

SHBP PDC RESOLUTION #2023-8

RESOLUTION OF THE STATE HEALTH BENEFITS PROGRAM PLAN DESIGN COMMITTEE RELATED TO THE EVALUATION OF POINT SOLUTIONS VENDORS

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 significantly, 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 the Division began to evaluate the SHBP's various "point solutions" in October 2021 to ensure the point solutions provide meaningful value to the SHBP and its members with respect to improved health outcomes and/or validated savings (i.e., a measurable return on investment for the amounts paid by the SHBP for the point solutions); and

WHEREAS, the lead Division staff member engaged in the point solution evaluation process is enrolled in courses on the appropriate and rigorous evaluation of point solution programs, which training has been undertaken with the express purpose of strengthening the Division's work to evaluate the SHBP point solutions; and

WHEREAS, evaluating point solutions is a high administrative priority of the Health Benefits section of the Division, and on January 25, 2023, the Division notified the SHBP Plan Design Committee that, as a result the point solutions evaluation process, it terminated the SHBP's relationship with Grand Rounds because it was not adding value to the SHBP that justified its cost; and

WHEREAS, on June 20, 2023, the Division reported to the SHBP Plan Design Committee the results to date of its point solutions evaluations, provided an explanation of the rigor, thoroughness and complexity of those evaluations, and promised to provide further updates on its evaluation of point solutions on a rolling basis and as those evaluations proceed, with the goal of being completed by the end of calendar year 2023 or shortly thereafter.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The SHBP Plan Design Committee accepts the explanation provided by the Division regarding the rigor, thoroughness and complexity of the Division's ongoing evaluations of points solutions; and directs the Division to a) use best efforts to achieve its stated goal of completing those evaluations by the end of calendar year 2023 or shortly thereafter, and b) provide regular reports on a rolling basis to the Plan Design Committee as those evaluations proceed and are completed; and

2023-8 Point Solutions

2. Once the Division has completed its evaluations of the point solutions, and provided the last of its regular, rolling basis reports regarding those evaluations to the Plan Design Committee as required by Section 1 (b) of this Resolution, that shall resolve in full the impasse of the SHBP Plan Design Committee with respect to Resolution 2022-7, which was voted on but not approved by the SHBP Plan Design Committee at its September 14, 2022 meeting and is one of the five resolutions that are the subject of the SHBP Plan Design Committee's pending super conciliation process.

DATED: JULY 26, 2023