

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
AUGUST 22, 2016
THE GREENVIEW INN AT EASTLYN GOLF COURSE
12:00 PM**

Meeting of Executive Committee called to order by Connie Mahon 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 (via cc)
Connie Mahon - Secretary	Township of Middle	Present
Cherie Bratty	Upper Deerfield Board of Education	Absent
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	Absent

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Paul Laracy
Karen Kamprath

FUND ATTORNEY: Ken Harris

FUND COORDINATOR: Rich Allen
Gerald Cowen
Dina Murray
Robert Allen
Abbie Geletka
Rick Alessandrini

DEPUTY TREASURER Lorraine Verrill

ALSO PRESENT

Chuck Grande, Integrity Consulting Group
Anthony Tonzini, Integrity Consulting Group
Joe Hiles, Borough of Woodstown
Vera Kalish, Township of Middle
Anne Garrison, Township of Middle
Lynn Malloy, AHA

Pamela Zook, Commercial Township
Dr. Alfred Savio, West Cape May
Kim Ward, Aetna
Claudine Ayscue, MMA
Mark Mallett, Dennis Township

APPROVAL OF MINUTES: June 27, 2016 Open

MOTION TO APPROVE OPEN MINUTES OF JUNE 27, 2016:

Moved: Commissioner Yacovelli
Second: Commissioner Harbinson
Vote: 4 Ayes, 0 Nays

CORRESPONDENCE – None

EXECUTIVE DIRECTOR’S REPORT

PRO FORMA REPORTS

- **Fast Track Financial Reports** – SNJHIF and Coastal as of *June 30, 2016*
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

Executive Director said the fund continues to perform well with a year to date operations surplus of \$483 thousand. He said there was a deficit in June due to an ongoing large claim, but it’s possible the claim may be subrogated. He said the actuary is currently working on the 2017 renewal. The Fund is seeing higher than expected claims for AmeriHealth in Cape May and Atlantic County.

TREASURER – Deputy Treasurer reviewed the bills lists for July and August.

Confirmation of Payment – July 2016

FUND YEAR	AMOUNT
2016	\$550,040.56
TOTAL	\$550,040.56

Resolution 21-16- August 2016 Bills List

FUND YEAR	AMOUNT
2016	\$521,307.74
TOTAL	\$521,307.74

MOTION TO APPROVE THE CONSENT AGENDA:

MOTION:	Commissioner Harbinson
SECOND:	Commissioner Yacovelli
ROLL CALL VOTE:	4 Ayes, 0 Nays

Chair Mercoli left the call at 12:20pm.

ADMINISTRATION

2017 BUDGET AND RENEWAL

We are working with the Actuary and Allen Associates on the 2017 budget and renewal. Before preparing a draft for review for the Finance Committee, there are data issues associated with AmeriHealth claims that we are attempting to resolve. We believe these will be resolved within the next week or so.

In addition, the Fund is experiencing higher than anticipated AmeriHealth claims in Atlantic and Cape May Counties. We are investigating associated causes and the financial and coverage implications of expanding Aetna enrollment in those areas. We will provide an update at meeting and are hoping to be prepared with a draft budget for Finance Committee review in early September.

TRANSFER RESOLUTION

Enclosed is a resolution for SNJHIF's August meeting that illustrates another transfer of funds owed to the Coastal and SHIF Funds. The majority of this transfer results from the MRHIF dividend the SNJHIF received earlier this month. Approving their audit last month also allows for additional funds to be rolled over from closing out Fund Year 2014. If approved, the transfer will occur in September.

FUND COORDINATORS REPORT ALLEN ASSOCIATES AUGUST 22, 2016

AMERIHEALTH

Fund Coordinator said the large claim with AmeriHealth is being investigated to see if it should fall under workman's comp. He said if the claims is not subrogated most of it will be paid by the MRHIF. The maximum amount the Fund would pay is \$300 thousand. He said the claims are concerning in Cape May and Atlantic Counties and a repricing has been requested with Aetna. He said there will be an investigation into Aetna's participation in those counties. He said this could be an anomaly because AmeriHealth's hospital discounts are very good. Fund Coordinator said he would like to hold off on the budget discussion at this time.

OPEN ENROLLMENT FOR MUNICIPALITIES

Ms. Murray said an update will be provided in October to prepare for a January 1 open enrollment. She said the schools are on a fiscal year and the open enrollment will be held in the spring.

WELLNESS

Ms. Murray said there is still money available in the budget for wellness grants. In response to Ms. Murray, Executive Director said predetermined options can be made available.

NEW GROUPS

Fund Coordinator said Cumberland County Improvement Authority and Cumberland County Charter Network will be joining on 9/1.

PROSPECTS

Fund Coordinator said they are actively pursuing several prospects including City of Bridgeton, City of Millville and Fairfield BOE. He said they Fund hopes to grow 10-15% annually.

COMMITTEE MEETINGS

Fund Coordinator said committee meetings can be held prior to the Fund meeting. In response to Fund Coordinator, Executive Director said the Finance Committee should meet a week or two before the September meeting. In response to Mr. Grande, Fund Coordinator said a preliminary budget will be presented at the September meeting. Fund Coordinator said we hope to have more clarity on AmeriHealth.

SCHEDULE OF COASTAL HIF MEETINGS

September 26, 2016

October 24, 2016

November 28, 2016

January 23, 2017

FUND ATTORNEY- Fund Attorney said any new regulations by HHS apply to entities that receive federal funding. He said the biggest issue is to provide notices to individuals with limited English proficiency. He said the Fund will not have many instances where this would apply.

AMERIHEALTH ADMINISTRATORS - Ms. Malloy said there are no large claims for AHNJ. She reviewed a new spreadsheet which shows additional data broken down. In response to Mr. Allen, Ms. Malloy said they do not expect the neonatology claim to be ongoing. She reviewed the AHA report which includes 3 high claimants. There is currently one claim in subrogation review. In response to Mr. Allen, Ms. Malloy said the claim has been adjudicated and the member may not be able to respond. In response to Mr. Allen, Ms. Malloy said an investigation takes place but is also dependent on what the facility submits. Ms. Malloy said there is potentially another ongoing high claim.

AETNA- Ms. Ward distributed a new dashboard report that provides more robust reporting and a snapshot of the plan. She said it can be adjusted accordingly. Ms. Ward said the top facilities are by spend. In response to Mr. Allen, Ms. Ward said CHOP is usually in the top 5 utilized facilities. Ms. Ward said there have been 20 claims over \$50 thousand for 2016. 23.4% of claims are associated with high level claimants compared to 40% with AHA.

Mr. Grande said he received a call from one of his SHIF clients who was confused by an article regarding Aetna leaving the Obamacare exchange. He said the client thought Aetna was leaving NJ.

EXPRESS SCRIPTS- Executive Director said the ESI report indicates stability compared to prior years.

OLD BUSINESS: None

NEW BUSINESS: Executive Director said there is a transfer resolution included in the agenda showing \$700 thousand coming from the SNJHIF to the Coastal Fund from the 2014 closed year. He said no action needs to be taken. He said there are still Funds from 2015 that will be distributed this time next year.

PUBLIC COMMENT: Commissioner Savio thanked the committee for providing an alternate meeting location. Mr. Allen said the meetings can continue to rotate. Commissioner Mahon said the executive committee can discuss the location at the next meeting. Executive Director said there is no need for executive session.

MOTION TO ADJOURN:

MOTION:	Commissioner Yacovelli
SECOND:	Commissioner Harbinson
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: September 26, 2016

12:00pm

Emily Koval, Assisting Secretary
Date Prepared: August 30, 2016