

**State Health Benefits Program**  
**Plan Design Committee**  
**Open Session Minutes: August 28, 2019 1:00 p.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 April 12, 2019.

The meeting of the State Health Benefits Program Plan Design Committee of New Jersey was called to order on Wednesday, August 28, 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

**Absent:**

**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.

**OPTUMRX PRESENTATION: MAIL SERVICE MEMBER SELECT (MSMS) PROGRAM**

Steve White and Paul Eberle of OptumRx presented on the MSMS program. Mr. White provided an overview of the MSMS program, which is scheduled to go live on September 1, 2019. Mr. White explained that once the program goes live, members will be required to contact OptumRx to elect to have medications filled at the pharmacy, or through mail order. He added that starting September 1 members will have two grace fills at the pharmacy level. With each grace fill a letter will be generated advising the member that they must notify OptumRx to advise their refill preference. In the event the members do not take action, the third claim will not process, until the member makes a decision. This decision can be done at the pharmacy level, by the pharmacist at the point of sale.

Chairperson Nowlan asked how OptumRx measures adherence. Mr. White explained that adherence is measured by the refill rates. Anything above 80 percent is considered, by industry standard, as adherent. Chairperson Nowlan asked how OptumRx verifies that the member has taken the medication. Mr. White stated it is based on the refill patterns. Committee member Rosenstein asked if the MSMS program promotes “stockpiling” of medications. Mr. White stated the intent of the program is to improve adherence, and that there is no way to track if a member is stockpiling medications.

Committee member Zaynor asked if there are other mail order programs for the SHBP. Mr. White stated in the SHBP NJDirect 2030 plans has the Mail Service Select Program, which has mandatory mail order.

Committee member Ajmani asked about the two fill with the MSMS program. If the member continues to fill at the retail level, and does not respond to the MSMS program, on the third fill they will be stopped until an outreach is made. Mr. White confirmed. Committee Member Ajmani stated the MSMS is essentially forcing members to be more involved in their health. Mr. White confirmed.

Co-Chairperson Keyes-Maloney asked OptumRx what they have done to prepare the Division for the roll out of the MSMS program. Mr. White stated that OptumRx has provided the Division’s Call Center with onsite training.

Commissioner Rosenstein asked if the program was being rolled out to both the retiree population as well. Mr. White explained the program is for the Active and Early Retirees only. Committee Member Zaynor made a motion to go into Executive Session to seek advice from the Deputy Attorney General. Co-Chair Nowlan seconded the motion; all voted in favor.

Upon return, Co-Chair Keyes-Maloney suggested the PDC continue with the scheduled agenda.

#### **Tiered Network: Re-Approval of Incentive Program.**

Co-Chair Nowlan explained the tiered network incentive, stating that the resolution passed in 2017 was up for renewal. Co-Chair Keyes-Maloney stated the creation of the new CWA and PPO plans would need to be reviewed in conjunction with this incentive. She asked that the PDC and the Division have some time to review the existing resolution and revisit the topic in September. Co-Chair Nowlan agreed.

#### **WELLNESS: GYM MEMBERSHIP DISCUSSION**

Committee Member Yasin made a motion to form a subgroup to discuss the wellness program as it relates to gym membership. Co-Chair Keyes-Maloney seconded the motion; all voted in favor. The Committee determined the following members will serve on the subgroup: Abdu Yasin, Michael Zaynor, Dini Ajmani and Justin Zimmerman.

#### **AETNA DISCUSSION: THE MOST COMMONLY DENIED CLAIMS**

Kim Ward and Lisa Pomecoy of Aetna presented on the most commonly denied claims for the SHBP. Mrs. Pomecoy stated the top reasons for denial in the SHBP are for Cosmetic or Elective Surgeries, Information not received, member termination, and plan exclusions. The other common denials are based on plan limitations.

Committee member Lyons asked for clarification on the denial of claims regarding PT. The reports states 86 percent of the claims are denied. Mrs. Pomecoy clarified these denials are for those members who exceed the 25 visit, prior to the review for medical necessity.

John Metzger of Aetna's Medicare population presented on the MA denied claims. Mr. Metzger stated that in the HMO plan, 95.2 percent of claims are paid. On the PPO side 96.5 percent are paid. Committee member Zaynor asked if the 3.5 percent of claims denied are complete denials. Mr. Metzger confirmed.

#### **OPTUMRX: EGWP SPECIALTY DRUG DISCUSSION**

Steve White of OptumRx provided an overview of the Specialty Drug Guidelines which were implemented in 2019. Mr. White explained that during the 2018 contract implementation it was discovered that the previous PBM was dispensing specialty pharmacy at a 90 day level. He explained that was not in compliance with the bid solicitation. According to the bid solicitation, specialty pharmacy is to be limited to a 30 day supply. The Commercial population had this correction implemented in April of 2018.

However, anyone who was filling at the 90 day level was grandfathered until the end of the year to avoid member disruption.

Mr. White advised the EGWP population could not implement the change until the CMS approved change schedule which was on January 1, 2019. The change was outlined to the Medicare Population in the Annual Notice of Coverage which was sent to Medicare members in early December. According to CMS guidance, any medication that costs more than \$670 is identified as a specialty medication. Therefore, any medication that exceeds \$670 is now required to be limited to the 30 day supply.

Co-Chairperson Nowlan asked how OptumRx chose to follow the CMS formulary. Mr. White explained that CMS requires the formulary be submitted and approved by CMS. The state is using the standard CMS formulary. Co-Chair Nowlan asked if the Specialty definition was changed without the PDC approval. Mr. White explained it is not a change, rather it is following the contract as it is written. Commissioner Rosenstein asked where it is outlined in the guidebook that specialty is limited to a 30 day supply. Mr. White stated it is on page 4 of the guidebook. He stated it is also outlined in section 3.14 of the Bid Solicitation. Committee member Ajmani asked if this was continued in the new bid solicitation. Mr. White confirmed the language is the same. Committee Nowlan made a motion to recess. Committee Zaynor seconded the motion; all voted in favor. (A recess was taken from 3:36 to 4:36pm)

Co-Chairperson Keys-Maloney made a motion to return to Open Session. Committee member Ajmani seconded the motion; all voted in favor.

Upon return from recess, Co-Chairperson Keys-Maloney made a motion to adjourn. Committee member Lyons seconded the motion; all voted in favor. The meeting concluded at 4:37pm.

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