

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
FEBRUARY 22, 2016
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 2016 EXECUTIVE COMMITTEE:

Gene Mercoli - Chairman	Cumberland County Technical Education Center	Present
Cherie Bratty	Upper Deerfield Board of Education	Absent
Connie Mahon -Secretary	Township of Middle	Present
Pasquale Yacovelli	Buena Regional Board of Education	Present
Bruce Harbinson	Cumberland Regional Board of Education	Absent
Nicole Albanese	Bridgeton Board of Education	Absent
Bryce Kell	Millville Board of Education	Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR:

**PERMA Risk Management
Paul Laracy
Emily Koval
Karen Kamprath**

FUND ATTORNEY:

Ken Harris

FUND COORDINATOR:

**Rich Allen
Gerald Cowen
Dina Murray
Abbie Geletka
Robert Allen**

DEPUTY TREASURER:

**Ken Verrill
Lorraine Verrill**

ALSO PRESENT

Dr. Alfred Savio, West Cape May
Joe Meola, Byrne Agency
Tom Byrne, Byrne Agency
Pam Zook, Commercial Township
Peter Barnes, Marsh
Peggy Dennison, Aetna
Susan D'Ottavio, Millville Public Library
Lynn Malloy, AmeriHealth

Stephanie Kuntz, Hopewell
Ann Garcia, VPCS
Doug McGarry, MPCS
Jeanne Frank, Conner Strong & Buckelew

APPROVAL OF MINUTES: January 25, 2016 Open

MOTION TO APPROVE OPEN MINUTES OF JANUARY 25, 2016:

Moved:	Commissioner Mahon
Second:	Commissioner Kell
Vote:	Unanimous

CORRESPONDENCE – None

EXECUTIVE DIRECTOR'S REPORT

FINANCES

PRO FORMA REPORTS

- **Fast Track Financial Reports – SNJHIF as of *December 31, 2015***
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

Executive Director reviewed the Financial Fast Track for SNJHIF which showed a 47 million surplus total, of which \$13.5 million came from the current year. The Fund Actuary will certify the results and perform an audit. Additional funds should be distributed to the SHIF and Coastal Funds around June or July.

ADMINISTRATION

JULY 1, 2016 RENEWAL - The Fund Actuary has completed his review of the July 1, 2016 renewing members and a projection will be prepared for the meeting.

The Executive Director and Fund Coordinator would also like to discuss options of allowing all members to renew on July 1.

Executive Director said the increase projected for moving to a July 1 renewal would be 5.5% for Medical and 7.5% for RX. Fund Coordinator said all entities will have the option to move to a July 1 renewal and for the BOE's this would match up with their fiscal year. Currently open enrollment is being done in the spring for a 1/1 renewal. By moving to a 7/1 it will be easier for HR departments to budget chapter 78 contributions. If an entity elects to go to a 7/1 renewal for 7/1/16 this would take

them through 6/30/17 with only a 5.5% increase. In response to Commissioner Mercoli, Executive Director the Fund would need 60 days to make this budget transition to avoid billing errors. In response to Fund Coordinator, Executive Director said a majority would not have to move, it would be up to each entity individually. A review at the end of the year would be prudent for those who transition. Fund Coordinator will be reaching out to each member.

MRHIF MEETING - The Municipal Reinsurance Health Insurance Fund met on February 9 to reorganize for 2016. The new Coastal and SHIF commissioners were in attendance. The Committee reviewed the new reinsurance policies which are available for all Commissioners' review.

In addition, Express Scripts was present at the meeting to review the recent audit that found significant overcharges on generic drugs during the first quarter of the new contract. A year end audit is being conducted now and results will be available at the next meeting. Minutes from this meeting were included in Appendix II.

Executive Director said the Fund reorganized and awarded contracts. He said there was a discussion about the ESI audit and a possible overcharge. He said there will be another audit performed on 12/31 and if the guarantees are not met, any over charge will be returned to the Fund and distributed, although since there is little ESI membership in Coastal, this will not affect the Fund as the rest of the State.

Executive Director said MRHIF finances the claim audits which are on a 3 year cycle. United Health Care is currently being audited and AmeriHealth will be later in the year. In response to Commissioner Mercoli, Executive Director said the AmeriHealth audit is included in member rates.

REVISED RESOLUTION 7-16 - At the previous meeting, the Committee requested the Fund Signatory resolution be amended to distinguish that the signatures be 1 of the Chair or Secretary and 1 of the Treasurer or Deputy Treasurer, but never both. Amended resolution is included in the agenda to be fully executed. No action needs to be taken at this time.

Executive Director said the regulatory compliance checklist is included and we are still in the process of obtaining documents. He also said we are in the process of finalizing Aetna contracts for each Fund.

FUND COORDINATOR'S REPORT

MEETING SCHEDULE UPDATE - Fund Coordinator distributed an updated meeting schedule. He said the Fund can start meeting every other month. A September meeting was added for budget purposes. He said October or November could be cancelled if it's not necessary to meet. It can also be changed depending on how many groups move to a July 1 renewal. The new meeting dates as proposed are: 4/25/16, 6/27/16, 8/22/16, 9/26/16, 10/24/16, 11/28/16 and 1/23/17.

MOTION TO ADVERTISE MEETING DATES, AS DESCRIBED.

MOTION: Commissioner Yacovelli
SECOND: Commissioner Kell
VOTE: 4 Ayes, 0 Nays

CONSENT AGENDA - The following Resolutions listed on the Consent Agenda will be enacted in one motion. Copies of all Resolutions are available to any person upon request. Any Commissioner wishing to remove any Resolution(s) to be voted upon, may do so at this time, and said Resolution(s) will be moved and voted separately

Resolution 15-16: Approval of the February 2016 Bills List
Resolution 16-16: Approval of Claims Payments and Imprest Transfers

MOTION TO ADOPT RESOLUTION 15-16 THROUGH 16-16.

MOTION: Commissioner Kell
SECOND: Commissioner Mahon
VOTE: 4 Ayes, 0 Nays

TREASURER - Fund Treasurer Reviewed the February Bills List. He said the annualized rate of return on interest earned is very respectful. He said the monthly payments are cycling through but there are still some coming through with the wrong payee.

RESOLUTION 15-16 FEBRUARY 2016 BILLS LIST

FUND YEAR	AMOUNT
2016	\$518,701.20
TOTAL	\$518,701.20

FUND ATTORNEY- Fund Attorney reviewed the memo that was included in the MRHIF report. He said the Southern New Jersey Regional Employee Benefits Fund has been involved in a subrogation suit. In this case, the court needs to be educated about Health Insurance Funds being excluded from the statute that health insurance companies not being able to subrogate.

AHA - Ms. Malloy reviewed the reports included in the agenda. She said the reports include SNJHIF, Coastal and SHIF.

AETNA- Ms. Dennison reviewed the reports through December. She said the numbers are more in line with what we normally see.

OLD BUSINESS: None

NEW BUSINESS: None

MOTION TO OPEN THE MEETING TO THE PUBLIC:

MOTION:	Commissioner Kell
SECOND:	Commissioner Yacovelli
VOTE:	Unanimous

MOTION TO CLOSE THE MEETING TO THE PUBLIC:

MOTION:	Commissioner Kell
SECOND:	Commissioner Mahon
VOTE:	Unanimous

MOTION TO ADJOURN:

MOTION:	Commissioner Yacovelli
SECOND:	Commissioner Kell
VOTE:	Unanimous

MEETING ADJOURNED: 1:00pm

NEXT MEETING: April 25, 2016
Eastlyn Golf Course
12:00pm

Emily Koval, Assisting Secretary
Date Prepared: April 4, 2016