

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
MARCH 26, 2018
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 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	Present

ALTERNATE

Kim Krauss	Middle Township	Present
Trish Birmingham	Commercial Township	Absent

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Emily Koval

FUND ATTORNEY: Ken Harris

PROGRAM MANAGER: Shared Health Alliance
Rich Allen

FUND TREASURER: Absent

DEPUTY TREASURER: Lorraine Verrill

AETNA: Joe Rodrigues

AMERIHEALTH: Mike Murphy

ALSO PRESENT

Rick Alessandrini, Allen Associates
Lewis Thompson, Allen Associates
Dina Murray, Allen Associates
Gerald Cowan, Allen Associates
Abbie Carr, Allen Associates
Susan Dortu, Allen Associates
Daniel Peretti, Allen Associates
Robert Allen, Allen Associates
Karen Kamprath, PERMA
Joe Madera, Hardenbergh Insurance

Chuck Grande, Integrity Consulting Group
Mark Miller, Dennis Township
Dan Fox, Waterford Township
Mark Senior, Marsh & McLennan
Dr. Alfred Savio, West Cape May
Joe Meola, J. Byrne
Anthony Fanucci, AR Fanucci
John Hall, Woodstown Borough

APPROVAL OF MINUTES: January 22, 2018 - Open

MOTION TO APPROVE OPEN MINUTES OF JANUARY 22, 2018

Moved:	Commissioner Kell
Second:	Commissioner Albanese
Vote:	Unanimous

PUBLIC COMMENT - None

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports – as of January 31, 2018

Ms. Koval said the Fast Track for January shows a break even month. She said the preliminary results for February are more positive. She said there is still a slight delay with the AHA platform transition so the IBNR will be reviewed for February and adjusted accordingly.

REQUEST FOR QUALIFICATIONS

Ms. Koval said all professional service contracts are up for RFQ for 2019. We will be updating the RFQ formats to conform to State regulations and updating the Scope of Services sections for each contract. The contracts committee will meet in early May to review the changes.

OPERATIONS & NOMINATIONS

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND

Ms. Koval said the Municipal Reinsurance Health Insurance Fund met on February 14 to reorganize for 2018. She said an audit for Delta Dental was approved.

2018 MEL & MR HIF EDUCATIONAL SEMINAR

Ms. Koval said the 8th annual seminar is scheduled for Friday, April 20th beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs.

AETNA CLAIMS AUDIT

Ms. Koval said Aetna has provided all responses on recommendations made by the MRHIF claims auditor, Northshore International. Northshore and PERMA are reviewing the responses and we

expect to finalize the report shortly. As part of the process, we are reviewing coordination of benefits options with Aetna. If any changes in this area are to be made, we will present options and a recommendation to the Executive Committee.

AUDIT ENGAGEMENT LETTER

Ms. Koval said a copy of the annual audit engagement letter from Bowman and Company is included in the Agenda. She said we hope to have the audit finalized for the May meeting for filing by the June 30th deadline.

FINANCIAL DISCLOSURE STATEMENTS

Ms. Koval said Commissioners should anticipate the online filing of the Financial Disclosure forms as both a Southern Coastal Regional Employee Benefits Fund Commissioner, as well as any municipal related position that requires filing AND school board filings. It is expected the Division of Local Government Services will distribute a notice in March and forms will need to be filed by April 30th.

NEW MEMBER - MIDDLE TOWNSHIP BOARD OF EDUCATION

Ms. Koval said the Operations Committee met to review the new member submission for Middle Township BOE. She said the claims pepm is slightly higher than the Fund average but that will their assessment will be adjusted to account for that. Commissioner Albanese said she appreciates the review of the selection process for the new members and is comfortable recommending Middle Township BOE for approval.

WELLNESS AND CLAIMS COMMITTEE

WELLNESS GRANT APPLICATIONS - CUMBERLAND COUNTY TECH AND SALEM COUNTY

Ms. Koval said the Wellness Committee reviewed grant applications for Cumberland County Tech and Salem County. Salem County is new to the Fund and broker as of February 1. The County is very interested in developing a wellness program and would like to get started with an estimated budget, but will not be meeting with their broker until after this meeting. Since the Fund is not meeting until May, the Wellness Committee wanted to allow the group to work within a budget, but are requesting a fully developed application prior to any reimbursement. Therefore, the Committee is recommending a grant in the amount of \$16,000, contingent upon a detailed application from Salem County that will be fully reviewed by the Committee. Ratification of this decision will occur in May.

Chair Mercoli said Dennis Township BOE submitted a grant application in time but was not reviewed by the committee. He said he reviewed the application along with the other executive committee members and while it is not within the parameters he would like to conditionally approve pending Wellness Committee review. He said their maximum allotment would be \$7,500 but they are requesting \$20,000.

In response to Chair Mercoli, Ms. Koval said the MEL hosts a lot of the seminars and they do not have a lot of penetration in the Southern counties. She said she can recommend a separate seminar for Southern members. Chair Mercoli said this could also be a good addition at the School Board convention.

PROGRAM MANAGER'S REPORT

NEW GROUPS

Waterford Twp BOE, Effective 2/1/18

County of Salem, Effective 2/1/18

Alloway Township Board of Education, Effective 1/1/18

Allen Associates has been working with each group and their respective broker and implementation is ongoing for these new groups.

PROSPECTS

Program Manager said the prospect list is growing and there are currently 9 brokers working with Shared Health Alliance. He said there is one additional prospect from the Borough of Pennsgrove.

Downe Township Board of Education

- Received State Health Benefits claims
- Non-competitive quote due to claims experience

Cape May County Technical School

- Pending State Health Benefit experience information

Elsinboro Board of Education

- Pending quote

Maurice River Township Board of Education

- Requested claims

Middle Township Board of Education

- Proposal delivered
- Pending Board meeting

Weymouth Township Board of Education

- Proposal Delivered
- Pending board meeting

North Wildwood Board of Education

- Met with group
- Pending Board decision

Woodbine Board of Education

- Pending Proposal

City of Bridgeton

- Requested claims

COASTAL HIF MEETING DATES

May 21, 2018

July 23, 2018

September 24, 2018

October 22, 2018

November 26, 2018

January 28, 2019

HIF BROKERS

Allen Associates

AR Fanucci
Byrne Agency
Conner Strong & Buckelew
Cornerstone Insurance Group
Hardenbergh Insurance Group
Innovative Risk Solutions
Integrity Consulting Group
Marsh & McLennan

2018 SUB COMMITTEES

Finance & Contracts

Bryce Kell - Chair
Cherie Bratty
Pat Yacovelli

Operations & Nominations

Nicole Albanese - Chair
Kim Krauss
Jerry Velazquez

Wellness & Claims

Cherie Bratty - Chair
Bruce Harbinson
Trish Birmingham

CARRIER UPDATES

AETNA

Aetna has reached a new 3 year agreement with Inspira Medical Centers effective 3/1/18. As a result of this successful negotiation process, Inspira Medical Centers will continue to participate in Aetna's Southern New Jersey network.

There has been no interruption to member access because an agreement was reached before the contract's termination date.

Member letters were never released, therefore, retraction member letters are not necessary.

AMERIHEALTH

Mr. Murphy said the Audit is currently in process and everything is moving forward. He said the Auditor is scheduled to be onsite at AmeriHealth the first week of May. He expects to have an update at the May meeting. In response to Chair Mercoli, Ms. Koval said the Auditor will be on site about 2-3 weeks.

ESI UPDATES

As you may be aware from recent news stories, Cigna recently announced that it has entered into a definitive agreement to acquire Express Scripts for \$67 billion. PERMA had a call with the Express Scripts Account Team to discuss this. At this time there is limited information available, but they do not anticipate there to be much impact on current Express Scripts clients, such as the HIFs.

RITE AID - WALGREENS MERGER

As previously discussed, we are working with Express Scripts to identify impacted Rite-Aid pharmacies. We anticipate to have a list of these pharmacies in early April.

COMPLIANCE UPDATES

IRS - New 2018 HSA Contribution Limit

The IRS made a surprise announcement this week changing the maximum HSA contribution for family coverage to \$6,850 a decrease of \$50 (down from \$6,900) for 2018. The change poses operational and other issues for employer-sponsored HSA-qualified health plans as there was no warning and 2018 contributions began 2 months ago. Contributions collected over the new maximum may be subject to taxes and penalties. It seems likely that this increase was an unintended result of a provision in the new federal tax law. We will keep you apprised of any further updates on this new development.

ADMINISTRATIVE UPDATES

Spring Open Enrollment for school groups will begin Friday April 27 and end Friday May 18th for effective dates of change of July 1, 2018. As a reminder, all school groups will be receiving electronic guides which will be distributed by the Allen Associates & the Coastal enrollment team to the group enrollment contact. We ask all OE plan changes be entered into Benefit Express no later than Thursday May 24th. Please also note, we are asking for any plan changes or additions to be submitted no later than Friday April 13th.

In response to Chair Mercoli, Ms. Murray said if a member is actively negotiating changes can be made for the next available effective date.

In response to Chair Mercoli, Program Manager said the geographic region for the Coastal Fund is Salem, Cumberland, Cape May and Atlantic Counties. He said certain acceptations can be made for example Waterford BOE could not join the SHIF as they were at their membership cap.

TREASURER - Deputy Treasurer reviewed the bills list and treasurers report.

Confirmation of Payment - February 2018

FUND YEAR	AMOUNT
2017	\$14.95
2018	\$670,408.73
TOTAL	\$670,423.68

Resolution 17-18 March 2018 Bills List

FUND YEAR	AMOUNT
2018	\$693,395.31
TOTAL	\$693,395.31

FUND ATTORNEY- SENATE BILLS 1877/1878 - The federal government has eliminated the individual mandate for the purchase of health insurance and have also reduced subsidies to the individual market. Senate Bill 1877 would re-impose the mandate for NJ residents and 1878 would create a subsidy program to support that market.

Unfortunately, 1878 proposes to tax all insured and self-insured programs, including those operated by HIFs and the State Health Benefits Program, in order to fund the subsidies. Thus, while stabilizing the individual market, the bill could increase state and local taxes significantly, and increase already exorbitant unfunded liabilities for retiree coverage.

We are working with the MRHIF lobbyist and the League of Municipalities to exempt HIFs from this tax. We will keep you informed of our progress and of any help that may be needed to influence decision makers.

Fund Attorney said Senate bills 1877 and 1878 are essentially New Jersey's version of the ACA. He said 1877 would restore the individual mandate while 1878 would establish a surcharge on all insurance plans including HIF's to subsidize rates in the individual market. He said they are working the League of Municipalities and the MRHIF lobbyist to show why the HIF's should not be included.

AMERIHEALTH ADMINISTRATORS - Mr. Murphy reviewed the February 2018 claims. He said the pepm may appear low because of the migration and claims auditing there is currently backlog. He said the number should be normalized by the May meeting.

AETNA - Mr. Rodrigues reviewed said the total paid claims for 2017 was \$28.9 million. He reviewed the January 2018 claims. In response to Chair Mercoli, Mr. Rodrigues said the spike could be related to the new claims cycle and a slight increase in utilization. Program Manager said the February claims look much better. Mr. Rodrigues reviewed the dashboard report. He said Thomas Jefferson University purchased Kennedy Health system and Aetna is currently in negotiations to renew their contract. He said the average answer speed metric was missed for 2017 so the fund may be due payments back.

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED WITH THE CHANGES TO THE WELLNESS GRANT APPROVAL RESOLUTION:

MOTION:	Commissioner Yacovelli
SECOND:	Commissioner Albanese
VOTE:	6 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: Ms. Murray introduced Commissioner Fox from Waterford BOE. Mr. Hall an elected official from Woodstown said he is happy with how things have turned around in the Fund and appreciates the work everyone has done.

MOTION TO ADJOURN:

MOTION:	Commissioner Velasquez
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**SECOND:
VOTE:**

Commissioner Yacovelli
Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: May 21, 2018
Eastlyn Golf Course
12:30 pm