

**School Employees' Health Benefits Program**  
**Plan Design Committee**  
**Open Session Minutes: April 15, 2019 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, Star Ledger and the Trenton Times on December 20, 2018.

The meeting of the School Employees' Health Benefits Program Plan Design Committee of New Jersey was called to order on Monday, April 15, 2019 at 10:00 a.m. The meeting was held at 50 West State St, 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 Nicole Ludwig took Roll Call and established that a quorum was present.

**Roll Call**

**Committee Members:**

**David Pointer**, Deputy Director, Division of Pensions and Benefits

**Jennifer Keyes-Maloney**, Assistant Treasurer

**Julie Giordano Plotkin**, NJEA (Appearing Telephonically)

**Kevin Kelleher**, NJEA

**Donna Chiera**, AFT/AFL-CIO (Appearing Telephonically)

**Also Present:**

**Mark Cipriano**, Division of Pensions and Benefits

**Nicole Ludwig**, Division of Pensions and Benefits

**Amy Chung**, Deputy Attorney General

**Absent:**

**David Ridolfino**, Director Office of Management and Budget

## **Meeting Minutes**

Committee Member Kelleher made a motion to approve the meeting minutes from February 25, 2019. Committee Member Chiera seconded the motion; all voted in favor.

## **Subgroup Update: Physical Therapy, Chiropractic, Acupuncture, and OON Lab Services:**

Committee Member Kelleher gave a brief overview of the progress that the Subgroup has made to date. In regards to the out-of-network (OON) lab services, additional information will be shared with the Committee via email at a later date. The Subgroup is looking upon this change favorably, and the services appear to be beneficial to the plan.

Committee Member Kelleher explained that the Subgroup has mostly focused on the concerns regarding Chiropractic, Acupuncture and Physical Therapy. He explained that two years ago the SHBP put a limit on what they pay for out-of-network providers. The Subgroup was able to compare the numbers of the SHBP to the SEHBP, it is noted that the SEHBP out-of-network spend has grown substantially. The cost of a visit has increased by 20-30% in the three aforementioned categories. Currently, the SEHBP is paying 10-12 times more for the out-of-network spend than that of which is paid by the SHBP. Trends indicate that as the SHBP pays less, the SEHBP pays more. The Subgroup will continue to investigate, but clearly it is not feasible to allow the spend for Chiropractic, Acupuncture, and Physical Therapy to continue to grow at such an astronomical rate. The Subgroup has not come to a conclusion. However, it has been determined that something needs to be done. The Subgroup will meet one more time before they come back to the PDC with a recommendation.

## **Other Business:**

Chairperson Pointer advised that the PBM RFP has been posted to DPP's website and bids are due by April 30<sup>th</sup>. The Medical RFP has also been posted to DPP's website; these bids are due by May 30<sup>th</sup>. Commissioner Kelleher asked if there would be a reverse auction. Chairperson Pointer advised that there is an Evaluation Committee for both of the RFPs.

## **Adjournment**

Having no further matters to discuss, Committee Member Kelleher made a motion to adjourn, Committee Member Keyes-Maloney seconded the motion, all voted in favor. The meeting adjourned at 10:10 am.

Respectfully Submitted,



Nicole Ludwig  
Acting Secretary SEHBP PDC