

**SHBP PDC RESOLUTION #2024-5**

**RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE TO REDUCE THE RETIREE PRESCRIPTION DRUG COPAYMENT FOR MAIL ORDER PREFERRED BRAND COPAYS**

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 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, to incentivize members to use mail order service for preferred medications, the SHBP Plan Design Committee seeks to reduce the member copay for prescriptions for preferred medications filled through the mail service program; and

WHEREAS, on July 27, 2017, the SHBP Plan Design Committee, adopted Resolution 2017-03, which reduced the prescription drug copays in the Retiree Prescription Drug Plan associated with the PPO 10 and 15 medical plans from \$33 per 90-day prescription to \$28 per 90- day prescription for prescriptions for preferred medications filled through the mail service for Plan Year 2018; and

WHEREAS, on September 26, 2019, the SHBP Plan Design Committee adopted Resolution # 2019-9, which extended Resolution 2017-03 for Plan Year 2019; and

WHEREAS, on August 31, 2020, the SHBP Plan Design Committee adopted Resolution 2020-3, which extended Resolution 2017-03 for Plan Years 2020 and 2021; and

WHEREAS, on August 13, 2021, the SHBP Plan Design Committee adopted Resolution 2021-6, which extended Resolution 2017-03 for Plan Year 2022; and

WHEREAS, on September 14, 2022, the SHBP Plan Design Committee adopted Resolution 2022-4, which extended Resolution 2017-03 for Plan Year 2023; and

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WHEREAS, on July 26, 2023, the SHBP Plan Design Committee adopted Resolution 2023-6, which extended Resolution 2017-03 for Plan Year 2024; 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 retirees to incentivize retirees to use cost-effective preferred medications through the mail service by reducing the copayment for retiree prescription drug copayments for mail order preferred brand copayments in the PPO 10 and 15 plans.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The retiree copayments in the Retiree Prescription Drug Plan associated with the PPO 10 and 15 medical plans shall continue to be set at \$28 per 90-day prescription for prescriptions for preferred medications filled through the mail service for Plan Year 2024.
2. This provision shall continue for one plan year and will continue thereafter only by an affirmative majority vote of the SHBP Plan Design Committee.

DATED: July 24, 2024