

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JANUARY 23, 2019
THE GREENVIEW INN AT EASTLYN GOLF COURSE
12:00 PM**

Meeting of Executive Committee called to order by Chair Yacovelli, Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2018 EXECUTIVE COMMITTEE:

Officers

Pasquale Yacovelli - Chair	Buena Regional Board of Education	Present
Cherie Bratty - Secretary	Upper Deerfield Board of Education	Present

Executive Committee

Bruce Harbinson	Cumberland Regional Board of Education	Present
Nicole Albanese	Bridgeton Board of Education	Present
Bryce Kell	Millville Board of Education	Absent
Jerry Velazquez	Cumberland County Improvement Authority	Present
Kim Krauss	Middle Township	Present

Alternates

Trish Birmingham	Commercial Township	Present
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PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR:

**PERMA Risk Management
Paul Laracy
Emily Koval
Brandon Lodics**

FUND ATTORNEY:

Douglas Long

FUND COORDINATOR:

**Rich Allen
Bob Allen
Susan Dortu
Dina Murray
Rick Alessandrini
Gerry Cowan
Abbie Carr
Danny Perretti
Lew Thompson**

FUND TREASURER:

Mike Zambito

DEPUTY TREASURER:

Lorraine Verrill

AETNA:

Joseph Rodrigues

AMERIHEALTH:

**Michael Murphy
Kristina Strain**

ALSO PRESENT

Marie Luzmig, Health Fairs Direct
Felicia Lucca, Health Fairs Direct
Megan Duffield, CCTEC
Gregory Grimaldi, Conner Strong & Buckelew
Thomas Rotondi, Middle Township
Scott Musterel, Vineland BOE
Billy Jo Livengood, Innovative Risk Services
Stephanie Kuntz, Hopewell BOE
Tom Byrne, J. Byrne Agency
Chuck Grande, Integrity Consulting Group
Joe Madera, Hardenburg Insurance Group
John Hall, Borough of Woodstown
Paige Rumaker, Dennis Twp
Dan Fox, Waterford Twp
Shay Richardson, Cumberland Charter Network

APPROVAL OF MINUTES: October 30, 2019 - Open

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 30, 2019

Moved:	Commissioner Albanese
Second:	Commissioner Bratty
Vote:	Unanimous

Executive Director said an election of officers will take place.

ROLL CALL OF 2018 FUND COMMISSIONERS

Southern Coastal Regional Employee Benefits Fund		
Commissioner	Member	
Shannon Dubois-Brody	Alloway Township BOE	Absent
Nicole Albanese	Bridgeton BOE	Present
Pasquale Yacovelli	Buena Regional BOE	Present
Molly O'Neill	City of Brigantine	Absent
Darren Harris	Commercial Township BOE	Absent
Christina Murphy	Cumberland Charter School Network	Absent
Gerard Velazquez	Cumberland County Improvement Authority	Present
Megan Duffield	Cumberland County Tech Ed	Present
Bruce Harbinson	Cumberland Regional BOE	Present
Paige Rumaker	Dennis Township BOE	Present
Stephanie Kuntz	Hopewell BOE	Present
Lisa DiNovi	Lawrence Township BOE	Absent
Mark Mallett	Lower Cape May Regional BOE	Absent
Kimberly Krauss	Middle Township	Present
Bryce Kell	Millville BOE	Present
Michael DiGiorgio	Pittsgrove Township	Absent
Cherie Bratty	Upper Deerfield BOE	Present
Todd D'Anna	West Cape May BOE	Absent
John Hall	Woodstown Borough	Present
John Washington	Penns Grove	Absent
Stacy Pennington	Salem County	Absent
Dan Fox	Waterford Township BOE	Present
Darrin Harris	Woodbine BOE	Absent
Scott Musterel	Vineland BOE	Present

Executive Director said a quorum is present and said the committee can consider nominations or the current slate of officers.

Commissioner Albanese said she is recommending the current slate with the addition of Trish Birmingham as an additional alternate.

Nominating Committee Recommendation

Member	Commissioner	
Buena Regional Board of Education	Pasquale Yacovelli	Chair
Upper Deerfield Board of Education	Cherie Bratty	Secretary
Cumberland Regional Board of Education	Bruce Harbinson	
Bridgeton Board of Education	Nicole M. Albanese	
Millville Board of Education	Bryce Kell	
Cumberland County Improvement Authority	Jerry Velazquez	
Hopewell BOE	Stephanie Kuntz	
Alternates		
Dennis Twp BOE	Paige Sharp - Rumaker	

MOTION TO APPROVE THE SLATE OF OFFICERS AS PRESENTED:

Moved: Commissioner Valasquez
Second: Commissioner Bratty
Vote: 13 Ayes, 0 Nays

Fund Attorney swore in the Executive Committee.

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

Pasquale Yacovelli - Chair	Buena Regional Board of Education	Present
Cherie Bratty - Secretary	Upper Deerfield Board of Education	Present
Bruce Harbinson	Cumberland Regional Board of Education	Present
Nicole Albanese	Bridgeton Board of Education	Present
Bryce Kell	Millville Board of Education	Present
Jerry Velazquez	Cumberland County Improvement Authority	Present
Stephanie Kuntz	Hopewell Board of Education	Present
ALTERNATE		
Paige Rumaker	Dennis Township Board of Education	Present

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports - as of November 30, 2018

Executive Director said the Financial Fast Track shows a profit for the month of November and throughout the entire year.

2019 REORGANIZATION - The Reorganization resolutions are included in the consent agenda for approval. Please note the following:

- #5-19 - May meeting is scheduled for the 3rd Wednesday to avoid conflict with the holiday
- #7-19 - Current Signatories - Pat Yacovelli, Cherie Bratty and Treasurer and/or D. Treasurer
- #8-19 - RMP - Note change in specific and aggregate attachment points. Executive Director said that the specific retentions have increased as they typically do each year.
- #9-19 - Current representatives: Pat Yacovelli and Bryce Kell. Executive Director said that both representatives have declined to be on the 2019 MRHIF board. There were no volunteers so the current representatives will serve until next month.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - MRHIF met in December and acted upon the following items.

1. MRHIF had contracted with Adler Associates to complete an audit of ESI's performance against discount and rebate guaranties for 2017. The audit was completed and verified that ESI met overall discount and pricing guaranties.
2. MRHIF also commissioned an audit of Delta Dental that confirmed accurate performance and recommended the implementation of contractual performance standards and improved procedures for coordination of benefits
3. The contract award to US Fire for reinsurance was ratified. This contract culminates a lengthy RFP process that was instituted due to the withdrawal of Munich Re. from the American health reinsurance market.

4. The 2019 budget was adopted with an overall reduction of 6.19%.
5. The Executive Committee requested a review of the marketing contract to assess its effectiveness and relevancy. Since then, the report was received and included for your review.

In addition, the current chairman and secretary of the MRHIF are both retiring thus presenting the need for new executive committee leadership for 2019 and thereafter.

Coastal HIF is scheduled to renew its 3 year membership in the MRHIF and the authorizing resolution is included in the consent agenda.

A4 SURCHARGE - For 2019, the A4 Retiree Surcharge, imposed by the State, will drop to 2% of medical claims from the prior level of 2.3%. Executive Director said although this tax is unfounded, the decrease is good news.

AMERIHEALTH CLAIMS AUDIT- The process of identifying, clarifying and / or correcting issues is continuing. Attached is a summary of the status of various items that have been identified, corrected, or are still in process. Executive Director said the findings will be reviewed during Amerihealth's report.

CLAIMS AGENT CONTRACT RENEWALS - We have completed negotiations with claims agents for the CJHIF and other HIFs with the following outcomes:

1. Aetna
 - o 1 year agreement
 - o Fees will remain at \$51.32 per employee per month
 - o \$1.25 per employee per month can be refunded for wellness and marketing expenses
2. Amerihealth
 - o 1 year agreement
 - o Fees will remain at \$42 per employee per month
 - o \$1.25 per employee per month is ceded for wellness and marketing expenses
 - o Contract will now include performance standards
3. Delta Dental
 - o 1 year agreement
 - o Fees will increase from \$3.10 to \$3.12 per employee per month.
 - o Performance guaranties will be added to the agreement.

For Express Scripts, we are finishing the first year of a 3 year agreement awarded by MRHIF. However, this agreement allows for a market check and possible renegotiation that will take place in the first half of 2019.

Resolution 1-19 awarding TPA contracts under the Extraordinary Unspecified Services is included in the consent agenda.

MIDDLE TWP AND WOODSTOWN BOROUGH - Middle Township has withdrawn from the HIF effective 3/1/2018 and will enroll in the State Health Benefits Program. Recent reductions in SHBP retiree cost improved the cost effectiveness of this option for Middle.

In October, as recommended by the Finance Committee, the 2019 budget was adopted on the assumption that Middle Township would use \$232,000 of the Fund's loss fund contingency towards reduce its rates to keep them from leaving the Fund for the State. Woodstown was also faced with the

same predicament due to the SHBP competitive renewal. Woodstown was offered \$60,000 of the loss fund contingency towards rate reduction. The 2019 budget could have sustained accommodations for both towns, but only Woodstown accepted. This rate reduction needs to be ratified.

MOTION TO APPROVE \$60,000 OF THE ORIGINALLY APPROVED TRANSFER FROM LOSS FUND CONTINGENCY LINE OF THE 2019 BUDGET TO MIDDLE TOWNSHIP TO BE TRANSFERRED TO WOODSTOWN BOROUGH WHILE THE REMAINING \$172,000 WILL BE MOVED BACK TO THE LOSS FUND CONTINGENCY LINE

Moved:	Commissioner Harbinson
Second:	Commissioner Bratty
Vote:	8 Ayes, 0 Nays

Commissioner Hall thanked the Committee for the offer.

PROGRAM MANAGER REPORT

- New Groups for 2018
 - Vineland Board of Education
 - Waterford Board of Education
 - Salem County
 - Penns Grove Borough
 - Alloway Twp Board of Education
 - Woodbine Board of Education

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

- Prospects
 - Cape May County Technical School
 - Pending State Health Benefit experience information
 - Weymouth Township Board of Education
 - Claims letter sent to group
 - Ocean City Board of Education
 - Proposal Delivered
 - Pending decision
 - Vineland Housing Authority
 - Pending presentation to group
 - Greenwich Township Board of Education (Cumberland County)
 - Claims letter submitted to SEHBP
 - Fairfield Township Board of Education
 - Requesting claims

- Middle Township Board of Education
 - Submitted for HIF quote

- Wellness

- Biometric Screenings Vendor selected to be *Health Fairs Direct*, Maria Leamy/Sales Director.

Ms. Leamy reviewed the services of health fairs direct and had program materials which were distributed. She was available for questions during and after the meeting.

- Wellness grants modifications are pending for Vineland BOE due to their size.

- Wellness Grants Approved to Date:

<u>Group</u>	<u>Total Requested</u>	<u>Total Approved</u>	<u>Meeting Month Approved</u>
West Cape May BOE	\$ 2,932.00	\$ 2,932.00	January
Dennis Township	\$ 15,000.00	\$ 7,500.00	March
Waterford Twp BOE	\$ 7,000.00	\$ 7,000.00	May
Cumberland Tech Ed	\$ 6,300.00	\$ 6,300.00	March
Salem County	\$ 16,000.00	\$ 16,000.00	March
Bridgeton BOE	\$ 20,000.00	\$ 20,000.00	July
Middle Twp	\$ 10,000.00	\$ 10,000.00	September
Total		\$ 69,732.00	
Total Budget		\$ 100,000.00	
Balance through 12/31/18		\$ 30,268.00	

Ms. Murray said that Vineland BOE was approved but not listed.

- Coastal HIF Meeting Dates

- January 28, 2019
- March 25, 2019
- May 20, 2019
- July 22, 2019
- September 23, 2019
- October 28, 2019
- November 25, 2019
- January 27, 2020

- HIF Brokers

- Allen Associates

- AR Fanucci
- Byrne Agency
- Conner Strong & Buckalew
- Cornerstone Insurance Group
- Hardenbergh Insurance Group
- Innovative Risk Solutions
- Integrity Consulting Group
- 2019 Committees
 - Finance & Contracts
 - Bryce Kell - Chair
 - Jerry Velazquez
 - Pat Yacovelli
 - Operations & Nominations
 - Nicole Albanese - Chair
 - Kim Krauss
 - Jerry Velazquez
 - Wellness & Claims
 - Cherie Bratty - Chair
 - Bruce Harbinson

REMINDERS: Ms. Murray reviewed the following items:

ELIGIBILITY/ENROLLMENT:

Please direct any eligibility, enrollment, or system related questions to our dedicated HIF enrollment team. The team can be reached by email at coastalenrollments@permainc.com

MONTHLY BILLING:

As a reminder, please be sure to check your monthly invoice for accuracy. *Please confirm the invoice detail as retro adjustments are limited to two months by Fund policy.* If you find a discrepancy, please report it to the HIF eligibility/enrollment team coastalenrollments@permainc.com

END OF YEAR REPORTING UPDATE

As a courtesy to Fund members, PERMA has provided these reports to the designated enrollment contacts:

- ***Dependent Age Out Reports*** - for the entities with dependent children terminating coverage at the year of the year in which they turn 26.
- **Affordable Care Act Reporting:**
 - W2 Reporting*** - report of "billed premium," per individual enrolled in plan in CY 2018.
 - 1095 A/B*** - Benefits Express Extract of employees and dependents enrolled in the plan throughout CY 2018.

LEGISLATIVE UPDATES

As a reminder, the following State mandates were approved in 2018 and were implemented effective January 1, 2019.

- **NJSA 2793- 3-D Mammography Preventive Service Mandate**
- **NJSA 2297- Extended Contraceptive Benefit**
- **Updated NJSA 3753 - NJ Newborn Mandate**

A4 Surcharge

- **A4 SURCHARGE**

For 2019, the A4 Retiree Surcharge, imposed by the State, will drop to 2% of medical claims from the prior level of 2.3%. If anyone needs any assistance with submitting their annual notice to the DOP, please contact Dina Murray, dina@allenassoc.com.

CARRIER UPDATES:

AETNA

- 1) **CVS ACQUISITION**

The Department of Justice issued a consent decree which will allow CVS Health's acquisition of Aetna to proceed. It is our understanding that Aetna and CVS Health will continue to operate as separate companies until the acquisition is complete. At this time it continues to be "business as usual".

- 2) As previously reported Aetna issued new ID cards to the majority of their population due to an administrative update. In Mid-December PERMA reached out to enrollment contacts for every entity with members impacted. The communication is included in your agenda packet. All members received new ID cards as anticipated. There were no known disruptions to any members as a result of this action.
- 3) As a reminder, effective January 1, 2019 LabCorp is now a participating lab with Aetna, along with Quest Diagnostics.

AMERIHEALTH

As you may already know, a formal complaint against AmeriHealth concerning claims for ER visits was fully investigated and an agreeable solution was reached. AmeriHealth determined a line of coding in their claims system was not listed correctly. This was resolved and impacted claims were reprocessed for the districted which noticed the error. AmeriHealth is working to identify impact on the entirety of the HIF and will report back in the next SHIF meeting. Any impacted members will be notified directly and claims will be adjusted.

For Groups with Express Scripts RX Plans in the HIF Only:

Express Scripts

SafeGuard Rx- Migraines Care Value - effective 1/1/2019 ESI implemented a new disease management program for migraine patients. The program is designed to ensure that patients are receiving the most appropriate and cost-effective treatment for their migraines. It is a pro-active response to a new class of medications, Calcitonin Gene-Related Peptide inhibitors (CGRP) that were recently approved by the FDA or are in the pipeline for approval in the near future. There are currently eleven members in SHIF utilizing the impacted medications

On 12/18/18 Express Scripts and Cigna received regulatory approval, allowing them to move forward with their merger. The entities will continue to operate individually, and we expect there to be no member impact

ADMINISTRATIVE AUTHORIZATIONS:

APPEALS:

Type	Reason/Description	Outcome
Medical	Benefit Application	Denial Overturned
Medical	Benefit Application	Denial Overturned

SPECIAL OPEN ENROLLMENT:

The Borough of Woodstown requested a special open enrollment with a February 1st effective date. Following completion of negotiations, the Borough would like to allow members an opportunity to move from the Aetna HMO to the Aetna Open Access plan.

MOTION TO APPROVE SPECIAL OPEN ENROLLMENT FOR WOODSTOWN BOE TO ALLOW ONLY TRANSITION FROM HMO TO OPEN ACCESS

Moved: Commissioner Harbinson
Second: Commissioner Bratty
Vote: 8 Ayes, 0 Nays

TREASURER - Fund Treasurer thanked the Fund for reappointment. Deputy Treasurer reviewed the December 2018 and January 2019 Bills List.

Confirmation of Payment - November 2018

FUND YEAR	AMOUNT
2018	\$967,825.58
TOTAL	\$967,825.58

Confirmation of Payment December 2018

FUND YEAR	AMOUNT
2018	\$972,266.41
TOTAL	\$972,266.41

Resolution 14-18 January 2019 Bills List

FUND YEAR	AMOUNT
2018	\$12,852.54
2017	\$962,038.04
TOTAL	\$974,890.58

FUND ATTORNEY- Program Manager introduced the new Fund Attorney, Mr. Long.

AMERIHEALTH ADMINISTRATORS - Mr. Murphy reviewed the December 2018 claims He said he will send the dashboard report separate.

Program Manager said the claims have gone down since 2016 but are still on the higher end.

AETNA - Mr. Rodrigues reviewed the claims and high claimant report.

CONSENT AGENDA - The Committee reviewed the consent agenda and approved, as discussed.

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED:

MOTION:	Commissioner Bratty
SECOND:	Commissioner Albanese
VOTE:	9 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: Program Manger said that Mr. Mercoli will be the new Commissioner for Vineland BOE.

MOTION TO ADJOURN:

MOTION:	Commissioner Bratty
SECOND:	Commissioner Harbinson
VOTE:	Unanimous

MEETING ADJOURNED: 1:30 pm

NEXT MEETING: March 25, 2019
Eastlyn Golf Course
12:30 pm