

School Employees Health Benefits Program
Plan Design Committee
Open Session Minutes: October 17, 2022 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 on December 10, 2021, and the Star Ledger and the Trenton Times on December 15, 2021. Updates regarding the Telephonic meeting was sent to the Secretary of State and posted to the Division's website on October 12, 2022.

The meeting of the School Employees Health Benefits Program Plan Design Committee of New Jersey was called to order on Monday, October 17, 2022 at 10:00 a.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 Ludwig took Roll Call and established that a quorum was present.

ROLL CALL

Committee Members:

Andrea Spalla

Sara Favinger

Lynn Azarchi, Director, Office of Management and Budget

John Megariotis, Acting Director, Division of Pensions and Benefits

Donna Chiera, AFT/AFL-CIO

Denise Graff Policastro, NJEA

Other Staff:

Alison Keating, Deputy Attorney General

Joyce Malerba, Division of Pensions and Benefits

Nicole Ludwig, Division of Pensions and Benefits

Debra Pelto, Division on Pensions and Benefits

Theresa Williams, Division of Pensions and Benefits

DIVISION UPDATE

Committee members were updated on the subgroup that was formed in regards to vendor outreach. A subgroup was formed both across the SEHBP and SHBP PDCs in February of 2022. This subgroup was to review any vendor outreach after the Division has had an opportunity to review the outreach as well as

work with Aon to determine the benefit and cost for each of the vendor outreaches. We had received eight vendor outreaches. The Division is still currently reviewing outreaches. And we do expect that the subgroup will be scheduled in the next couple of weeks to review these vendors.

Formulary Update by Optum RX

Adam Demarzo and Kate Miller presented the formulary changes being made for January 1st, 2023. Enbrel will be made a tier 2 preferred brand product. A number of changes were also made with the formulary options for the ADHD class of medications. ADHD is one of the largest contributors to inflation in 2022. As generics come to market, they are much more cost effective than their brand alternatives. So Optum moves the brands either up tier or off formulary for premium. Xifaxan is being excluded on premium formulary. There are several low- cost alternatives available on the formulary best chosen by a doctor. Rubraca and Talzenna are both anti- cancer agents that will be excluded on premium and moved to a higher tier on select. Both agents will be available through prior authorization when medically necessary. The final update in terms of formulary changes are products being added through our vigilant drug strategy. This strategy targets products with low clinical value and high costs. In 2021, by excluding products in this manner, the State of New Jersey total commercial the select SEHBP and SHBP combined saved \$9.49 per member per month on drug spend. For members on the premium formulary, these categories are managed by exclusions and for members on the select formularies, these categories are managed through prior authorizations.

John Megariotis asked how these members get notified of these changes. Optum said they send letters out to the members 60 days in advance of the change so that they have time to discuss it with their doctor. Included with the letter, will be potential alternatives that they can discuss with their doctor.

As for health reform updates, there has been an updated recommendation on aspirin use to prevent cardiovascular disease and colorectal cancer. In April, the U.S. preventative task force met and changed the grades of its recommendations for aspirin use. As a result, aspirin 325 milligrams will be removed from the Health Care Reform Preventative Medication List, so these members will no longer qualify for a zero dollar cost share. Aspirin 81 milligrams will remain on the list for pregnant persons at high risk for preeclampsia.

Utilization management is designed to drive better trend management, this strategy traditionally encompasses three main areas, prior authorization, which focuses on whether or not a drug is clinically appropriate, quantity limitations which ensure that your members are taking a quantity of medication that is consistent with FDA labeling, and step therapy which promotes the use of clinically equivalent lower class drugs as initial therapy. With the PA changes you'll see new edits in place for a high cost anti-viral agent PREVYMIS and the enzyme replacement product Buphenyl. The biggest change will be to the GLP-1 agonist. GLP-1 agonists are used to treat diabetes, and are quickly becoming highly regarded in clinical practice recommendations. We'll be removing the existing step therapy edit and converting to a prior authorization. This will be done to help address increasing trend in this category. For the State of New Jersey total commercial we have seen a 21 percent increase in utilization from the previous year accounting for a 27 percent increase in class spend. Ozempic has been the primary driver of this trend increase, many believe this is due to off-label use for weight loss, as Ozempic shares the same active ingredient as the weight loss agent Wegovy. The PA for these agents will only apply to new to therapy utilizers. So existing utilizers will be allowed to continue therapy without disruption. And, finally, we have the quantity limit updates. Starting with some high cost Glycopyrrolate formulation used as injective therapy for the treatment of peptic ulcer disease. And then in the oncology space, we will be adding a quantity limits on two agents. And, lastly, we will be adding QLs to the topical calcineurin inhibitors, Elidel

and Protopic, as well as their generics. Treatments for atopic dermatitis continues to be an area where we're seeing increase trend. The current management strategy of step therapy is doing a good job driving to the generic agents in this class, and we are enhancing the management by adding a QL to reduce additional waste. The total members experiencing some kind of disruption is approximately 1,800.

ADJORNMENT

Having no further action to discuss, Committee Member John Megariotis made a motion to adjourn. Committee Member Andrea Spalla seconded the motion; all voted in favor. The meeting concluded at 10:35 am.

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 SEHBP PDC