14-17.46.6(f)(1)(d), over “brand name” drug products, N.J.S.A. 52:14-17.46.6(f)(1)(a); and

WHEREAS, the PBM designates certain brand name drugs in its formulary as “preferred” based on, among other considerations, clinical effectiveness, safety, and value; and

WHEREAS, the Division of Pensions and Benefits, in coordination with the PBM, has previously implemented a program to encourage certain members on maintenance medications to use mail order service through the PBM, by requiring members to make an affirmative election of whether to continue purchasing prescription drugs through retail or through the mail order service program by contacting OptumRx via telephone or on the OptumRx online portal; and

WHEREAS, the SHBP Plan Design Committee seeks now to require that prescriptions for maintenance medications be filled through the mail service program; and

WHEREAS, the high costs of non-diabetic GLP-1 drugs⁴ and their expanded approved uses, including for weight loss, have contributed to the SHBP prescription benefits cost increases in recent years; and

WHEREAS, members prescribed aforementioned GLP-1 drugs for weight loss will likely benefit from additional support in their efforts to adhere to the lifestyle changes required for long-term drug efficacy and to sustain the improved health outcomes; and

WHEREAS, the SHBP Plan Design Committee recognizes that reasonable co-pay differentials to incentivize member participation in a lifestyle management support program while the member is prescribed non-diabetic GLP-1 drugs for weight loss may lead to improved health outcomes in the long-term; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.29(D), the SHBP Plan Design Committee finds it in the best interest of the State, local employers, and members to make certain plan design changes regarding prescription drug benefits that balance the incentivizing of members’ cost-effective decisions while maintaining access, affordability, and quality of care, which changes are to be

⁴ Non-diabetic GLP-1s refer to glucagon-like peptide-1 (GLP-1) receptor agonists and dual GLP-1/glucose-dependent insulintropic polypeptide (GIP) receptor agonists indicated for therapeutic use in conditions other than diabetes—primarily for chronic weight management and obesity-related comorbidities—and include, but are not limited to, Zepbound, Wegovy, and Saxenda.

implemented while ensuring that plans currently used by local employers remain available to local employers.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. As of November 1, 2025, the member co-payment for non-diabetic GLP-1 drugs for weight loss shall be \$45 per 30-day prescription in the SHBP Plans. This copayment level will continue for SHBP Plan members prescribed non-diabetic GLP-1 drugs for weight loss until the implementation of a lifestyle management program.
2. Upon implementation of a lifestyle management program designed to support members prescribed non-diabetic GLP-1 drugs for weight loss, the co-payments for SHBP Plan members prescribed such products after that implementation date shall be:
 - \$45 per 30-day supply while the member is participating in the lifestyle management program; or
 - \$125 per 30-day supply if the member is not participating in the lifestyle management program.
3. Commencing in Plan Year 2026⁵, subscribers' out of pocket maximums for prescription drug benefits are \$2,120 (individual)/\$4,240 (family) in the SHBP Plans.
4. Commencing in Plan Year 2026, in the SHBP Plans there shall be three co-payment tiers for prescription drugs: (1) Generics; (2) Preferred Brand drugs; and (2) Non-preferred Brand and Specialty drugs. The designation of a drug as preferred, non-preferred, or Specialty is made by the PBM. Member co-payments for prescription drugs (non-diabetic GLP-1s) shall be:
 - Generic drugs: \$10 Retail; \$10 Mail order (retail is for 30-day supply and mail order is for 90-day supply)
 - Preferred Brand drugs: \$20 Retail; \$50 Mail order (retail is for 30-day supply and mail order is for 90-day supply)
 - Non-preferred Brand Drugs: \$75 Retail; \$150 Mail order (retail is for 30-day supply and mail order is for 90-day supply)
 - Specialty drugs: \$75 Retail or Mail order (30-day supply)
5. Commencing in Plan Year 2026, if the retail cost of the drug in any of these tiers is less than the applicable co-payment for that drug as set forth in Section 3, the member shall pay the retail cost only.
6. Commencing in Plan Year 2026, members in the SHBP Plans shall be required to fill prescriptions for maintenance drugs, as designated by the PBM, through the mail order service provided through the PBM.

⁵ As of January 1, 2026 or as soon as practicable thereafter.

7. This Resolution shall apply to active employees and shall not apply to early or Medicare eligible retirees.
8. The Committee requests the State Health Benefits Commission and/or Division of Pensions and Benefits use best efforts to engage a lifestyle management program vendor and take all other necessary actions to implement this Resolution to be effective as of January 1, 2026, or as soon as practicable thereafter.

DATED: September 24, 2025