

PREFERRED DRUG STEP THERAPY

SHB PDC Resolution #__4__

**RESOLUTION OF THE STATE HEALTH BENEFITS PLAN DESIGN COMMITTEE TO ADOPT
PREFERRED DRUG THERAPY PREFERENCE OFFERED BY STATE PHARMACY BENEFIT MANAGER**

WHEREAS, pursuant to N.J.S.A. 52:14-17.29 et seq. the State Health Benefits Program (SHBP) provides health coverage to qualified employees and retirees of the State and participating local employers; and

WHEREAS, the SHBP was enacted in 1961 for the purpose of providing 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 that 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 cost to employees, retirees and employers for continued health care benefits and prescription drug benefits at comparable levels of coverage continue to increase exponentially and the ability for employers and employees to pay for these benefits has strained the budgets of the State, local employers and causes increased costs to participants; and

WHEREAS, the SHBP Plan Design Committee recognizes that pharmaceuticals, an integral part of medical treatment, keep patients healthier and extend or save lives and in many situations, proper pharmaceutical use is documented to save money by avoiding costly hospitalization, emergency room use, moving to a nursing home or repeat visits to specialists; and

WHEREAS, in 2010, prior to the creation of the Plan Design Committee under Chapter 78, the State Health Benefits Commission implemented a Preferred Drug Step Therapy (PDST) program for participants in the SHBP which continued following enactment of Chapter 78, but under an Arbitration decision excluded certain plan participants covered by a collective negotiations agreement that subsequently expired on June 30, 2011; and

WHEREAS, the SHBP Plan Design Committee recognizes that there are hundreds of different medications, with more becoming available every day, and the SHBP requires a method for ensuring that plan participants get effective, reasonably priced prescription drugs while maintaining the highest standard of care through utilization of a PDST program; and

WHEREAS, the PDST program, as operated by the State's Pharmacy Benefits Manager and as described more fully in the Prescription Drug Plans Member Handbook, will review the patient's drug history in order to determine whether the patient has tried preferred alternatives first for the condition being treated, in order to ensure all clinically sound and cost-effective treatment options are tried before more expensive drug alternatives are selected by the plan participant; and

WHEREAS, the SHBP Plan Design Committee seeks to incentivize the utilization of preferred drugs first for the condition being treated, and to dis-incentivize the utilization of more expensive drug alternatives;

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NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Commencing November 1, 2016 the Preferred Drug Step Therapy program as it currently exists in the Prescription Drug Program which is administered by ESI, shall be extended to include all State and local prescription drug plan participants.
2. The Preferred Drug Step Therapy program shall not apply to Medicare eligible retirees or Medicare eligible dependents.
3. The SHBP Plan Design Committee requests that the State Health Benefits Commission or Division of Pensions and Benefits, as applicable, take appropriate action with the carrier to effectuate a modification of the existing contract, which is currently held by Express Scripts, and to require that the carrier provide adequate notice to the members of the changes. Adequate notice shall be no less than 45 days and shall include complete information concerning appeals.
4. There shall be an appeals procedure for Step Therapy which shall be completed in no more than 30 days. Participants that appealed the Step Therapy program in 2011 and were found to need medications that previously went through an approval process are not impacted with the new implementation. A coverage review may still be required annually with your physician. Any participant who submits a timely appeal shall continue to be dispensed the off step medication at the same co-pay throughout the appeals process.

DATED: 08 29 2016

Note: Grammatical, spelling and typographical errors are corrected but remain subject to approval by the State Health Benefits Plan Design Committee.