

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JANUARY 23, 2017
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
Open- Secretary		
Cherie Bratty	Upper Deerfield Board of Education	Present
Pasquale Yacovelli	Buena Regional Board of Education	Present
Bruce Harbinson	Cumberland Regional Board of Education	Present
Nicole Albanese	Bridgeton Board of Education	Present
Bryce Kell	Millville Board of Education	Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Paul Laracy
Emily Koval
Karen Kamprath

FUND ATTORNEY: Ken Harris

FUND COORDINATOR: Rich Allen
Bob Allen
Gerald Cowen
Dina Murray
Rick Alessandrini
Abbie Geletka

FUND TREASURER: Mike Zambito

DEPUTY TREASURER: Lorraine Verrill

AETNA: Peggy Dennison

AMERIHEALTH: Lisa Didio

ALSO PRESENT

Joe Madera, Hardenbergh Insurance Group
Chris Powell, Hardenbergh Insurance Group
Joe Meola, J. Byrne Agency
Brandon Lodics, PERMA
Maggie Friel, PERMA
Peter Barnes, MMA
Diane Smith, Upper Deerfield
Pam Zook, Commercial Township

Dr. Alfred Savio, West Cape May BOE
 Paige Rumaker, Dennis Township
 Chuck Grande, Integrity Consulting
 Kim Krauss, Township of Middle
 Bertha Hyman, Woodstown

APPROVAL OF MINUTES: November 3, 2016 - Open

MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 3, 2016:

Moved: Commissioner Yacovelli
 Second: Commissioner Kell
 Vote: Unanimous

MOTION TO ADJOURN SINE DIE :

Moved: Commissioner Albanese
 Second: Commissioner Kell
 Vote: Unanimous

Executive Director said an election of officers will take place.

ROLL CALL OF 2016 FUND COMMISSIONERS

Member	Commissioner	
CUMBERLAND REGIONAL BOE	Bruce Harbinson	Present
COMMERCIAL TOWNSHIP BOE	Pamela Zook	Present
CUMBERLAND COUNTY TECHNICAL EDUCATION CENTER	Gene Mercoli	Present
HOPEWELL BOE	Stephanie Kuntz	Absent
MILLVILLE BOE	Bryce Kell	Present
UPPER DEERFIELD BOE	Cherie Bratty	Present
WOODSTOWN BOROUGH	Bertha Hyman	Present *12:24pm
MILLVILLE LIBRARY	Susan D'Ottavio	Absent
Bridgeton BOE	Nicole Albanese	Present
Middle Township	Kim Krauss	Present
Lower Cape May Regional School District	Mark Mallett	Present
Buena Regional BOE	Pasquale Yacovelli	Present
Dennis Township BOE	Paige Rumaker	Present
West Cape May BOE	Alfred Savio	Present
City of Brigantine	Mollye O'Neill	Absent
Lawrence Township BOE	Lisa DiNovi	Absent
Cumberland County Improvement Authority	Gerard Velazquez	Present *12:30pm
Cumberland County Charter School Network	Ann Garcia	Absent
Pittsgrove Township	Michael DiGiorgio	Absent

Executive Director said a quorum is present and said the committee can consider nominations or the current slate of officers.

Commissioner Albanese said she is recommending the current slate with the exception of Joe Hiles who is no longer with Woodstown Borough. Executive Director read the current slate.

Officers

Gene Mercoli-Chairman
Cherie Bratty -Secretary

Executive Committee

Bryce Kell
Bruce Harbinson
Nicole Albanese
Jerry Velazquez
Pat Yacovelli

Alternatives

Kim Krause, Middle Township

MOTION TO APPROVE THE SLATE OF OFFICERS AS PRESENTED:

Moved: Commissioner Albanese
Second: Commissioner Kell
Vote: 11 Ayes, 0 Nays

Fund Attorney swore in the Executive Committee.

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Gene Mercoli - Chairman	Cumberland County Technical Education Center	Present
Cherie Bratty - Secretary	Upper Deerfield Board of Education	Present
Pasquale Yacovelli	Buena Regional Board of Education	Present
Bruce Harbinson	Cumberland Regional Board of Education	Present
Nicole Albanese	Bridgeton Board of Education	Present
Bryce Kell	Millville Board of Education	Present
Jerry Velazquez	Cumberland County Improvement Authority	Present - 12:30pm
ALTERNATE		
Kim Krauss	Middle Township	Present

Ms. Murray introduced Commissioner Hyman from Woodstown .

MOTION TO TEMPORARILY SUSPEND THE MEETING:

Moved: Commissioner Albanese
Second: Commissioner Bratty
Vote: Unanimous

MOTION TO REOPEN THE MEETING AT 12:44PM:

Moved: Commissioner Bratty
Second: Commissioner Albanese
Vote: Unanimous

Chair Mercoli said the consent agenda will be approved first so the Fund Professionals can be appointed. Ms. Koval the Fund Secretary would be designated custodian of records, The Chair and Secretary would remain as authorized signatories and Commissioner Harbinson and Commissioner Kell will continue to serve at the MRHIF Commissioner and Alternate.

CONSENT AGENDA

Resolution 1-17: Approval of Service Contracts
Resolution 2-17: Designation of Service of Process
Resolution 3-17: Designation of Secretary as Custodian of Records
Resolution 4-17: Designation of Official Newspaper
Resolution 5-17: Designation of Regular Meeting Times and Place
Resolution 6-17: Designation of Bank Depositories & CMP
Resolution 7-17: Designation of Authorized Signatories
Resolution 8-17: Approval of Risk Management Plan
Resolution 9-17: Appointment of MRHIF Fund Commissioners
Resolution 10-17: Establishing a plan for Compensating Producers
Resolution 11-17: Authorizing Treasurer to Process Contracted Payments and Expenses
Resolution 12-17: Wellness Grant Application Approval
Resolution 13-17: Approval of the November 2016, December 2016 and January 2017 Bills List

MOTION TO APPROVE THE CONSENT AGENDA INCLUDING RESOLUTIONS 1-17 THROUGH 13-17 AS DISCUSSED:

Moved:	Commissioner Bratty
Second:	Commissioner Albanese
Vote:	8 Ayes, 0 Nays, (Chair Mercoli Abstains on resolution 12-17 only)

EXECUTIVE DIRECTORS REPORT

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

Executive Director thanked the committee for reappointment. Executive Director said the Financial Fast Track previously reported a deficit but is now reporting an operations surplus of 1.6 million. He said the Fund is anticipating high claims for December and the AHA claims continue to run higher than anticipated. He said there is a meeting scheduled in February to review the driving factors. He said the Fund should be receiving about \$3 million from the SNJHIF surplus in the next few months.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND- The Municipal Reinsurance Health Insurance Fund has met on December 14, 2016 to adopt the 2017 budget in the amount of \$13,153,856, which was passed unanimously. The Southern Coastal Regional Employee Benefits Fund assessment to the MRHIF is \$1,982,271. In addition, results from the RFQ for PBM Consultant were received and will be awarded to Adler Consulting in January

COMMITTEE APPOINTMENTS - Sub Committees are typically appointed by the Fund Chair, although may be appointed however the Executive Committee sees fit. The Fund would like to fill the following committees with no more than 3 Commissioners. The Chairperson will always sit Ex Officio:

Finance & Contracts

Bryce Kell - Chair
Cherie Bratty
Pat Yacovelli

Operations & Nominations

Nicole Albanese - Chair
Pat Yacovelli
Jerry Velazquez

Wellness & Claims

Cherie Bratty - Chair
Bruce Harbinson
Kim Krauss

Chair Mercoli said Commissioner Velazquez will be added to the Operations & Nominations Committee and Kim Krauss will be added to the Wellness & Claims Committee.

MILLVILLE PUBLIC LIBRARY -A resolution was received from Millville Public Library to withdraw from the Fund effective February 1, 2017. The resolution was included in the agenda and notice was filed with the state.

FUND COORDINATOR'S REPORT

AMERIHEALTH ADMINISTRATORS UPDATE - Fund Coordinator said there is a meeting with AmeriHealth scheduled for February 8th. He said the Fund continues to experience high claims compared to the Aetna population. He said there is a large specific claim with AmeriHealth bill at almost \$2.3 million and paid out almost \$800,000.

PROSPECTS - Fund Coordinator said there are several prospects which he is awaiting claims experience to properly underwrite. He said Cape May Special Services is ready to submit to PERMA. He said the claims were reviewed for City of Millville and they were extremely high and would not be a good fit for the Fund.

WELLNESS - Ms. Murray said Diane Smith from Upper Deerfield is present to provide a report on the progress of their wellness program. Ms. Smith said the wellness committee has been very active planning and has started offering various activities to the district beginning January 1. She said there are 30 plus members that have participated in the program. Commissioner Bratty said the employee's fund half the price of their Fitbit which helps keep them invested in the program. Fund Coordinator said the Wellness budget was reduced but the Fund can always consider putting more funds into the program.

TREASURER - Fund Treasurer thanked the Fund for reappointment. Deputy Treasurer reviewed the November 2016, December 2016 and January 2017 Bills Lists and Treasurer's report. Deputy Treasurer distributed a proposal to open an operating account at Ocean First Bank and receive .8%. In response to Chair Mercoli, Deputy Treasurer said the investment and operating accounts would both receive .8%. In response to Commissioner Albanese, Fund Attorney said an RFP is not necessary. Deputy Treasurer said this would be an additional \$12,000 annually for the Fund in interest.

Confirmation of Payment November 2016

FUND YEAR	AMOUNT
2016	\$540,419.18
TOTAL	\$540,419.18

Confirmation of Payment December 2016

FUND YEAR	AMOUNT
2016	\$731,536.46
TOTAL	\$731,536.46

Resolution 13-17 January 2017 Bills List

FUND YEAR	AMOUNT
2016	\$486,500.16
2017	\$561,828.12
TOTAL	\$1,048,328.28

FUND ATTORNEY- Fund Attorney thanked for his reappointment. He said when a retiree is eligible for Medicare the plan is primary if the employer has more than 100 employees. He said each member stands on its own in the HIF. In response to Chair Mercoli, Fund Attorney said there is nothing definitive in regards to the ACA. In response to Commissioner Albanese, Mr. Lodics said the 1095 reporting has been extended to March 31.

AMERIHEALTH ADMINISTRATORS - Ms. Didio reviewed the AHNJ October and November claims. She said these are the plans that are moving to AHA. She reviewed the October and November claims for AHA. She said the pepm for November is \$1,995.39. She said the reason for the November claims surge is due to 1 high level claimant paid out at almost \$800,000. She met with the clinical team and they expect the claims to be ongoing for this member. She said December claims for this member are only about \$100,000. She said they will continue to monitor this situation and she will provide more information at the February meeting. She reviewed the supplemental report and said there are 40 claimants over \$50,000 year to date. Chair Mercoli said Aetna has about the same number of high claimants but over double the membership.

AETNA - Ms. Dennison reviewed the October and November claims. She said both months had a decrease in claims paid over prior months. She said there was 1 large claimant for October and 1 for November. She reviewed the dashboard report and noted in network utilization continues to be strong and there was 55% engagement in Flex management. She said they missed the financial accuracy metric and they continue to drill down on the problem.

In response to Chair Mercoli, Executive Director said the Fund does not have to wait for the claim to run out before it reaches the MRHIF.

Fund Attorney swore in Commissioner Velazquez.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

MOTION:

Commissioner Bratty

SECOND:

Commissioner Harbinson

VOTE:

Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: March 27, 2017

Eastlyn Golf Course

12:00pm