

SHBP PDC RESOLUTION # 2023-4

**RESOLUTION OF THE STATE HEALTH BENEFITS 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. 52:14-17.25 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, the SHBP Plan Design Committee recognizes 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

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 Division of Pensions and Benefits implemented a program to encourages non-Medicare eligible members in the SHBP prescription plan on maintenance medications to use mail order service through OptumRx, the Pharmacy Benefit Manager for the SHBP, 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, therefore, seeks to encourage active 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, to incentivize members to use 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

WHEREAS, on September 6, 2019, the SHBP Plan Design Committee, adopted Resolution 2019-10, which set a \$0 copay for prescriptions for generic drugs filled through OptumRx’s Mail Order Pharmacy by active members; and

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WHEREAS, on August 31, 2020, the SHBP Plan Design Committee, adopted Resolution 2020-3, which continued the \$0 copay for prescriptions for generic drugs filled through OptumRx's Mail Order Pharmacy by active members for one year; and

WHEREAS, on August 13, 2021, the SHBP Plan Design Committee, adopted Resolution 2021-4, which continued the \$0 copay for prescriptions for generic drugs filled through OptumRx's Mail Order Pharmacy by active members for one year; and

WHEREAS, on September 14, 2022, the SHBP Plan Design Committee, adopted Resolution 2022-2, which continued the \$0 copay for prescriptions for generic drugs filled through OptumRx's Mail Order Pharmacy by active members for one year; 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 employees to continue to incentivize use of cost-effective generic drug products.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The SHBP Plan Design Committee approves the requirement for a \$0 copay for prescriptions for generic drugs filled through OptumRx's Mail Order Pharmacy by active members.
2. The foregoing mail order generic provision shall not apply to retirees, including Medicare eligible retirees.
3. The Committee requests 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 require OptumRx 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: July 26, 2023