SHBP PDC RESOLUTION # 2025-12

RESOLUTION OF THE STATE HEALTH BENEFITS PLAN DESIGN COMMITTEE REGARDING AMBULATORY SURGICAL CENTER UTILIZATION

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 subscriber[1] premiums; and

WHEREAS, the State Health Benefits Commission ("SHBC") contracts with third-party claims administrators ("TPAs") to administer the claims for the SHBP's plans; and

WHEREAS, with the exception of the Medicare Advantage plans, the SHBP's current TPAs are Horizon Blue Cross Blue Shield of New Jersey ("Horizon") and Aetna Life Insurance Company ("Aetna"); 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; Freedom HDHigh; Freedom HDLow; Aetna HMO; Liberty Plus Tiered Network; NJDirect HD High; NJDirect HD Low; Horizon HMO; Omnia Tiered Network; and

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

WHEREAS, the SHBP Plan Design Committee recognizes that when certain common procedures are performed at an in-network, outpatient ambulatory surgical center ("ASC"), they result in a lower net cost to the SHBP than when performed in a hospital, whether on an outpatient or inpatient basis; and

WHEREAS, the SHPB Plan Design Committee recognizes that the following procedures (hereinafter, the "ASC Covered Procedures") are less expensive to the SHBP when performed at an in-network, outpatient ASC:

[1] "'Subscriber' means the person in whose name the coverage is listed." N.J.A.C. 17:9-1.8.

a. Endoscopy (any)
b. Intraocular Lens Procedures
c. Introduction/Injection of Anesthetic Agent (Nerve Block), Diagnostic or Therapeutic Procedures on the Somatic Nerves
d. Injection, Drainage, or Aspiration Procedures on the Spine and Spinal Cord
e. Destruction by Neurolytic Agent (e.g., Chemical, Thermal, Electrical or Radiofrequency) Procedures on the Somatic Nerves
f. Introduction/Injection of Anesthetic Agent (Nerve Block), Diagnostic or Therapeutic Procedures on the Paravertebral Spinal Nerves and Branches
g. Hernia surgery
h. Carpal Tunnel surgery
i. Arthroscopy
j. Knee Arthrotomy
k. Lumpectomies
l. Tonsillectomies
m. Colonoscopy[2]

WHEREAS, the Division of Pensions and Benefits, through direction of and coordination with the TPAs, intends to implement a process to require members[3] to obtain prior authorization ("PA") for ASC Covered Procedures; and

WHEREAS, the SHBP Plan Design Committee recognizes that differences in members' out-of-pocket costs for these ASC Covered Procedures based on the site where the procedure is performed, subject to certain exceptions, may incentivize members to choose to have the ASC Covered Procedure at a lower-cost facility; 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 that balance the incentivizing of members' cost-effective decisions while maintaining access to care, which changes are to be implemented while ensuring that plans used by local employers remain available to local employers.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Subject to applicable laws and regulations, members in all SHBP Plans who elect to have an ASC Covered Procedure at an in-network hospital (whether on an inpatient or outpatient basis) shall have a cost share of 50% co-insurance; unless:
    a. The ASC Covered Procedure is ordered by a provider on an emergency basis that necessitates that it be performed in a hospital; or

[2] Colonoscopy procedures are only subject to this Resolution until the effective date of the Centers of Excellence Pilot Program created pursuant to Resolution 2024-7 and as amended by Resolution 2025-12. Upon launch of the Centers of Excellence Pilot Program, colonoscopy procedures and members' cost share therefor will be governed by the terms of that Pilot Program.
[3] "'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.

b. The member's provider orders the ASC Covered Procedure to be performed in a hospital due to medical necessity or while the member is already or currently admitted to the hospital; or
c. There is no in-network ASC, or in the case of members in the Tiered Network plans no Tier 1 ASC, within 50 miles of the member's residence.

2. Members enrolled in SHBP Plans that provide for out-of-network coverage who elect to have an ASC Covered Procedure at an out of network hospital or out of network ASC shall have a cost-share of 50% co-insurance

3. This Resolution shall apply to active employees and shall not apply to early or Medicare eligible retirees.

4. The Committee requests the State Health Benefits Commission and/or Division of Pensions and Benefits use best efforts to implement this Resolution to be effective as of January 1, 2026, or as soon as practicable thereafter.

DATED: September 24, 2025