

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
MAY 21, 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 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	Absent
Trish Birmingham	Commercial Township	Absent

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Emily Koval
Paul Laracy

FUND ATTORNEY: Ken Harris

PROGRAM MANAGER: Shared Health Alliance
Rich Allen

FUND TREASURER: Mike Zambito

DEPUTY TREASURER: Absent

AETNA: Joe Rodrigues

AMERIHEALTH: Mike Murphy

ALSO PRESENT

Dina Murray, Allen Associates
Susan Dortu, Allen Associates
Rick Alessandrini, Allen Associates
Bobo Allen, Allen Associates
Gerry Cowan, Allen Associates
Tom Byrne, Byrne Agency
Joe Meola, Byrne Agency
Gina Marie Scorsone, Marsh McLennan
Anthony Fanucci, AR Fanucci

Dr. Alfred Savio, West Cape May
Joe Madera, Hardenbergh Insurance
John Hall, Woodstown Borough
Chuck Grande, Integrity Consulting
Stephanie Kuntz, Hopewell
Greg Grimaldi, Conner Strong & Buckelew
Mark Mallett, Lower Cape May Regional

APPROVAL OF MINUTES: March 26, 2018 - Open

MOTION TO APPROVE OPEN MINUTES OF MARCH 26, 2018

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

PUBLIC COMMENT - None

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports – as of March 31, 2018

Executive Director said the Fund made a little over \$1 million for the year. He said the IBNR from the prior year was \$4.7 million but is now over \$7 million due to the AmeriHealth claim processing delays due to the system migration. In speaking with AmeriHealth, he said the backlog is expected to be up to date by June.

2019 - 2021 RFP PROCESS

Executive Director said the current professional contracts expire on December 31, 2018. To allow for enough time for responses and committee reviews prior to the development of the 2019 budget, we are recommending the RFPs be released in early June. Prior to advertising, the Contracts Committee will be sent the RFPs for review and approval. We ask the Executive Committee to authorize the Contracts Committee to approve the release of the Request for Proposals for all Fund positions. We anticipate a full report of responses at the July meeting.

MOTION TO AUTHORIZE THE CONTRACTS COMMITTEE TO APPROVE THE RELEASE OF THE REQUEST FOR PROPOSALS FOR ALL FUND POSITIONS:

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

AUDITOR AND ACTUARY YEAR-END REPORTS - Executive Director said a draft of the Annual Financial Audit for the period ending December 31, 2017 was distributed with the agenda and was also reviewed by the operations committee prior to the meeting. Since the Auditor had reviewed the audit in detail with the finance committee and the committee is recommending its approval, Executive Director said he would not go through the report, but available for questions. He said it was an unmodified

opinion with no comments. The only difference between the audit and the financial fast track is the interest in the joint venture (MRHIF). The Committee agreed to approve in consent.

DIVIDEND CONSIDERATION - Executive Director said the Fund surplus has grown steadily and now slightly exceeds our retention objective of 2 months of claims. He said the Fund has the option to release a dividend and he is recommending the release of \$1 million to leave margin to allow for additional growth in membership.

He said that each member will have the option of taking as a check, credit or leave as a payable upon request when needed.

	2 month reserve
Annual Claims Including Vineland boe	\$ 88,379,568
Retention Objective	\$ 14,729,928
Surplus at 3/31/2018	\$ 16,151,652
Amount Available for Dividend	\$ 1,421,724

Member	Closed Year Balance at 12/31/2017	Dividend Illustration
Bridgeton BOE	\$ 3,431,883	\$ 352,056
City of Vineland	\$ 0	\$ 0
Commercial Township BOE	\$ 217,704	\$ 22,333
Cumberland County Technical Education Center	\$ 206,088	\$ 21,141
Cumberland Regional BOE	\$ 453,602	\$ 46,532
Hopewell BOE	\$ 176,679	\$ 18,124
Middle Township	\$ 595,247	\$ 61,063
Millville BOE	\$ 3,354,282	\$ 344,096
Millville Library	\$ 1,204	\$ 124
Millville Public Charter School	\$ 41,074	\$ 4,214
Upper Deerfield BOE	\$ 469,503	\$ 48,163
Woodbine BOE	\$ 4,791	\$ 491
Woodstown Borough	\$ 100,583	\$ 10,318
Vineland Public Charter School	\$ 28,808	\$ 2,955
Lower Cape May Regional School District	\$ 257,361	\$ 26,401
Buena Regional BOE	\$ 320,187	\$ 32,846
Dennis Township BOE	\$ 84,657	\$ 8,684
Bridgeton Public Charter School	\$ 3,602	\$ 370
West Cape May BOE	\$ 858	\$ 88
TOTALS	\$ 9,748,114	\$ 1,000,000

AETNA CLAIMS AUDIT CONCLUSION - Executive Director said NIIS completed its audit of Aetna. He said Aetna met or exceeded all procedural and financial accuracy requirements and is performing efficiently on behalf of the Fund. The audit also produced recommendations that have resulted in operational and reporting changes including:

1. Aetna will include data on claims processing turnaround time in their agenda reports. Aetna has also started reporting on turnaround time to PERMA monthly rather than quarterly.

2. Aetna was excluding certain physical therapy (PT) treatments from plan limit controls but will now assure that all PT services are included.
3. Aetna will collect coordination of benefits data once per lifetime for employees and on a rolling 12 month basis for dependents and claims will be pended until responses are received. This will impact only out of network claims.

AHA AUDIT STATUS - Executive Director said the field work on the special AmeriHealth claims and operations audit has begun and will continue through this month. Mr. Murphy said that the auditor was in all of last week.

NEW MEMBERS - VINELAND BOE, BOROUGH OF PENNS GROVE, WOODBINE BOE
Executive Director said Vineland BOE, Borough of Penns Grove and Woodbine BOE are being recommended for approval by the operations committee. He said because of the size of Vineland BOE they will be held to a +/- 2.5%. Mr. Allen said that he has been the broker for Vineland BOE for over 30 years and they are excited to join the fund and while they could self-insure, they prefer to be part of this group with the surrounding BOE's.

In response to Chair Mercoli, Executive Director said that this group is not changing carriers and PERMA and the Allens will watch the transition closely since this is a large group.

EXPRESS SCRIPTS OPIOID PROGRAM - Executive Director said he is recommending the implementation of ESI's opioid program. This program seeks to reduce opioid abuse and addiction by limiting dosages, identifying and correcting drug seeking behavior, using prior authorizations, and encouraging safe disposal of unused opioids.

The annual cost of the program is \$10,140. However, from a budgeting standpoint, the net cost is \$3,226 because of overall reductions in the cost of ESI's utilization management program as a result of improved contract terms. This is recommended as a safety and disease management program and does not come with a guaranteed return on investment. However, we also expect reduced spending on opioids and the costs attendant to the overuse of these drugs.

MOTION TO AUTHORIZE THE IMPLEMENTATION OF THE EXPRESS SCRIPTS ADVANCED OPIOID MANAGEMENT PROGRAM:

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

SENATE BILLS 1877/1878 -Executive Director said the federal government has eliminated the individual mandate for the purchase of health insurance and has also reduced subsidies to the individual market. Senate Bill 1877 would re-impose the mandate for NJ residents and 1878 would create a subsidy program to support that market. The subsidy was originally proposed in the form of a surcharge on both fully and self- insured plans and was to include HIFs. Working with the MRHIF lobbyist and the League of Municipalities, the legislation has been amended so that our plans will not be taxed. Instead, any needed subsidy is proposed to derive from the state treasury. Chair Mercoli

said he was surprised that the money will be coming from the State and not surcharging the employers.

WELLNESS GRANT APPLICATION - WATERFORD TOWNSHIP SCHOOL DISTRICT

Waterford Twp BOE has submitted for a wellness grant for their 2018-2019 school year. The group is requesting \$7,000 but is also contributing over \$4,000. The program will be centered on Fitbit challenges and will include a wellness coordinator stipend. The Wellness Committee has reviewed and is recommending approval.

PROGRAM MANAGER'S REPORT

NEW GROUPS

Program Manager said the Fund is growing at a steady pace with the help of the brokers and professionals, which is necessary for the success of the Fund. In response to Chair Mercoli, Program manager said the stability of the Fund is a great marketing tool and the consideration for the Fund is not all price driven. Mr. Hall said he agrees with the comments and believes this is a great organization.

PROSPECTS

Program Manager reviewed possible prospects which include Cape May County Technical School, Maurice River Township Board of Education, Weymouth Township Board of Education, City of Bridgeton, and Borough of Stone Harbor.

COASTAL HIF MEETING DATES

July 23, 2018

September 24, 2018

October 22, 2018

November 26, 2018

January 28, 2018

HIF BROKERS

Allen Associates

AR Fanucci

Byrne Agency

Conner Strong

Cornerstone Insurance Group

Hardenbergh Insurance Group

Innovative Risk Solutions

Integrity Consulting Group

Marsh & McLennan

2018 COMMITTEES

Finance & Contracts

Bryce Kell - Chair

Jerry Velazquez

Pat Yacovelli

Operations & Nominations

Nicole Albanese - Chair

Kim Krauss

Jerry Velazquez

Wellness & Claims

Cherie Bratty - Chair

Bruce Harbinson

Trish Birmingham

AETNA UPDATES

Kennedy: Camden – Gloucester Counties: This facility are in active negotiations to renew the respective contracts. The term date of this contract has been extended to 6/30/18 from 4/30/18. Aetna is confident that an agreement will be made.

Lourdes-Virtua Merger: No further update at this time.

Negotiations with Advocare: Advocare has sent a letters to its members advising they will not accept any new patients who are insured with Aetna. There is a provision in the providers PCP contract that allows freezing of their panel of patients. As of now, Advocare is still an Aetna participating provider. To date, we have had only one call from membership experiencing an issue with obtaining a new Advocare PCP.

AMERIHEALTH UPDATES

Pending independent audit results.

ESI UPDATES FOR COASTAL GROUPS WITH ESI ONLY

ESI has informed us that the National Preferred Formulary Guide (NPF) is being updated effective 7/1/2018 the following 33 medications will be added to the list of excluded medications. An updated list of all excluded medications is included in the agenda.

NEW FORMULARY EXCLUSIONS		
ARIMIDEX	AVALIDE, AVAPRO	AVODART
CELEBREX	CELEXA	COREG
COSOPT	COZAAR, HYZAAR	CRESTOR
DETROL, DETROL LA	DIOVAN, DIOVAN HCT	EXFORGE, EXFORGE HCT
GLEEVEC	GLUCOPHAGE, GLUCOPHAGE XR	KEPPRA, KEPPRA XR
LAMICTAL, LAMICTAL ODT, LAMICTAL XR	LIPITOR	LOESTRIN, LOESTIN FE
LOTREL	MAXALT, MAXALT MLT	MEBOLIC*
MICARDIS, MICARDIS HCT	NEURONTIN	NORVASC
ORTHO TRI-CYCLEN, ORTHO TRI-CYCLEN LO	TOPAMAX	TRICOR
TRILEPTAL	XALATAN	XYZBAC*
ZOCOR	ZOMIG TABLETS, ZOMIG ZMT	ZYVIT*

MEMBER IMPACT

- 99.16% of members will not see any changes to their drug coverage.

- Some Coastal HIF members will be impacted by the formulary update.
 - These individuals will be receiving a the notification letter that has been included in your packet roughly 30 days prior to implementation
- Of the 33 products being added to the exclusion list, 30 are multi-source brands, products with generic equivalents. The remaining 3 drugs are high-cost combination drugs with lower-cost generic or over-the-counter options.
- Impacted members will receive a customized letter (sample included with the agenda)
- Members who cannot tolerate the suggested alternative (or generic version) have the option of having their provider request a clinical exception with ESI.

SAVEON SAVINGS UPDATE - Effective January 1, 2018 the Coastal HIF implemented the SaveOn Copay Assistance program. SaveOn works directly with members to enroll them in manufacturer based rebate programs allowing the member to receive a \$0 copay on their medication and the fund to receive the balance of the manufacturer rebate. Most drugs impacted are high cost specialty medication. The most current data available through the end of March indicates the Coastal HIF has a net savings of **\$105,699**.

RITE AID WALGREENS MERGER - The majority of the Coastal groups with ESI is not impacted by the merger, however certain groups have larger member disruption than others. Though the Coastal HIF as a whole does not need to take action, we are currently working with groups on an individual basis.

OPEN ENROLLMENT - The Coastal HIF conducted its 2018 Spring Open Enrollment from Friday April 27th – Friday May 18th. As a reminder, all enrollments must be entered into Benefit Express online enrollment system by Friday May 25th. Open Enrollment changes not entered by the deadline can result in the delay in ID cards.

This was the first year we conducted an electronic open enrollment and received positive feedback from a majority of groups, moving forward we will continue to distribute open enrollment materials electronically.

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 CS.MB.SHIFenrollments@permainc.com or by fax at 856-552-4945.

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. The Fund's policy is to limit retro corrections, *including terminations*, to 60 days. We have noticed an increase in requests for enrollment changes, billing changes, terminations and additions well past the 60 day time frame. Moving forward, it is of the utmost importance to review bills for rate and enrollment accuracy on a monthly basis. If there is an error, please bring it to the enrollment team's attention.

ID CARDS

As a reminder, 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
- Express Scripts ID cards: 800-305-1834
- Delta Dental: 800-452-9310
- AmeriHealth Admin (non referrals): 800-480-5031

INDUSTRY UPDATES

IRS - New 2018 HSA Contribution Limit Reversed

The IRS recently reversed the reduction in the 2018 annual maximum family HSA contribution (which was originally announced earlier this year) from \$6,850 to back to \$6,900.

TREASURER - Fund Treasurer reviewed the April and May 2018 Bills Lists and Treasurer's Report.

Confirmation of Payment - April 2018

FUND YEAR	AMOUNT
2017	\$341,587.00
2018	\$1,149,810.42
TOTAL	\$1,491,397.42

Resolution 22-18 May 2018 Bills List

FUND YEAR	AMOUNT
2018	\$709,080.01
TOTAL	\$709,080.01

FUND ATTORNEY - Fund Attorney said the HSA contributions will increase in 2019 to \$7,000. He said the Health benefit plans must now include 10 essential health benefits.

AMERIHEALTH ADMINISTRATORS - Mr. Murphy reviewed the claims through April 2018. He said there was one high claim for this reporting period. He also provided an update on the issues due to the system migration. In said in order to alleviate the claims back log they have put in automated claims payments and added 40 new staff members, so the backlog should start to die down. He said they are also performing an audit of the benefit coding issues to make sure all benefits were set up correctly. He said some OON claims were being paid to the provider rather than the member when the claim was being submitted by the member and that is also being corrected. He said they have also added staff and extended work hours so they are starting to see the call time reduce. He said AmeriHealth apologizes for any issues and is taking these matters seriously. Mr. Murphy said that the transition was disruptive, but necessary in the long run.

AETNA - Mr. Rodrigues reviewed the claims through March 2018. He said there were 6 high claims for this reporting period. He said is starting to show savings and has been getting positive feedback. He reviewed the dashboard and said they missed the performance guarantee for call time.

In response to Chair Mercoli, Mr. Rodrigues said he will confirm how a teladoc claim is coded in regards to the network. In addition, Chair Mercoli asked if it was necessary for a teledoc representative to ask for a credit card. Both Mr. Rodrigues and Mr. Murphy said that this is standard, regardless of surcharge structure. Chair Mercoli said this request could deter some members from utilizing.

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED:

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

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO ADJOURN:

MOTION:	Commissioner Bratty
SECOND:	Commissioner Harbinson
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: July 23, 2018
Bellevue Tavern, Cape May Court House
12:00 pm