

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JANUARY 22, 2018
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 2017 EXECUTIVE COMMITTEE:

Officers

Gene Mercoli - Chairman	Cumberland County Technical Education Center	Present
Cherie Bratty - Secretary	Upper Deerfield Board of Education	Present
Executive Committee		
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
Alternates		
Kim Krauss	Middle Township	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
Susan Dortu
Dina Murray
Rick Alessandrini
Abbie Geletka
Danny Perretti

FUND TREASURER: Mike Zambito

DEPUTY TREASURER: Lorraine Verrill

AETNA: Peggy Dennison

AMERIHEALTH: Mike Murphy

ALSO PRESENT

Elizabeth Terenick, Township of Middle
Chuck Grande, Integrity Consulting

Christina Murphy, Cumberland Charter Network
 Anthony Fanucci, AR Fanucci
 Gina Scorsone, Marsh McLennan
 Joe Madera, Hardenbergh Insurance Group
 Mark Miller, Dennis Township
 Dr. Fred Savio, West Cape May
 Trish Birmingham, Commercial Township
 Dan Fox, Waterford BOE
 Janet Heck,
 Stephanie Kuntz, Hopewell BOE

APPROVAL OF MINUTES: November 27, 2017 - Open

MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 27, 2017

Moved: Commissioner Albanese
 Second: Commissioner Bratty
 Vote: Unanimous

Executive Director said an election of officers will take place.

ROLL CALL OF 2018 FUND COMMISSIONERS

Southern Coastal Regional Employee Benefits Fund		
Member	Commissioner	
Cumberland Regional BOE	Bruce Harbinson	Present
Commercial Township BOE	Trish Birmingham	Present
Cumberland County Tech ED Center	Gene Mercoli	Present
Hopewell BOE	Stephanie Kuntz	Present
Millville BOE	Bryce Kell	Present
Upper Deerfield BOE	Cherie Bratty	Present
Woodstown BOE		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	Absent
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
Cumberland County Charter School Network	Christina Murphy	Absent
Pittsgrove Township	Constance Garton	Absent
Waterford BOE (2/1/2018)	Dan Fox	Absent
Salem County (2/1/2018)		Absent
Alloway Township BOE		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 addition of Trish Birmingham as an additional alternate.

Nominating Committee Recommendation

Officers

Gene Mercoli-Chairman
Cherie Bratty -Secretary

Executive Committee

Bryce Kell
Bruce Harbinson
Nicole Albanese
Jerry Velazquez
Pat Yacovelli

Alternates

Kim Krauss, Middle Township
Trish Birmingham, Commercial Township

MOTION TO APPROVE THE SLATE OF OFFICERS AS PRESENTED:

Moved: Commissioner Albanese
Second: Commissioner Kell
Vote: 12 Ayes, 0 Nays, 1 ballot received approving the full slate (Commissioner O’neill)

Fund Attorney swore in the Executive Committee.

ROLL CALL OF 2018 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
ALTERNATE		
Kim Krauss	Middle Township	Present
Trish Birmingham	Commercial Township	Present

Chair Mercoli thanked the Fund for the continued support.

PUBLIC COMMENT

Chair Mercoli said an additional public comment has been added to the beginning of the agenda to discuss agenda items only prior to taking action.

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports – as of November 30, 2018

Executive Director said the Financial Fast Track shows a profit of \$632,000 in November. He said the surplus for all years combined exceeds \$14.5 million. He said 2017 was an excellent year for the Fund financially.

CLAIMS AUDIT RFQ RESULTS

Executive Director said at the last meeting the committee agreed to conduct an audit of AmeriHealth operations and claims. The Contracts committee unanimously approved an RFQ which was released in December and responses were due on January 4. One response was received from AIM Benefits a subsidiary of Conner Strong & Buckelew for \$50,000. Although AmeriHealth agreed to cover this cost, the contract will be through the Fund, so their award is included in Resolution 1-18 with all other contracts. Executive Director said there were a few questions regarding the audit and Mr. Hyland is present to answer any questions. In response to Commissioner Kell, Mr. Hyland said the audit would not continue beyond 250 claims. He said if errors are found they would ask AmeriHealth to create a financial impact statement. In response to Commissioner Harbinson, Mr. Hyland said realistically the audit will take 4-5 months to complete and provide the final report to the Committee.

AETNA AUDIT

Executive Director said NIIS completed its audit of Aetna. The Audit as well as Aetna's response was sent out prior to the meeting. Executive Director said the results were favorable and the financial accuracy rate was 99.9%. He said there is a meeting scheduled with Aetna and NIIS to review responses to recommendations. He said one recommendation is a tightening of the coordination of benefits procedures. In response to Chair Mercoli, Executive Director said this was done at the MRHIF level.

2018 REORGANIZATION

Ms. Koval said the reorganization resolutions are included in the consent agenda for adoption. She reviewed the resolutions that included changes. The May meeting will be moved to the 3rd Monday, Chair Mercoli and Secretary Bratty will remain signatories and Commissioner Yacovelli and Chair Mercoli will serve as Commissioner and Alternate on the MRHIF, respectively.

Ms. Koval said there was one change to the Risk Management plan regarding enrollments that go past 60 days. She said any group that is requesting a change past 60 days will be reviewed by the small claims committee via email.

COMMITTEE APPOINTMENTS

Ms. Koval said Chair Mercoli has made the following committee appointments for 2018. The Chairperson will always sit Ex Officio:

Finance & Contracts

Bryce Kell – Chair
Cherie Bratty
Pat Yacovelli

Operations & Nominations

Nicole Albanese – Chair
Kim Krauss
Jerry Velazquez

Wellness & Claims

Cherie Bratty – Chair
Bruce Harbinson
Trish Birmingham

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND

Ms. Koval said the MRHIF Executive Committee met on December 13, 2017 to formally adopt the 2018 budget. The Committee also awarded a marketing contract with the firm that works for the MEL. The cost is being covered by negotiated contributions from Aetna, AmeriHealth and Munich Re. In addition, the Express Scripts contract continues to be negotiated for better pricing.

WELLNESS GRANT - WEST CAPE MAY BOE

Ms. Koval said West Cape May BOE submitted an application in July, however it was not fully vetted by the Wellness Committee at that time. Upon further review by the Wellness Committee, they are recommending a grant approval in the amount of \$2,932.

WELLNESS GRANT GUIDELINES

Ms. Koval said the Wellness Committee met to develop guidelines for future Wellness Grant Applications. Commissioner Bratty said they wanted an equitable distribution of funds as well as have a process in place to make it equal by the size of the district.

PROGRAM MANAGER REPORT

NEW GROUPS - Program Manager said Alloway Township BOE joined the Fund as of 1/1/2018 and Waterford Township BOE and Salem County BOE will join effective 2/1/2018. He said Estelle Manor is still pending.

PROSPECTS

Cape May County Technical School

- Pending State Health Benefit experience information

Elsinboro Board of Education

- Pending quote

Maurice River Township Board of Education

- Requested claims

Middle Township Board of Education

- Requested claims

Weymouth Township Board of Education

- Quote received

Ms. Murray noted a correction to resolution #10-18. She said Allen Associates is not the broker for Waterford.

JANUARY INVOICES/PAYMENT COUPONS

January payment coupons for Direct Billed retirees and COBRA members as well as group monthly premium invoices will be forthcoming for the month of January. Typically in January, there is a delay in getting coupons and invoices mailed due to administrative updates and rate changes. Direct Billed retirees and COBRA members should receive their payment coupons within the next few weeks and there will be no penalties or non-payment terminations during this period. Members who opt to make a

payment for the same amount as they paid in 2017 prior to receiving the 2018 coupons will be sent an adjusted invoice in February.

AMERIHEALTH UPDATES

The AmeriHealth Administrators system migration finalized at the end of December. All members with AmeriHealth Administrators received their new cards timely. We are not aware of any plan build, enrollment or administrative oversights in the HIF.

Member ID numbers will not be changing, but additional information for claims processing will be included on the new ID cards. We ask that members be sure to give the new ID card to all providers beginning January 1st.

ID CARDS

As a reminder to our current member groups, and also to the new groups which will be joining the Coastal HIF in the coming new year, PERMA no longer has direct carrier system access to order ID cards for members. We wanted you to be aware of the following carrier contact numbers members can call to request additional ID cards if needed.

Aetna ID cards: 800-370-4526

AmeriHealth Admin: 800-480-5031

Express Scripts ID cards: 800-305-1834 (for those groups with HIF Rx benefits)

Delta Dental: 800-452-9310 (for those groups HIF dental benefits)

EXPRESS SCRIPTS RX FOR COASTAL GROUPS WITH RX IN THE HIF 2018 FORMULARY

ESI has announced changes to the National Preferred Formulary (NPF) guide which will take effect on January 1, 2018. ESI has informed us (based on claim data for the last 130 days) there will be 103 members impacted by the changes. Impacted members will receive a mailing from Express Scripts notifying them of their impacted medication and the preferred alternatives at least 45 days in advance of January 1st. Though medications will be excluded, the National Preferred Formulary allows for members who prove a clinical reason for not being able to take a covered alternative to continue to fill the non-formulary medication through an authorization process. In previous years, formulary updates have caused little member disruption, however we will work with groups who have affected members to assist with the transition.

The updated guide excludes 46 multi-source brands including Benicar/Benicar HCT, Strattera and Vytorin.

Low Cost Generics for Certain Medications

Starting on January 1, 2018, the HIF plans will cover certain generic low-to-moderate dose statin medications at a \$0 copay

- To qualify for a \$0 copay individuals will need to satisfy the two below criteria:

- Be between the ages of 40 and 75
- Taking a generic low-to-moderate dose statin

Examples of Low-to-moderate dose statins (include but not limited to):

Low-Dose Statins	Moderate-Dose Statins
Fluvastatin 20 to 40 mg	Atorvastatin 10 to 20 mg
Lovastatin 10 to 20 mg	Fluvastatin 40 mg BID
Pravastatin 10 to 20 mg	Fluvastatin XL 80 mg
Simvastatin 5 to 10 mg	Lovastatin 40 mg
	Pravastatin 40 to 80 mg
	Rosuvastatin 5 to 10 mg
	Simvastatin 20 to 40 mg

COMPLIANCE UPDATES

1095 C IRS Enforcement Letters

We have been made aware over the past several weeks that the IRS has been issuing letters to employers related to their enforcement of the ACA employer mandate penalty for the year 2015. These letters are based on what employers submitted to the IRS (themselves or through the company they used to manage their record keeping and reporting) and where the IRS has apparently concluded that an employer did not offer benefits to 70% of their full time employees (you'll recall that the initial year of the ACA required 70% be met, thereafter 95%). The IRS determines whether an employer may be liable for a penalty based on the information reported by the employer on Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and subsidy information reported on an employees' individual income tax returns. Thus, if the information reported to the IRS by the employer or employee is incorrect, the IRS's determination may also be incorrect. Accordingly, if an employer receives a letter, they should carefully review the information that it previously submitted to the IRS

End of Year Reporting

As a courtesy to all SHIF groups, PERMA provides each entity with 1) an ACA report that can be used to assist with the completion of 1095 reporting 2) a W2 report that includes the total cost of each member's health benefits which can be used to update W2s. Both reports were sent in mid-December to each entity from the enrollments mailbox.

Administrative Authorizations

The following administrative authorizations were received since 11/29/2017

Type Reason/Description Outcome

- Medical Medical Necessity Denial overturned
- Medical Medical Necessity Denial upheld
- Medical Medical Necessity Denial overturned

TREASURER – Fund Treasurer thanked the Fund for reappointment. Deputy Treasurer reviewed the December 2017 and January 2018 Bills List. In response to Chair Mercoli, Deputy Treasurer said there is no threshold for moving funds, She said it is based on who is offering the best rates. Fund Treasurer said it is also tied to the Federal increase and then negotiated with the banks.

Confirmation of Payment December 2017

FUND YEAR	AMOUNT
2016	\$15,768.50
2017	\$544,908.90
TOTAL	\$560,677.40

Resolution 14-18 January 2018 Bills List

FUND YEAR	AMOUNT
2017	\$551.87
2017	\$565,257.67
TOTAL	\$565,809.54

FUND ATTORNEY- Fund Attorney thanked the Fund for reappointment. He said the individual mandate was repealed as a result of the 2017 tax reform bill. He said Governor Christie signed a bill mandating that the SHBP and the SEHBP provide 3d mammography as part of their health plan coverage. He said the Fund will most likely have to match that going forward.

AMERIHEALTH ADMINISTRATORS – Mr. Murphy reviewed the December 2017 claims He said there was 1 large claim over \$50,000. In response to Chair Mercoli, Mr. Murphy said 41% is above average for high claims. He said the average is closer to 20%.

Program Manager said the claims have gone down since 2016 but are still on the higher end.

Mr. Murphy said the system migration was completed with only a few one off issues, but nothing globally. He said they claims appear to be processing correctly.

In response to Commissioner Velazquez, Mr. Murphy said they will work with the Fund to see how to present the data going forward so it can be tracked.

In response to Chair Mercoli, Mr. Murphy said he will have to see how the first call vs. abandonment rate data is pulled.

AETNA – Ms. Dennison thanked the Fund for their reappointment. She reviewed the October 2017 and November 2017 data. She said the average pepm is in line with the rest of 2017. She said there were 3 large claimants for October and 2 large claimants for November. She reviewed the dashboard report and noted there were a few metrics where they fell short due to staffing challenges. She said they expect the average speed of answer to improve as training phases out.

Ms. Dennison said Aetna continues to negotiate their contract with Inspira. She said they have an extension through June 29, 2018.

CONSENT AGENDA - Chair Mercoli noted one change to resolution 12-18. He said the wellness grant being awarded is in the amount of \$2,932 not \$100,000.

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED:

MOTION:	Commissioner Bratty
SECOND:	Commissioner Albanese
VOTE:	9 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: Dr. Savio thanked the Wellness Committee for their grant approval. He said going forward \$800 may not be sufficient because all 25 employees are able to participate in the program, even though they are not all covered under their insurance.

MOTION TO ADJOURN:

MOTION:	Commissioner Bratty
SECOND:	Commissioner Kell
VOTE:	Unanimous

MEETING ADJOURNED: 1:30 pm

NEXT MEETING: March 26, 2018
Eastlyn Golf Course
12:30 pm