

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
SEPTEMBER 24, 2018
THE GREENVIEW INN AT EASTLYN GOLF COURSE
12:30 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	Absent
Bryce Kell	Millville Board of Education	Present
Jerry Velazquez	Cumberland County Improvement Authority	Present

ALTERNATE

Kim Krauss	Middle Township	Absent
Trish Birmingham	Commercial Township	Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Paul Laracy

FUND ATTORNEY: Ken Harris

PROGRAM MANAGER: Shared Health Alliance
Rich Allen

FUND TREASURER: Absent

DEPUTY TREASURER: Absent

AETNA: Joe Rodrigues

AMERIHEALTH: Mike Murphy

ALSO PRESENT

Karen Kamprath, PERMA
Gina Marie Scorsone, Marsh & McLennan
Rick Alessandrini, Allen Associates
Mark Miller, Dennis Township SD
Chuck Grande, Integrity Consulting Group
Mark Mallett, LCMR
Billie Jo Levensgood, Innovative Risk Solutions
Dina Murray, Allen Associates
Stephanie Kuntz, Hopewell BOE
Daniel Peretti, Allen Associates

Bob Allen, Allen Associates
Helen Haley, Vineland BOE
John F. Hall, Woodstown Borough
Lew Thompson, SHA
Abbie Carr, Allen Associates
Susan Dortu, Allen Associates
Anthony Fanucci, AR Fanucci
Joe Meola, J. Byrne
Darren Harris, Woodbine BOE
Greg Grimaldi, Conner Strong & Buckelew
Brandon Lodics, Conner Strong & Buckelew
Dennis Hyland, AIM

APPROVAL OF MINUTES: July 23, 2018 - Open

MOTION TO APPROVE OPEN MINUTES OF July 23, 2018

Moved:	Commissioner Kell
Second:	Commissioner Harbinson
Vote:	6 Ayes, 0 Nays, 1 Abstain (Commissioner Bratty)

PUBLIC COMMENT - None

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports - as of July 31, 2018

Executive Director said the Financial Fast track for all years combined is almost \$17.8 million. He said there was a gain of \$2 million in July due to the IBNR increase because of the AmeriHealth claims lag.

INTRODUCTION OF 2019 BUDGET

Executive Director said the major action item is the introduction of the 2019 budget. He said the Finance committee reviewed the budget and are recommending introduction as presented. Executive Director said overall claims are up 3.95%. He said medical claims are increasing by 1.7% for Aetna while AmeriHealth claims are rising by 11.17%. The differential between AHA and Aetna claims is diminishing. He said Rx and dental costs are stable and no increase is necessary for 2019.

Executive Director said \$307,000 is built into the loss fund contingency to create a margin that can help a moderate future rate increase.

Executive Director said the reinsurance line is decreasing by 2.61%. This pricing is predicated on the Fund's specific retention rising from \$350,000 to \$375,000.

The Medicare Advantage renewal is dropping by 9.94% caused by good loss experience and the expiration of the ACA "Health Insurer Fee".

Executive Director said the fees for professionals and contractors are proposed to rise in accordance with RFQ responses. He said we are still negotiating fees for 2019 and thereafter with the claims agents (AmeriHealth, Aetna, and Delta Dental).

An increase in the wellness line item has been included to reflect growth in membership and growing interest in such programs.

Executive Director said the proposed rate increases by line of coverage are Medical +4.27%, Rx - no change and Dental - no change.

Executive Director said the overall increase is 3.22% with no loss ratio adjustments. He noted that Members that renew on 7/1 will receive the same increase as the 1/1 renewal members, but at the later date. Because the budget is shown on a calendar year basis, the annual assessment changes appears less, but this is due to the presentation format.

Chair Mercoli said he feels the increase in the Wellness budget is positive for the Fund.

CONTRACT AWARD RESOLUTION

Executive Director said included in the consent agenda is Resolution 27-18 appointing Fund professionals resulting from the recent RFP process. The positions that fall under the Extraordinary Unspecified Services contract were approved in July. The proposed expenses will be included in the 2019 budget.

AMERIHEALTH ADMINISTRATOR AUDIT

Executive Director said AIM performed a claims and implementation audit of AmeriHealth Administrators this year and a final report was distributed with the Agenda. Amerihealth has not formally responded yet to the claims but is required to do so. He said Mr. Hyland is present to review the findings.

Mr. Hyland said a claims audit for the 2017 AmeriHealth claims was completed. He said the financial accuracy rate was 99.6% which is within the industry standard. He said the claims processing accuracy was less than the industry standard at 94.26%. He said there were some claims with overpayments and a number of issues related to plan benefits. He said they are waiting for AmeriHealth's response and once that is received they will look at items case by case to come up with a final score. He said a number of issues were also found when auditing the move to the new system.

Chair Mercoli said for the size of the engagement there doesn't seem to be a smoking gun for what was found. He said 250 claims were audited and \$20,000 is big individually, however when auditing a contract worth \$30 million it's not a huge thing. In response to Chair Mercoli, Mr. Hyland said his takeaway is there needs to be some improvements in claims processing and while the errors may not amount to a lot of money that doesn't mean they can't or should not be improved. He said also this only addresses 2017, we do not know what happened in 2018.

Executive Director said we are in contract negotiations with AmeriHealth and will be implementing performance standards.

MARKETING EFFORTS

Executive Director said Mr. Grimaldi is present to review the marketing efforts through the MRHIF. Mr. Grimaldi said the main purpose of the marketing efforts is to create a brand identity for all 7 Funds similar to the MEL. He said Princeton Marketing came up with a marketing campaign that addressed the logo, website and marketing efforts. He said campaigns will include Publications

within the NJ School Board Association and NJ League of Municipalities, Advertisements on NJ.com, Email campaigns before, during and after the NJ League of Municipalities, New revised booth for School Board and Municipal conventions, Direct Mailings to Mayors and School Board Presidents and a New marketing website (does not replace current local fund websites): HIFundNJ.com

DELTA DENTAL AUDIT

Executive Director said NIIS has completed the audit of Delta Dental. Overall, the report is very positive. He noted that:

- Claims turnaround time is better than industry standards.
- Average speed of answer and call abandonment rates are better than industry standards.
- Internal quality audits are undertaken on a regular basis.
- Financial and procedural accuracy for claims processing is over 99%, again above industry standards.
- Cost containment efforts are successful.

We are following up with Delta on recommendations to:

- Incorporate performance standards in the HIF contracts.
- Improve coordination of benefits procedures and documentation.
- Report at least annually on overpayments and recoveries.

WELLNESS GRANT APPLICATION - TOWNSHIP OF MIDDLE

Executive Director said the Township of Middle has submitted for a wellness grant for their 2018-2019 school year. The group is requesting \$10,000. The program will be a scalable program including biometric screenings, educational seminars, yoga/fitness, health expo, chair massages and 100 mile running/walking challenge. The Wellness Committee has reviewed and is recommending approval.

In response to Chair Mercoli, Ms. Murray said they have already implemented their program and are applying for reimbursement. In response to Commissioner Velazquez, Executive Director said as part of the wellness program we will require feedback and documentation on the outcome the grants/programs.

PROGRAM MANAGER'S REPORT

NEW GROUPS FOR 2018

Program Manager Introduced Ms. Haley from Vineland BOE.

PROSPECTS

Program Manager said Ocean City is looking promising for 1/1/2019.

Cape May County Technical School

- Pending State Health Benefit experience information

Maurice River Township Board of Education

- Requested claims

- Claims received
- Waiting on Rx

Weymouth Township Board of Education

- Claims letter sent to group

City of Bridgeton

- Submitted for HIF quote

Ocean City Board of Education

- Proposal Delivered
- Pending decision

Vineland Housing Authority

- Pending HIF quote

Greenwich Township Board of Education (Cumberland County)

- Claims letter submitted to SEHBP

WELLNESS

Program manager said the Wellness Committee met prior to this meeting to interview 3 potential Biometric Screenings Vendor Candidates. He said the will provide a recommendation at a future meeting. Executive Director said grant requests should be submitted by 12/31/2018.

Chair Mercoli said it is important not to abandon the grass roots efforts and not make it mandatory to sign with vendors. Program Manager said this would not be mandatory but just an additional option.

COASTAL HIF MEETING DATES

Program Manager noted that the October meeting has been moved to October 29, 2018.

OPEN ENROLLMENT

This fall we will be holding open enrollment with an effective of **January 1st 2019**. Each entity will receive Open Enrollment (OE) materials and instructions electronically.

Open Enrollment is passive, only members who wish to make plan changes or dependent coverage changes need to submit enrollment forms. Members who are not making changes will automatically continue with the same coverage they had in 2018. The timeline for 2019 is as follows:

- October 10 - group contacts will receive OE instructions and materials on or about 10/10
- October 15 - Open Enrollment begins.
- November 9 - Open Enrollment closes for members.
- November 16 - Deadline for changes to be entered into Benefit Express
- January 1 - effective date for anyone making plan changes. ID cards should be received by members who make a plan change on/before 1/1.

COBRA, Dependent to 31, and retired enrollees will receive OE information from PERMA at their residences.

AETNA AND LABCORP

Aetna and LabCorp have signed an expanded agreement to make LabCorp a preferred national laboratory for all Aetna Commercial and Medicare health plans. This agreement will **begin January 1, 2019**. There will be no change in status for Quest Diagnostics in the Aetna Network. This update will be highlighted in the 2019 Open Enrollment Guides.

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.

ESI UPDATE - FOR RX IN THE HIF ONLY

2019 Formulary Update

ESI has announced that the National Preferred Formulary Guide (NPF) which the Coastal HIF utilizes will be updated. Beginning 1/1/2019, the below formulary changes will go into effect for Coastal HIF members. ESI will be sending personalized notifications to affected members prior to January 1 and will include a list of alternative medications that the member may want to discuss with their provider. We will present more information on SCREBF member impact at the next SCREBF meeting.

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.

\$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

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.

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

MEDICARE SCAM

As previously reported, CMS is issuing new ID cards to all members in an effort to curb identity theft by replacing social security numbers with unique ID numbers. Unfortunately, this campaign has spawned a new wave of “scammers” who are targeting Medicare participants by posing as Medicare representatives and asking for payment in exchange for the new ID card. As a reminder, the cards are being mailed automatically to all participants between April 2018 and April 2019 (certain geographic regions every few months) and there is NO cost for participants.

NJSA 3753- NJ NEWBORN MANDATE ACT

Ms. Murray said on January 16, 2018, New Jersey updated the existing NJ Newborn Mandate Act that provides coverage for all newborns from the moment of birth for the first 31 days to first 60 days. Self-Insured plans can elect to participate - on first renewal after January 16, 2018. Ms. Murray said she is recommending that the Fund opt in with this mandate. Executive Director said this can be added to consent.

TREASURER - Deputy Treasurer distributed an updated report for August.

Confirmation of Payment - August 2018

FUND YEAR	AMOUNT
2018	\$977,859.76
TOTAL	\$977,859.76

Resolution 29-18 September 2018 Bills List

FUND YEAR	AMOUNT
2017	\$65,959.00
2018	\$901,591.33
TOTAL	\$967,550.33

FUND ATTORNEY - Fund Attorney there is still not a definitive answer whether or not HIF’s will need to comply with the OON transparency act. Chair Mercoli said he feels the Fund should opt in. Fund Attorney said on a practical level notices will be controlled by the carriers and service providers. Commissioners Yacovelli and Velazquez agreed with Chair Mercoli.

AMERIHEALTH ADMINISTRATORS - Mr. Murphy said AmeriHealth does strive for more than the 95% industry standard for claims processing. He said when the Fund decided on the audit, the AHA population had been performing worse than Aetna for several years. He said there was a concern there was a larger reason for that. He said the Audit helps the Fund understand that there is no major flaw within the system. He said the claims inventory is below where it was at in prior years at this time. He said 90% of claims are processed in 15 days and 99% in 30 days. He reviewed the claims through August. He said there was 1 high claimant for this reporting period. He reviewed the statistics and noted that the average speed of answer has decreased every month for the last 5 months. He said the goal is 30 seconds.

AETNA – Mr. Rodrigues reviewed the 2017 performance guarantees and said overall 3 were missed. He said the Fund is due back \$57,438 as a result. In response to Commissioner Harbinson, Mr. Rodrigues said the reason these were missed was due to larger than anticipated growth and early retirement programs. He said those 2 factors cause a lack in performance. He said the team began a new hiring and training program. He said Aetna is on target for 2018 to hit all performance metrics. He also reviewed the claims for July 2018. He said the increase in lives is from Vineland BOE.

Mr. Rodrigues also noted that due to some improved efficiencies new ID cards will be issued to members in any PPO plan on 1/1/2019.

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED INCLUDING THE APPROVAL TO COMPLY WITH THE NJ NEWBORN MANDATE ACT:

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

OLD BUSINESS: Mr. Lodics noted that at the July meeting it was recommended not to opt into the OON transparency act and was passed by the Committee.

NEW BUSINESS: Chair Mercoli said that he is moving to a new district and this will be his last meeting. He said he will ask Secretary Bratty to appoint an interim Chair.

MOTION TO APPOINT COMMISSIONER YACOVELLI AS INTERM FUND CHAIR BEGINNING OCTOBER 1 UNTIL A CHAIR IS APPOINTED AT THE JANUARY REORGANIZATION MEETING:

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

PUBLIC COMMENT: Program Manager thanked Chair Mercoli and noted the Fund would not be as successful without Gene. Commissioner Bratty said he will be greatly missed.

MOTION TO ADJOURN:

MOTION:	Commissioner Harbinson
SECOND:	Commissioner Bratty
VOTE:	Unanimous

MEETING ADJOURNED: 1:30 pm

NEXT MEETING: October 29, 2018
Eastlyn Golf Course, Vineland NJ
12:30 pm

