

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND  
OPEN MINUTES  
NOVEMBER 27, 2017  
GREENVIEW INN AT EASTLYN GOLF COURSE  
12:30 PM**

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Meeting of Executive Committee called to order by Gene Mercoli

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF 2017 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	Absent
Nicole Albanese	Bridgeton Board of Education	Present
Bryce Kell	Millville Board of Education	Present
Jerry Velazquez	Cumberland County Improvement Authority	Present
<b>Alternate #1</b>		
Kim Krauss	Middle Township	Absent

**PRESENT FUND PROFESSIONALS:**

**FUND ADMINISTRATOR:** PERMA Risk Management  
Paul Laracy  
Karen Kamprath  
Emily Koval

**FUND ATTORNEY:** Ken Harris

**FUND COORDINATOR:** Rich Allen  
Bob Allen  
Dina Murray  
Rick Alessandrini  
Abbie Carr  
Susan Dortu  
Gerry Cowan

**FUND TREASURER:** Mike Zambito

**AETNA:** Peggy Dennison

**AMERIHEALTH:** Mike Murphy

**FUND AUDITOR:**

**ALSO PRESENT**

Anthony Fanucci, AR Fanucci  
Paige Rumaker  
Peter Barnes

## **APPROVAL OF MINUTES: October 30, 2017 - Open**

### **MOTION TO APPROVE OPEN MINUTES OF OCTOBER 30, 2017:**

Moved:	Commissioner Bratty
Second:	Commissioner Albanese
Vote:	6 Ayes, 0 Nays,

### **EXECUTIVE DIRECTORS REPORT**

Executive Director introduced Mr. Vataha the Fund Actuary, Mr. Zambito the Fund Treasurer and Mr. DiBella who is an Executive Vice President at Conner Strong & Buckelew and leads the entire health benefits practice.

### **FAST TRACK FINANCIAL REPORTS - as of September 30, 2017**

Executive Director said the Fund gained \$626,000 in surplus for the month of September. He said the 2016 Fund Year still shows a small deficit, but he anticipates this will move into a surplus position by the end of the year.

### **AMERIHEALTH CLAIMS AUDIT**

Mr. DiBella said Conner Strong & Buckelew and Allen Associates have been closely monitoring the performance of AmeriHealth. He said after looking at this for over a year, it has been discussed with AmeriHealth to perform a statistically authentic claim audit. He said this is not an uncommon practice in which an outside entity will perform an audit to ensure compliance and accuracy. He said based on the partnership the Fund has with AmeriHealth, AmeriHealth has agreed to pay for the cost of the Audit. He said typically a random sample of claims are evaluated to make sure they were paid correctly. He said a second audit will then be completed once the new claims system is implemented. In response to Chair Mercoli, Mr. DiBella said it makes sense to look at the old system to make sure case management intervention and precertification's were handled properly and that they will be instituted a on the new platform accurately. In response to Chair Mercoli, Mr. DiBella said this Audit would specifically focus on the Coastal Fund.

### **BUDGET CERTIFICATION**

Executive Director said the budget has been certified by the Fund Actuary and has been filed with the State.

### **NEW MEMBERS - WATERFORD BOE AND SALEM COUNTY**

Executive Director said Waterford BOE and Salem County are included in the agenda for new membership approval. Executive Director said a potential new member is identified and then put through an internal underwriting process. He said the information is then sent to the Fund Actuary for review. Mr. Vataha said this process has been in place for all Fund's for the last 5 or 6 years. He said historical claims data is gathered, then plan designs and demographics are reviewed. He said a quote will not move forward until he signs off on what the actual rate will be. Executive Director said he then takes the claims number from the actuary and adds expenses, reinsurance and margin.

In response to Chair Mercoli, Mr. Vataha said the Fund average is really a benchmark that comes into play with smaller groups with no claims experience. He said he will usually ask for high claims activity and plan design to see what the driver is. Mr. Vataha said if the claim estimate is within 15% of the Fund average it can usually be traced to demographics or plan design. Fund Coordinator said the claims pick for Waterford includes RX while Salem County does not, so the averages are not the same. Mr. DiBella said there are a good number of proposals received that can easily be identified as not meeting the criteria of the Fund and do not make it to the process described.

In response to Commissioner Kell, Executive Director said he can provide a breakout of the pepm rx cost. Mr. Vataha said when comparing a new group's rate pick to the Fund average, even if it is running higher, as long as it is rate appropriately it does not necessarily make it a bad group for the Fund. In response to Chair Mercoli, Mr. Vataha said he would consider a small group less than 100 lives.

### **FUND COORDINATOR POSITION - NAME CHANGE**

Executive Director said a letter from the Allen Associates requesting a change to both their company name and HIF title was included. The new company name is Shared Health Alliance. They are also requesting to be named as the Program Manager of the Coastal Fund, rather than Fund Coordinator, which is consistent with the other Funds statewide. PERMA has received all required business registration, insurance documents, W9 and a staffing plan which are available upon request.

Mr. DiBella said the title of Program Manager is important as it is reflected in various filings. He said the reason Fund Coordinator was originally used was during the time Coastal was still part of the Southern Fund and a Program Manager already existed. Mr. Richard Allen said from a managerial standpoint, one of their functions is to recruit Broker's. He said at this time the only thing changing is the title, but the duties will be the same.

Executive Director said this can be part of the reorg agenda in January. Chair Mercoli said this can be voted on at the next meeting.

### **WELLNESS COMMITTEE**

Commissioner Bratty said the Committee will meet at a later date to discuss the Wellness Grant process.

## **FUND COORDINATOR REPORT**

### **NEW MEMBERSHIP**

Fund Coordinator said Estell Manor Board of Education has been approved by the Actuary but a start date has not been confirmed.

### **PROSPECTS**

Fund Coordinator said there are several prospects including Downe Township BOE, Cape May County Technical School, Elsinboro Board of Education, Maurice River Township Board of Education and Middle Township Board of Education.

### **AMERIHEALTH PRE-CERTIFICATION**

Fund Coordinator said the AmeriHealth claims were running higher but a few of the high claimants have dropped off. He said the audit should help dig deeper into this.

## **REORG MEETING DATE**

Fund Coordinator said the reorg meeting will be held on January 22, 2018 at 12:30pm in Vineland. Ms. Koval said the nominating committee will meet prior to the reorg meeting and a ballot will be sent out for voting purposes.

In response to Chair Mercoli, Fund Coordinator said the geographical boundaries of the Fund include Salem County. He said AJM came on as a broker and has several groups in that area.

## **AMERIHEALTH ID CARDS**

Amerihealth Administrators will be going through a system migration for January 1, 2018. As a result, all Coastal HIF members will receive new ID cards in December. In preparation for the system migration, PERMA has been meeting with Amerihealth to ensure no the process goes smooth for all members. Member ID numbers will not be changing, but additional information for claims processing will be included on the new ID cards. We ask that members be sure to give the new ID card to all providers beginning January 1<sup>st</sup>.

## **ID CARDS**

As a reminder to our current member groups, and also to the new groups which will be joining the Coastal HIF in the coming new year, 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

AmeriHealth Admin: 800-480-5031

Express Scripts ID cards: 800-305-1834 (for those groups with HIF Rx benefits)

Delta Dental: 800-452-9310 (for those groups HIF dental benefits)

## **VISION RFP UPDATE**

The MRHIF recently released an RFP for a stand-alone vision product which resulted in 3 proposals. The MRHIF has selected Aetna to be the vision provider. The vision plan is voluntary and there is no cost to the Fund or to members who do not implement the product. We are targeting a March 1<sup>st</sup> effective date and will provide additional details on plan design and pricing in 2018.

## **TELE-MEDICINE**

As discussed in the September meeting, both Coastal HIF medical carriers are rolling out Telemedicine programs at no additional administrative costs to the SHIF. Aetna members will have access to Teledoc and Amerihealth members will have access to MD Live. Members and their dependents can utilize the service for a \$0 copay. Communications will be electronically distributed to groups and brokers in early December.

## **ESI 2018 FORMULARY**

ESI has announced changes to the National Preferred Formulary (NPF) guide which will take effect on January 1, 2018. ESI has informed us (based on claim data for the last 130 days) there will be 103 members impacted by the changes. Impacted members will receive a mailing rom Express Scripts notifying them of their impacted medication and the preferred alternatives at least 45 days in advance of January 1st. Though medications will be excluded, the National Preferred Formulary allows for members who prove a clinical reason for not being able to take a covered alternative to continue to fill the non-formulary medication through an authorization process. In previous years, formulary updates have caused little member disruption, however we will work with groups who have affected members to assist with the transition. The updated guide excludes 46 multi-source brands including Benicar/Benicar HCT, Strattera and Vytorin.

**TREASURER-** Fund Treasurer reviewed the November Bills List and Treasurer’s report. He said \$4 million was transferred to Wilmington Trust and invested in Federal Securities. He said the Fund has a good blend of operating DBA accounts. He said the Fund is doing as well as can be expected in this interest rate environment.

**Resolution 27-17 November 2017 Bills List**

<b>FUND YEAR</b>	<b>AMOUNT</b>
<b>FY 2016</b>	<b>\$470,037.15</b>
<b>FY 2017</b>	<b>\$549,007.18</b>
<b>ALL FUND YEARS</b>	<b>\$1,019,044.33</b>

**FUND ATTORNEY-** Fund Attorney said he has nothing to report at this time.

**AETNA** – Ms. Dennison reviewed the September claims. She said there was a slight bump in claims for the month. She said the large claims report has a new format so it is more consistent with other reporting, and now includes the diagnosis. She said there were 5 large claims for September. In response to Chair Mercoli, Ms. Dennison said this is the paid amount.

**AMERIHEALTH ADMINISTRATORS** – Mr. Murphy reviewed the October claims. He said the claim average for 2017 is \$1,467.41 which is down from \$1,715.66 in 2016. He said there were 2 large claims for this reporting period.

Mr. DiBella said if the AmeriHealth audit starts in Early to Mid-January he hopes to be able to provide a report by March. He said the audit will focus on how they coded their new system which will tell if it was implemented properly.

**CONSENT AGENDA**

**MOTION TO APPROVE CONSENT AGENDA INCLUDING RESOLUTIONS 25-17, 26-17 AND 27-17:**

<b>MOTION:</b>	Commissioner Bratty
<b>SECOND:</b>	Commissioner Albanese
<b>VOTE:</b>	6 Ayes, Nays

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** Mayor Fanucci suggested considering adding a public comment at the beginning of the meeting so there is the chance to address an agenda item before it is voted on.

Chair Mercoli thanked the Fund professionals for their hard work in 2017.

**MOTION TO ADJOURN:**

<b>MOTION:</b>	Commissioner Bratty
<b>SECOND:</b>	Commissioner Kell
<b>VOTE:</b>	Unanimous

**MEETING ADJOURNED:** 1:00 PM

**NEXT MEETING:** January 22, 2018  
The Greenview Inn – Eastlyn Golf Course  
12:30pm