

SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JULY 24, 2017
GREATE BAY COUNTRY CLUB
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 2017 EXECUTIVE COMMITTEE:

Gene Mercoli - Chairman	Cumberland County Technical Education Center	Present
Cherie Bratty - Secretary	Upper Deerfield Board of Education	Absent
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
Alternate #1		
Kim Krauss	Middle Township	Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Paul Laracy
Karen Kamprath

FUND ATTORNEY: Ken Harris

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

DEPUTY TREASURER: Lorraine Verrill
Ken Verrill

AETNA: Peggy Dennison

AMERIHEALTH: Lisa Didio

FUND AUDITOR:

ALSO PRESENT

Bertha Hyman, Woodstown
Dr. Alfred Savio, West Cape May
Mark Miller, Dennis Township
Peter Barnes, MMA
Paige Rumaker, Dennis Township

Tom Byrne, J. Byrne
Joe Meola, J. Byrne
Mark Mallett, Lower Cape May Regional
Chuck Grande, Integrity Consulting
Joe Madera, Hardenburgh Insurance
Alex Wade, Wellness Coaches USA
Gene, Wellness Coaches USA

APPROVAL OF MINUTES: May 22, 2017 - Open, Finance and Operations Committee

MOTION TO APPROVE OPEN, FINANCE AND OPERATIONS COMMITTEE MINUTES OF MAY 22, 2017:

Moved:	Commissioner Kell
Second:	Commissioner Albanese
Vote:	7 Ayes, 0 Nays

Chair Mercoli said the meeting will recess for lunch and resume at 1:00pm

MOTION TO TEMPORARILY SUSPEND THE MEETING

Moved:	Commissioner Yacovelli
Second:	Commissioner Kell
Vote:	Unanimous

MOTION TO REOPEN THE MEETING

Moved:	Commissioner Albanese
Second:	Commissioner Harbinson
Vote:	Unanimous

EXECUTIVE DIRECTORS REPORT

Fast Track Financial Reports – Coastal as of May 31, 2017

Executive Director said the Financial Fast Track shows the Fund earned \$655 in the Month of May and has a surplus of \$8.4 million all years combined. He said an additional \$3.7 million will be transferred from the SNJHIF from the 2015 fund year.

2016 ANNUAL AUDIT APPROVAL - Executive Director said there were no changes to the Audit and the final version was distributed prior to the meeting. He said a resolution approving the Audit is included in the consent agenda.

BYLAW AMENDMENT

At the previous meeting, the Operations and Nominations Committee recommended that the bylaws be amended to reflect a new requirement for Fund Commissioner Alternates. The new wording is included in the agenda. The wording reflects Alternate Executive Committee members to not less

than 2 nor more than 4 and no less than 2 members of the EC will be from the smaller group as I think that makes more sense as we cannot have less than a whole number.

Once this amendment is approved, each Fund member must approve at their local level. When at least $\frac{3}{4}$ of the membership has approved the change, the filing will be sent to DOBI and DCA. A sample resolution for the membership to use for their board/council approval was included in the agenda.

Executive Director said once this amendment is approved, each Fund member must approve at their local level. When at least $\frac{3}{4}$ of the membership has approved the change, the filing will be sent to DOBI and DCA. A sample resolution was included in the agenda.

MOTION TO OPEN THE PUBLIC HEARING ON THE BYLAW AMENDMENT:

Moved:	Commissioner Velazquez
Second:	Commissioner Kell
Vote:	7 Ayes, 0 Nays

Chair Mercoli said the same is included in the Agenda and designates the make up of the Alternates.

MOTION TO CLOSE THE PUBLIC HEARING:

Moved:	Commissioner Harbinson
Second:	Commissioner Yacovelli
Vote:	7 Ayes, 0 Nays

FIXED INCOME INVESTMENTS

Executive Director said the HIFS and JIFS jointly issued an RFP for fixed income investment services. A contract is in place through 2018 for Wilmington Trust that can be accessed. He said this option can be used by the Treasurer to further enhance investment income. Investments are limited to those authorized for Local governmental entities. The cost of the service is modest; \$500 for every \$1M invested.

In response to Chair Mercoli, Executive Director said the SNJHIF still uses TD Bank which is 5.5 basis points. Fund Treasurer said Wilmington has performed very well in the past. He said the risk is minimal because it's mostly US Treasury investments. In response to Commissioner Kell, Fund Treasurer said the expected return rate is about 1.3 - 1.4%. In response to Commissioner Velazquez, Executive Director said an RFP could be put out locally to see if they can compete.

MOTION TO APPROVE THE INVESTMENT CONTRACT WITH WILMINGTON TRUST AS PRESENTED:

Moved:	Commissioner Albanese
Second:	Commissioner Harbinson
Vote:	7 Ayes, 0 Nays

MRHIF AUDIT OF ESI CONTRACT - 2016

Executive Director said the MRHIF audit of the ESI contract was completed and confirmed that ESI met their performance and discount guarantees.

MRHIF STOP LOSS POLICY

Executive Director said a copy of the MRHIF policy and 2017 renewal endorsement for the Coastal Fund was distributed prior to the meeting.

DENNIS TOWNSHIP SCHOOL DISTRICT WELLNESS GRANT APPLICATION

Executive Director said Dennis Township BOE submitted a Wellness Grant in the amount of \$15,000. He said a resolution approving the Grant is included in the consent agenda. In response to Chair Mercoli, Ms. Murray said the grant applications should go through the wellness committee first but sometimes timing is an issue. She said West Cape May was not received in time for the Agenda. Chair Mercoli said the grant for West Cape May should be reviewed by the Wellness Committee for approval and he would also like to see the amount of grants issued so far.

FUND COORDINATOR REPORT

PROSPECTS

Fund Coordinator said there are several prospects including Buena Vista Township. He said Hammonton Board of Education was approved but decided to stay direct with Aetna.

AMERIHEALTH NETWORK LAB INFORMATION

Fund Coordinator said Quest Diagnostics will no longer be participating with AmeriHealth as of October 1, 2017. Ms. Murray said a sample communication piece is included in the agenda.

WELLNESS COACHES

Gene Maguire and Alex Wade from Wellness Coaches USA gave a presentation on what Wellness Coaches can offer to the Fund. Commissioner Rumaker provided insight into the Dennis Township Wellness Program which includes fitbit challenges.

ADMINISTRATIVE UPDATES

ONLINE ENROLLMENT SYSTEM TRAINING

The Executive Committee voted and approved mandatory use of the online enrollment system by each member group. If you need training or would like a refresher course on the online enrollment system, please reach out to Karen Kidd at kkidd@permainc.com of PERMA.

CONTACT INFORMATION

Please direct any eligibility, enrollment, billing or system related questions to our dedicated Coastal HIF Team. The team can be reached by email at coastalenrollments@permainc.com or by fax at 856-685-2258.

MONTHLY BILLING

As a reminder, please be sure to check your monthly invoice for accuracy. If you find a discrepancy, please report it to the Coastal HIF enrollment team.

WELLNESS COACHES USA

We are pleased to share that the Coastal HIF and Wellness Coaches USA have entered into a preferred pricing arrangement that is available to the Coastal HIF entities. For the last 2 years, Wellness Coaches participated in a pilot program for 4 SHIF entities, overall the experience and response was positive. We have worked with Wellness Coaches to negotiate discounted pricing that is available to the Coastal HIF entities and their employees. There will be a brief presentation during the next Coastal HIF meeting on July 24 from Lisa Frappolli, HIF Wellness Manager. Please keep in mind that wellness grants could be used to offset some of the cost, should anyone be interested.

3D MAMMOGRAMS

We have noticed a trend among some diagnostic imaging facilities to require patients to pay some amount up front for 3D mammograms. While Federal mandates require that all insurance plans pay 100% for an annual, routine mammogram for women over 40, 3D mammograms are not specifically addressed in the mandate. To date, the members who have had issues with this were enrolled in AmeriHealth Administrators and Aetna plans and the affected members were reimbursed for their upfront payment because their plans allowed the 3D mammogram when ordered by the provider and were not an initial baseline test.

We would like to advise our membership that in the event they are asked to pay upfront for a mammogram to please notify our office.

- Express Scripts RX Plan in the HIF Only

RX PROGRAM UPDATE: SAVEON

PERMA, Express Scripts and SaveOn participated in a conference call on 6/22/17 to discuss the initial communication strategy and timeline. Below is the agreed upon timeline. We will provide an update of the next steps as well as samples of all communication pieces in September. Also included with your agenda is an FAQ about the SaveOn Program.

- Mid-October - Accredo will provide a 'look back' file to PERMA and SaveOn to be used for the initial PERMA mailing and for SaveOn set up.
- 11/1/2017 - PERMA will send an initial letter to members who are currently on a SaveOn medication. Member letters will be sent on COASTAL letterhead.
- 12/1/2017 - SaveOn will send a 2nd letter to targeted members that have not enrolled by that date.

ESI FORMULARY ENHANCEMENTS

ESI has announced two upcoming enhancements to the National Preferred Formulary strategy, which the SCREBF participates with:

- Exclude at launch – effective 7/1/2017 – select new medications may be excluded until final formulary status is determined after clinical and financial reviews are conducted. This initiative is an enhancement to the current process which automatically covers drugs while the review process is underway. The new strategy is being implemented as a cost-saving initiative as medications are coming to market faster than ever and the cost of many new to market drugs exceeds \$100,000 per patient per year.

- Brand-for-Generic Substitution – effective 8/1/2017 – select branded medications will be preferred and higher-net cost clinically equivalent generic alternatives will be excluded. Members will have the same generic copay and the dispensed brand medication will be included in the appropriate brand/generic guarantee in accordance with contracted pricing.

TREASURER- Deputy Treasurer reviewed the June and July 2017 Bills list and Treasurer’s report which was distributed. She said Ocean First increased their rate to 1.03%.

Confirmation of Payment June 2017

FUND YEAR	AMOUNT
2017	\$560,292.63
TOTAL ALL FUND YEARS	\$560,292.63

Resolution 21-17 July 2017 Bills List

FUND YEAR	AMOUNT
2017	\$586,672.25
TOTAL	\$586,672.25

FUND ATTORNEY- Fund Attorney said the medical trend is going up 5% and the CPI adjustment factor for the Cadillac Tax premium is going up 2.4%. He said the tax is still set to go into effect in 2020.

AETNA – Ms. Dennison reviewed the April and May 2017 claims. She said the paid claims are slightly lower than the past months. She said there were 5 claims over \$50,000 for May. She said the Q1 performance guarantees were received and the average answer time and abandonment rate were missed. She said this was due to an issue at the call center; however the Q2 metrics are on track.

AMERIHEALTH ADMINISTRATORS – Ms. Didio reviewed the April and May 2017 claims. She said there were 7 high claimants in May. In response to Chair Mercoli, Ms. Didio said some of the high claims will be ongoing and they will continue to monitor. In response to Chair Mercoli, Ms. Didio said she can provide more information on how their metrics are measured. Ms. Didio said LabCorp will be the exclusive lab in the AmeriHealth network and Quest will not be out of network. She said AmeriHealth will be doing a claim system migration on January 1, 2018 and new id cards will be sent to all members.

MOTION TO APPROVE CONSENT AGENDA AS PRESENTED:

MOTION:	Commissioner Kell
SECOND:	Commissioner Yacovelli
VOTE:	7 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: Commissioner Savio requested approval of the West Cape May wellness grant as they would like to implement in September.

MOTION TO ADJOURN:

MOTION:	Commissioner Albanese
SECOND:	Commissioner Yacovelli
VOTE:	Unanimous

MEETING ADJOURNED: 2:00 pm

NEXT MEETING: September 28, 2017
The Greenville Inn – Eastlyn Golf Course
12:00pm