

State Health Benefits Commission  
Open Session Minutes  
September 14, 2022

Adequate notice of this meeting has been provided through the annual notice of the schedule of regular meetings of the Commission filed with and prominently posted in the offices of the Secretary of State. The 2022 annual meeting schedule was mailed to the Secretary of State on December 10, 2021, and Star Ledger and the Trenton Times on December 15, 2021. Updates regarding the telephonic meeting were sent to the Secretary of State, the Star Ledger, the Trenton Times and posted to the division's website on September 9<sup>th</sup>, 2022.

The meeting of the State Health Benefits Commission of New Jersey was called to order on Wednesday, September 14, 2022 at 10 am. Due to health and safety concerns for the public regarding COVID-19, the meeting of September 14, 2021, was not be held in-person and instead be conducted via teleconference.

The text of Resolution A (Closed Session) and Resolution B (Executive Session) were read in their entirety in the event that the Commission desires, at any point in the meeting, to approve a motion to go into Closed or Executive session.

Acting Secretary Jeff Ignatowitz led the pledge of allegiance. Acting Secretary Ignatowitz took Roll Call and established that a quorum was present.

**Commissioners:**

**Danielle Schimmel**, representing State Treasurer Elizabeth Maher Muoio

**Gail Simon**, representing Commissioner of the Department of Banking and Insurance Marlene Caride

**Deirdre Webster Cobb**

**Jennifer Higgins**

**Dudley Burdge**, Representative for Local Government Employees

**Also Present:**

**Alison Keating**, Deputy Attorney General

**Theresa Williams**, Division of Pensions and Benefits

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

**Jeff Ignatowitz**, Division of Pensions and Benefits

**Donna Ruotola**, Horizon

**Michele Engle**, Aon

**Joe Taffy**, Aon

Danielle Schimmel introduced herself as the new designated Chair of the Commission, replacing Susanne Culliton. Commissioner Burdge made a point of order that he had requested the meeting not be held telephonically.

Commissioner Schimmel made a motion to move to Closed Session to hear member appeals. Commissioner Simon seconded. All voted in favor.

The following cases, due to HIPAA regulations, were heard in Closed Session:

**Case #2022091401:**

This closed session appeal was regarding an appeal for dental coverage. The member had declined to enroll in dental coverage in 2015, stating that the reason they declined was the dental plans offered at that time were not participating in their geographic area. The member now wants to take the Dental Expense Plan, stating there was no similar plan offered at the time they declined coverage.

Theresa Williams from the Division of Pensions and Benefits advised that there was a special retiree dental enrollment period in 2016 in which the member would have been eligible to enroll, and the Dental Expense Plan was offered in 2015, at the time they declined dental coverage.

Commissioner Schimmel made a motion to deny the appeal. Commissioner Simon seconded. All voted in favor. The motion passed.

**Case #2022091402:**

This closed session appeal was regarding an appeal for the return of Pension contributions that were withheld to cover the cost of Health Benefits premiums. The member had applied for a Disability retirement and enrolled in Retired Health Benefits coverage while the application was being processed. The coverage was used by the member. The member's application for a Disability Retirement was later denied, meaning the cost of the coverage was the responsibility of the member. When the member applied to withdraw their Pension contributions, the contributions were applied to the balance of cost of the health benefits.

Commissioner Schimmel made a motion to move to executive session. Commissioner Simon seconded. All voted in favor.

Upon return from Executive Session, Commissioner Higgins made a motion to table the appeal until there was more information available regarding the claims that were paid. Commissioner Burge seconded. All voted in favor. The motion was accepted and the appeal was tabled.

**Case #2022091403:**

This closed session appeal was regarding an Application for Overage Handicap Dependent coverage that was submitted outside of the required timeframe. The member stated the reason the application was late was that the member was receiving care and was unable to submit the application within the required timeframe.

Commissioner Cobb made a motion to table the appeal until it is confirmed that the member was not physically able to complete the forms. Commissioner Burdge seconded. All voted in favor. The motion was accepted and the appeal was tabled.

**Case #2022091404:**

This closed session appeal was regarding a medicare advantage recipient who was denied coverage for skilled nursing.

Commissioner Simon made a motion to advise the member that the commission appeal is premature and the member must exhaust their appeal rights with CMS. Commissioner Schimmel seconded. All voted in favor. The appeal was denied.

**Case #2022091405:**

This closed session appeal was regarding a dependent who has State Health Benefits as tertiary coverage. The dependent is enrolled in a Medicare supplemental plan and visited a provider who is not participating in Medicare, therefore Horizon did not pay towards the claim.

Commissioner Simon made a motion to deny the appeal. Commissioner Schimmel seconded. Commissioners Simon, Schimmel and Cobb voted in favor. Commissioner Burdge and Higgins abstained. The motion passed with three in favor and two abstentions.

**Case #2022091406:**

This closed session appeal was heard in May, and was a denial of recertification of services. The member requested to have the appeal reheard as they were not able to present their commission appeal. The member presented their appeal. Donna Ruotola from Horizon advised that the claims were denied for being not medically necessary.

Commissioner Schimmel made a motion to deny the appeal. Commissioner Simon seconded. All voted in favor. The appeal was denied.

Commissioner Simon made a motion for a ten minute recess. Commissioner Cobb seconded. All voted in favor. They returned after ten minutes and did a roll call where all commissioners were present.

Commissioner Simon made a motion to move to Open Session. Commissioner Burdge seconded. All voted in favor.

**RATE RENEWALS**

The Commissioners had received documents which displayed the recommended rates for Plan Year 2023, for the state SHBP and the local SHBP.

Commissioner Burdge made a note that he had requested that a number of items be on the agenda and discussed before the rate renewals began. Reports concerning the rates would directly impact renewal, and the contracts are set to expire at the end of the calendar year and there may be companies with better pricing.

Commissioner Schimmel advised that the renewal process has been consistent with years prior with the notable exception that this year the division and its vendors have been more responsive and provided more information to the unions and stakeholder requests than in prior years.

Commissioner Burdge noted that in years past the carriers would be present and available to answer questions, and that a rate increase like the one proposed would mean a mass exodus from the Local governments.

Commissioner Schimmel advised that the process has not changed from years prior, with the exception that the conversion was more dynamic over the last two months, with more information provided directly from the vendors.

Michele Engle and Joe Taffy from Aon spoke about the recommended premium increases for the state and then the local government. Mr. Taffy outlined the proposed changes from what was presented on July 13<sup>th</sup>, which were two resolutions that were adopted and approved. The first was that active specialist copays for the HMO, Tiered Network, CWA Unity, CWA Unity 2019, NJ Direct and NJ Direct 2019 were increased to be \$15 higher than the current PCP co-pay. The second resolution was adopted that increased Urgent Care copays for those same plan options to be \$30 higher than the current PCP copay. There would be no change for the early retiree or Medicare retiree population.

Commissioner Schimmel made a motion to approve the state and local rates. Commissioner Simon seconded. Commissioners Schimmel, Simon and Cobb voted in favor. Commissioner Higgins voted against. Commissioner Burdge voted to abstain. The motion passed, the rates were approved.

Commissioner Burdge noted that had the rates been voted on separately, he would have voted to approve to state rates and vote against the local rates.

Commissioner Higgins asked if funds from the American Rescue Plan are going to be used to coverage some of the increase in rates. Commissioner Schimmel advised that this forum would not be able to answer that question.

Commissioner Cobb made a motion to adjourn. Commissioner Simon seconded. Commissioner Simon, Cobb and Schimmel voted in favor. Commissioners Burdge and Higgins voted against. The motion passed on a vote of three to two. The meeting was adjourned.

Respectfully submitted,



Nicole Ludwig  
Acting Secretary  
State Health Benefits Commission