

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND  
OPEN MINUTES  
JULY 23, 2018  
THE BELLEVUE TAVERN  
12:00 PM**

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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	Absent
Pasquale Yacovelli	Buena Regional Board of Education	Present
Bruce Harbinson	Cumberland Regional Board of Education	Absent
Nicole Albanese	Bridgeton Board of Education	Present
Bryce Kell	Millville Board of Education	Present
Jerry Velazquez	Cumberland County Improvement Authority	Absent

**ALTERNATE**

Kim Krauss	Middle Township	Present
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:**

**DEPUTY TREASURER:** Lorraine Verrill

**AETNA:** Joe Rodrigues

**AMERIHEALTH:** Mike Murphy

**ALSO PRESENT:**

Chuck Grande, Integrity Consulting  
Susan Dortu, Allen Associates  
Dina Murray, Allen Associates  
Gerald Cowan, Shared Health Alliance  
Lew Thompson, Shared Health Alliance  
Gina Scorsone, Marsh & McLennan  
John Hall, Borough of Woodstown  
Valerie Lacy, Borough of Woodstown  
Joe Meola, J. Byrne Agency

Rick Alessandrini, Shared Health Alliance  
James Ridgeway  
Mark Mallett, LCMR

**APPROVAL OF MINUTES: May 21, 2018 - Open**

**MOTION TO APPROVE OPEN MINUTES OF MAY 21, 2018**

Moved:	Commissioner Kell
Second:	Commissioner Albanese
Vote:	5 Ayes, 0 Nays

**PUBLIC COMMENT FOR AGENDA ITEMS-** None

**EXECUTIVE DIRECTOR'S REPORT**

**Fast Track Financial Reports - as of May 31, 2018**

Executive Director said the Fund received a dividend from the MRHIF, and also distributed a \$1 million dividend. He said there was a slight loss for the month. He said the surplus for all years combined is \$16.2 million. He said the only variable is the IBNR due to the AHA delay. In response to Chair Mercoli, Executive Director said that the IBNR listed reflects year end finances and if that didn't exist, the Fund would be operating with an additional \$1.8 million in surplus.

**RFP RESULTS**

Executive Director said the RFPs for all Fund positions were received by PERMA on July 10, 2018. The Contracts Committee met earlier in the month to review the proposals. He said competing proposals were received for the Attorney position and the Committee is recommending Grace Marmero because the firm has a relationship with current Fund members. There are two resolutions included in consent for the EUS awarded contracts for Program Manager and Executive Director. He said the remaining professionals will be awarded at the next meeting.

**AMERIHEALTH AUDIT**

Executive Director said the audit of Amerihealth is in the final stages of completion and will be provided prior to our next meeting.

**MRHIF REPORT**

Executive Director said the MRHIF Executive Committee met on June 13, 2018 to review the 2017 audit, which was accepted and filed with the State. The Committee also approved a \$4,240,735 dividend, which is one of the largest dividends in Fund history. The Coastal Fund's portion of that dividend is \$426,636 which will be received by the end of the summer.

Executive Director said the Fund also approved the Medical and Dental TPA contracts to be negotiated for the 2019 renewal by the Administrator and Program Managers, rather than go out for RFP. It is believed that the Funds have the best arrangement with their current carriers and insurance carriers are exempt from the fair and open procurement laws. Although, since the contracts are

written with the local funds, the Coastal Fund can decide to send out for requests for proposals. Otherwise, negotiation outcomes will be discussed during budget season.

**MOTION TO AUTHORIZE THE PROGRAM MANAGER AND ADMINISTRATOR TO NEGOTIATE THE 2019 MEDICAL AND DENTAL TPA CONTRACTS IN LIEU OF AND RFP PROCESS.**

Moved:	Commissioner Kell
Second:	Commissioner Albanese
Vote:	5 Ayes, 0 Nays

**WELLNESS GRANT APPLICATION - BRIDGETON BOE**

Ms. Koval said Bridgeton BOE has submitted for a wellness grant for their 2018-2019 school year. The group is requesting \$20,000. The program will be a scalable program including newsletters, cooking classes, biggest loser contest, fitness classes, healthy vending machines and wellness days on professional development days. The Wellness Committee has reviewed and is recommending approval.

**PROGRAM MANAGER'S REPORT**

**NEW GROUPS FOR 2018**

- Vineland Board of Education
- Waterford Board of Education
- Salem County
- Penns Grove Borough
- Alloway Twp Board of Education
- Woodbine Board of Education, Effective 8/1/18

**PROSPECTS**

Program Manager reviewed potential prospects which include Cape May County Technical School, Maurice River Township Board of Education, Weymouth Township Board of Education, City of Bridgeton, Ocean City Board of Education and Hamilton Board of Education. In response to Chair Mercoli, Program manager said that most of these groups are coming from the State, but we are not able to obtain detailed prescription data to be able to underwrite.

**BUDGET 2019**

Program Manager said the preliminary budget meeting will be held internally in August.

**WELLNESS**

Ms. Murray said US Wellness and Inspira have mobile screenings available. She said they are available to come do a presentation at a future meeting.

**COASTAL HIF MEETING DATES**

- September 24, 2018
- October 22, 2018
- November 26, 2018
- January 28, 2018

Chair Mevoli asked that the budget meeting dates are the same as what was done last year and there is enough time between introduction and adoption. Ms. Koval said she will research what was done last year.

## **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

## **KENNEDY: CAMDEN - GLOUCESTER COUNTIES**

Aetna and Kennedy Health have reached an agreement on a new contract and the facilities will remain in-network. Member disruption letters were not generated.

## **AMERIHEALTH SYSTEM MIGRATION**

An Update on the system migration to be provided at meeting.

## **ESI UPDATE - FOR RX IN THE HIF ONLY**

- As of 1/1, Walgreens will no longer be in the HIF's ESI network
- Communication will be going out to the groups
- Marketplace Protection

As a part of the Fund's participation in Express Scripts' marketplace protection program the Fund will more tightly manage two medications effective on 6/15/2018. Both drugs are currently priced much higher than available clinical equivalents: Treximet/Sumatriptan & Zavesca. Both Treximet® 85mg/500mg and its generic Sumatriptan contain and naproxen in a single formulation costing roughly

10 times more than the individual components with no superior clinical efficacy. A new generic for Zavesca, Miglustat is now available at a significantly lower-cost than the brand, with the potential to save over \$100K annually per patient. Our records indicate there are currently 0 members in the HIF who are taking this medication.

Targeted Medications	Preferred Medications
Treximet® 85mg/500mg sumatriptan/naproxen tablets 85mg/500mg (all mfgs)	sumatriptan AND naproxen sodium sumatriptan AND naproxen sodium
Zavesca®	miglustat

### \$0 STATIN MEDICATIONS

As previously reported, effective January 1, 2018 the Fund updated coverage for certain low cost/generic statin medications to *no cost/\$0 copay* in compliance with the Affordable Care Act (ACA). To assure that all members were aware of this opportunity, we directed Express Scripts to mail notifications to brand statin utilizers informing them of the alternative generic opportunities, which would eliminate their out of pocket cost. The letters were mailed to impacted members on May 22.

### SAVEONSP UPDATE

Saveon continues to monitor the specialty medication market to assure the Fund is taking advantage of copay manufacturer assistance programs as they become available. Effective 7/1/2018 (all copays reflect a 30-day supply and updated drug list attached) the below medications will be added to the Saveon drug List. Currently, there one member in the HIF impacted by these additions. SaveOn has been making outreach calls and mailings to impacted members prior to 7/1 to educate and enroll.

Cabometyx	Kalydeco	Pulmozyme
Cometriq	Neupogen	Symdeko
Fasenra	Orenitram	Tobi Podhaler
Glatiramer	Orkambi	

Medications being removed from the SaveonSP Program:

- Olysio Removed from market: no SaveonSP members on drug
- Zinbryta Removed from market: 2 SaveonSP members have already changed medication
- Included with your agenda is a copy of the July 2018 SaveOnSp eligible specialty drug list.

### Legislative - NJ S483/A2039 Out-Of-Network Consumer Protection, Transparency, Cost Containment and Accountability Act

As reported at the May meeting, the NJ legislature recently passed a consumer protection bill intended

to protect consumers from getting hit with unanticipated large medical bills from “hidden” out-of-network providers. The new law requires hospitals to post the names of all medical professionals they employ, their contact information and the insurance plans they accept. Hospitals must also provide the same information for specialists they do business with such as anesthesiologists and pathologists. Medical professionals are also required to disclose which health insurance plans they accept and an estimate of the cost for their services if they are out-of-network. A key provision of the law which may have ramifications for HIF plans requires insurance carriers and providers who cannot agree on an acceptable reimbursement to abide by the decision of a third party arbitrator who will choose between one of two offers. Each side may use whatever information they need to support their case. Self-funded plans are not obligated to adopt the mandate. We are recommending the Health Insurance Fund chose to not opt in, which is within our rights as a self-funded plan. We have consulted with the other Fund Professionals and are all in agreement.

**NJSA 2793- 3-D Mammography Preventive Service Mandate:**

On January 16, 2018, New Jersey legislature enacted new benefits mandate that requires health insurance coverage without cost share for digital tomosynthesis (3-D Mammography) to detect or screen for breast cancer in women over age 40, one per benefit year. Currently the Fund covers a 3-D Mammogram annually, but cost share is applied. Insured plans and the SEHBP must comply with the updated with first renewal on or after August 1, 2018.

**NJSA 2297- Extended Contraceptive Benefit**

On December 15, 2017, New Jersey legislature voted to update the existing NJ Prescription Female Contraceptive Mandate, requiring all health insurance and medical providers to cover contraceptive drugs and devices with the following day supply access:

A three-month period for the first dispensing of the contraceptive

A six-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing limit.

Currently the Fund follows standard maintenance medication limits of up to 90 day (mail order/retail access vary amongst groups)

**TREASURER** - Deputy Treasurer reviewed the June and July 2018 Bills Lists and Treasurer’s Report.

**Confirmation of Payment - June 2018**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2017	\$9,652.00
2018	\$795,902.09
<b>TOTAL</b>	<b>\$805,554.09</b>

**Resolution 25-18 July 2018 Bills List**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2017	\$15,178.79
2018	\$964,400.80
<b>TOTAL</b>	<b>\$979,579.59</b>

**FUND ATTORNEY** – Fund Attorney thanked the Fund for his appointment through the end of the year. He said medical marijuana has been approved a list of conditions and we may see a spike in utilization.

**AMERIHEALTH ADMINISTRATORS** – Mr. Murphy reviewed the claims for May and June 2018. He said the claims back log is completed and the turnaround time for processing is at 15 days. He said they are continuing to improve on their customer service.

**AETNA** – Mr. Rodrigues reviewed the claims through May 2018. He reviewed the utilization report and noted positive results for Teladoc. In response to Chair Mercoli, Mr. Rodrigues said the Fund is seeing longer inpatient stays and outpatient mental health care specifically.

**MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED:**

**MOTION:** Commissioner Yacovelli

**SECOND:** Commissioner Albanese

**VOTE:** 5 Ayes, 0 Nays, (Commissioner Albanese

abstained on resolution 24-18)

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN:**

**MOTION:** Commissioner Yacovelli

**SECOND:** Commissioner Kell

**VOTE:** Unanimous

**MEETING ADJOURNED:** 1:00 pm

**NEXT MEETING:** September 24, 2018

Eastlyn Golf Course, Vineland NJ

12:00 pm