

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JUNE 27, 2016
THE GREENVIEW INN AT EASTLYN GOLF COURSE
12:00 PM**

Meeting of Executive Committee called to order by Gene Mercoli Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2016 EXECUTIVE COMMITTEE:

Gene Mercoli - Chairman	Cumberland County Technical Education Center	Present
Connie Mahon - Secretary	Township of Middle	Present
Cherie Bratty	Upper Deerfield Board of Education	Present
Pasquale Yacovelli	Buena Regional Board of Education	Absent
Bruce Harbinson	Cumberland Regional Board of Education	Present (1pm)
Nicole Albanese	Bridgeton Board of Education	Absent
Bryce Kell	Millville Board of Education	Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR:

PERMA Risk Management
Paul Laracy
Emily Koval
Karen Kamprath
Jeanne Frank

FUND ATTORNEY: Ken Harris

FUND COORDINATOR:

Rich Allen
Gerald Cowen
Dina Murray
Robert Allen
Abbie Geletka
Rick Alessandrini

DEPUTY TREASURER Lorraine Verrill

FUND TREASURER Mike Zambito

ALSO PRESENT

Peter Barnes, MMA
Tom Byrne, J. Byrne Insurance
Kim Holman, Member of the Public
Paige Sharp Rumaker, Dennis Township BOE

Karen Lalla, Integrity Consulting
Joe Hiles, Borough of Woodstown
Susan D'ottavio, Millville Public Library
Lynn Malloy, AHA
Peggy Dennison, Aetna

PUBLIC COMMENT – Chair Mercoli said we will be moving the public comment portion to the beginning of the meeting. A member of the public appeared to discuss a claim denial. The member said their child began to experience severe back pain which limited their movement. The member said the local urgent care was closed, so the dependent was taken to the emergency room. AmeriHealth denied the claim as a non emergency. The member was billed \$401 for use of the ER and \$558 for the use of ER physicians. The member asked to please reconsider the claim. Chair Mercoli said the professionals will be in touch.

Chair Mercoli closed the meeting to the public.

APPROVAL OF MINUTES: April 25, 2016 Open

MOTION TO APPROVE OPEN MINUTES OF APRIL 25, 2016:

Moved:	Commissioner Bratty
Second:	Commissioner Mahon
Vote:	4 Ayes, 0 Nays

CORRESPONDENCE – None

EXECUTIVE DIRECTOR'S REPORT

PRO FORMA REPORTS

- **Fast Track Financial Reports** – SNJHIF and Coastal as of *April 30, 2016*
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

Executive Director said the financial fast track shows operations produced a \$1.5 million surplus to date. He said there is a meeting this week to discuss the April loss of \$254,000 driven by AmeriHealth claims. In response to Chair Mercoli, Executive Director said this could be a normal variation. He said he believes the IBNR is strong enough. Executive Director said the SNJHIF continues to be stable and Coastal will receive their share of the surplus once the Audit is complete.

ADMINISTRATION

AUDITS - The following audits/exams are underway:

- **Amerihealth Administrators Claims Audit**
- **State Examination** – the State has notified the Fund that they will be in PERMA’s offices at the end of the summer to audit Fund Year 2015. Executive Director said the Fund will be reviewed under the SNJHIF.
- **Express Scripts Contract Audit** – this audit is complete and a draft was included in the Agenda. We are waiting ESI’s response.

AETNA CONTRACT - The Aetna contract has been finalized and was included in Appendix III to be fully executed.

Executive Director said the Contract reflects the terms and conditions that have been underway.

MRHIF MEETING - The MRHIF met on Wednesday, June 8. The Committee approved the 2015 Audit which has been filed with the State. In addition, the Committee approved a dividend to the local Funds in the amount of \$1,589,500, of which the SNJHIF will receive \$901,552. Portions of this dividend are owed to the SHIF and Coastal Funds, which were outlined in the next surplus transfer resolution.

NEW MEMBER – CUMBERLAND COUNTY IMPROVEMENT AUTHORITY - The Cumberland County Improvement Authority has submitted an application to join the Fund which has been reviewed by the Fund Actuary. The Authority intends to sign an Indemnity and Trust agreement to join. The Program Manager and Administrator feel this group is a good fit for the Fund.

FUND COORDINATOR’S REPORT - Fund Coordinator said he wants to reiterate that there are benefit specialists available to provide marketing materials.

CLAIMS – Fund Coordinator said claims are consistently being monitored.

PLAN DESIGN CHANGES - Fund Coordinator said his team is available to provide alternative plan options for negotiation purposes.

ALTERNATE MEETING LOCATIONS - Fund Coordinator said there is several new meeting location options included in the Agenda that can be discussed.

WELLNESS - Ms. Murray said the Wellness Grant Application was revised earlier in the year and applications were encouraged. A grant for Dennis Township BOE was approved and an application was received for Upper Deerfield.

NEW GROUPS - Fund Coordinator said there are two new members joining the Fund, Cumberland County Improvement Authority and Lawrence Township. He said there are several other possible members.

VERISK - Fund Coordinator said there is a software available that the other Funds are using that can provide predictive model and allows for the professionals to gain a better understanding of the claims. Further information will be provided. In response to Chair Mercoli, Fund Coordinator said PERMA gets the report and provides a copy for review.

Chair Mercoli said the committee structure will be reviewed to make sure nothing is delayed. He said an alternative meeting location will also be reviewed.

TREASURER - Fund Treasurer reviewed the May and June Bills lists.

Confirmation of Payment - May 2016

FUND YEAR	AMOUNT
FYCLOSED	\$107,826.81
2016	\$535,010.97
TOTAL	\$642,837.78

Resolution 20-16- June 2016 Bills List

FUND YEAR	AMOUNT
2016	\$533,598.38
TOTAL	\$533,598.38

FUND ATTORNEY- Fund Attorney said under the Affordable Care Act transgender status is protected with regards to receiving healthcare benefits. He said he does not think it will have a big impact on the Fund because it is not a large population.

AMERIHEALTH ADMINISTRATORS - Ms. Malloy said there are only 2 employees currently covered under the AHNJ plan. She reviewed the claim payment reports. In response to Chair Mercoli, Ms. Malloy said there is typically a 60 day lag. In response to Chair Mercoli, Ms. Malloy said the claims should stabilize after 6 months, but any large claimant can affect the numbers. Ms. Malloy said there were 5 high claimants for this reporting period. She said 1 member is no longer active as of March 1st, but there is potentially an ongoing high claimant. Fund Coordinator said there will be a review of these high claims via conference call.

AETNA- Ms. Dennison said March claims looked good and there were no large claims. She said there was an increase in claims for April. She noted there was an excel formula error and the capitation was not calculated. The April capitation is \$166,693, the paid claims increased to \$2,671,349. She said the increase for April seems to be driven by large claimants. Two of the large claimants carried over to May and one could potentially be ongoing.

CONSENT AGENDA -

Resolution	Subject Matter
19-16	Resolution to Offer Membership
20-16	Approval of the June 2016 Bills Lists
21-16	Approval of Upper Deerfield Wellness Grant
	Approval of the Aetna Contract

MOTION TO APPROVE THE CONSENT AGENDA INCLUDING APPROVAL OF THE AETNA CONTRACT AND UPPER DEERFIELD WELLNESS GRANT:

MOTION:	Commissioner Kell
SECOND:	Commissioner Bratty
ROLL CALL VOTE:	4 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: In response to Chair Mercoli, Executive Director said the claim appeal can be discussed in executive session.

MOTION TO ENTER EXECUTIVE SESSION:

MOTION:	Commissioner Bratty
SECOND:	Commissioner Mahon
VOTE:	Unanimous

MOTION TO APPROVE THE CLAIM APPEAL AS DISCUSSED:

MOTION:	Commissioner Bratty
SECOND:	Commissioner Mahon
VOTE:	4 Ayes, 0 Nays, 1 Abstain (Commissioner Harbinson)

MOTION TO ADJOURN:

MOTION:	Commissioner Mahon
SECOND:	Commissioner Harbinson
VOTE:	Unanimous

MEETING ADJOURNED: 1:30 pm

NEXT MEETING: June 27, 2016
Eastlyn Golf Course
12:00pm

Emily Koval, Assisting Secretary
Date Prepared: June 14, 2016