

State Health Benefits Program
Plan Design Committee
Open Session Minutes: September 9, 2019

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 Friday, September 6, 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)

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

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 EEO/AA Officer, Department of Community Affairs

David Ridolfino, Director, Office of Management and Budget

Robert Little, AFSCME Department of Research (Appearing Telephonically)

Also Present:

Christopher Meyer, Deputy Attorney General

Christin Deacon Division of Pensions and Benefits

Mark Cipriano, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

Andrew Lawson Division of Pensions and Benefits

Pledge of Allegiance:

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

MAIL GENERIC CO-PAYS

Co-Chair Nowlan read Resolution 2019-10: Resolution of the SHBP PDC to incentivize mail order prescriptions, and adopt a \$0 copay for generic mail order prescription drugs in its entirety. Co-Chair Keyes-Maloney made a motion to approve the resolution. Committee member Ajmani seconded the motion; all voted in favor.

Having nothing further to discuss, Committee Member Zanyor made a motion to adjourn. Committee member Ridolfino seconded the motion; all voted in favor. The meeting concluded at 1:14pm.

Respectfully Submitted,

A handwritten signature in black ink that reads "Nicole Ludwig". The signature is written in a cursive, flowing style.

Nicole Ludwig
Acting Secretary SHBP PDC

SHBP PDC RESOLUTION # 2019-10

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO INCENTIVIZE MAIL ORDER PRESCRIPTIONS AND ADOPT \$0 COPAYS FOR GENERIC MAIL ORDER PRESCRIPTION DRUGS

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 statute creating the SHBP was enacted in 1961 for the purpose of providing 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 that 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 to employees, retirees and employers for continued health care benefits and prescription drug benefits at comparable levels of coverage continue to increase exponentially and the ability for employers and employees to pay for these benefits has strained the budgets of the State and local employers and causes increased costs to participants; and

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

WHEREAS, the SHBP Plan Design Committee seeks to adopt a plan design change which would encourage utilization by plan participants of generic drug products, as that term is defined in N.J. S.A. 52:14-17.46.6.; and;

WHEREAS, the SHBP Plan Design Committee recognizes that the federal Food and Drug Administration (FDA), which approves all drug products sold legally in the United States, certifies the “safety and suitability of generic drugs and encourages their use” and that 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 Division of Pensions and Benefits authorized implementation of a program that encourages non-Medicare eligible members in the SHBP prescription plan that are on maintenance medications to utilize mail order service through Optum Rx, 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 Optum Rx via telephone or on the Optum Rx online portal; and

WHEREAS; in order to incentivize members to utilize mail order service for generic drugs, the SHBP Plan Design Committee seeks to reduce the member copay for generic prescriptions filled through the mail service program; and

MAIL ORDER GENERIC

WHEREAS, the above-described plan design change is within the scope of the State Health Benefits Design Committee pursuant to P.L. 2011, c.78; and

WHEREAS, pursuant to N.J.S.A. 52:14-17.29(D) the Committee finds that it is in the best interest of the State, local employers, and employees and to incentivize utilization of cost effective generic drug products.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the SHBP Plan Design Committee APPROVES the design of the prescription drug program administered by Optum Rx for active members and commencing on November 1, 2019, prescriptions for generic drug products or prescriptions for which generic substitution applies, which are filled through the State's Pharmacy Benefit Manager's Mail Order Pharmacy by active members will have a \$0 copay.
2. The foregoing mail order generic provision shall not apply to retirees, including Medicare eligible retirees.
3. The Committee requests that the State Health Benefits Commission and/or Division of Pensions and Benefits take appropriate action to effectuate a modification of the existing contract, if required, and to require that the Pharmacy Benefits Manager provide adequate notice to the plan participants of the changes, including notice to Medicare eligible retirees that such changes shall not apply to them.
4. The Mail Order Generic \$0 copay shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the committee.

DATED: 09 06 2019

Note: Grammatical, spelling and typographical errors are corrected but remain subject to approval by the State Health Benefits Plan Design Committee.