

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
JANUARY 18, 2017
BRIELLE BOROUGH MUNICIPAL BUILDING
1:30 PM**

Meeting called to order by Chairman Thomas Nolan. The Open Public Meeting notice read into record.

PLEDGE OF ALLEGIANCE

MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER

ROLL CALL OF 2016 EXECUTIVE COMMITTEE:

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
William Rieker	Township of Lakewood	Present
EXECUTIVE	COMMITTEE	
Joseph Gilsean	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
Adam Hubeny	Borough of Atlantic Highlands	Present
Eugenia Poulos	Township of Red Bank	Present
Donato Nieman	Township of Montgomery	Present
ALTERNATES:		

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval	Present Present
Program Manager	Conner Strong & Buckelew	Brandon Lodics Marybeth Visconti Maggie Friel	Present Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Present
Network & Medical Claims Service	Qualcare Inc.	Gary Epstein	Present
Network & Medical Claims Service	Aetna	Peggy Dennison	Present
Dental Claims Service	Delta Dental	Amy Lehrer	Absent
Rx Administrator	Express Scripts	Jeff Basile	Present
Auditor	Holman & Frenia	Rodney Haines	Absent

OTHERS PRESENT:

Jim Diaz, Jackson Township MUA
Eric Sorchik, Plumsted Township
Eva Bivano, Red Bank
Trina Lindsey, Bedminster
Bill Coy, Interlaken
Brian Valentino, WMUA
Steve Acropolis, TRMUA
Dom Cinelli, Brown & Brown
Joseph Zanga, South River
Suzanne Veitengruber, Shrewsbury Township
Brian Brach, MRRSA
Charles Casagrande, Danskin
Alison Kelly, Danksin

CORRESPONDENCE: None

APPROVAL OF MINUTES: NOVEMBER 16, 2016 OPEN:

MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 16, 2016:

MOTION:	Commissioner Rieker
SECOND:	Commissioner Hubeny
VOTE:	Unanimous

ADJOURN SINE DINE MEETING - Chairs vacated - Chairman Nolan asks Executive Director to run meeting.

MOTION TO ADJOURN SINE DIE MEETING:

MOTION:	Commissioner Gilseman
SECOND:	Commissioner Nieman
VOTE:	Unanimous

ROLL CALL OF 2017 FUND COMMISSIONERS:

MEMBER	COMMISSIONER/CONTACT	ALTERNATE	
ATLANTIC HIGHLANDS BOROUGH	Adam Hubeny	Beth Merkel	Present
BOROUGH OF ALLENTOWN	Laurie Gavin		Absent
BOROUGH OF RED BANK	Eugenia Poulos	Eva Biviano	Present
BRIELLE BOROUGH	Tom Nolan		Present
ENGLISHTOWN BOROUGH	Peter Gorbatuk		Absent
LAKWOOD TOWNSHIP	William Rieker		Present
MANASQUAN RIVER REG'L SEWERAGE AUTH	Brian Brach		Present
MANCHESTER TOWNSHIP	Dianne Lapp		Present
PLUMSTED TOWNSHIP	Eric Sorchik	Joe Pryzwara	Present
SHIP BOTTOM BOROUGH	Mark Pino		Present via CC
TOWNSHIP OF SHREWSBURY	suzanne veitengruber		Present 1:48pm
BRICK TOWNSHIP	Joseph Gilsenan		Present
BOROUGH OF MANASQUAN	Tom Flarity	Mayor Richard Dunne	Present
BOROUGH OF INTERLAKEN	Bill coy		Present
BOROUGH OF SPRING LAKE	Bryan Dempsey		Absent
TOWNSHIP OF ABERDEEN	Angela Morin		Absent
BOROUGH OF MATAWAN	Louis Ferrara		Absent
EATONTOWN SEWERAGE AUTHORITY	Theodore Lewis		Absent
TOWNSHIP OF MONTGOMERY	Donato Nieman	Susan Smith	Present
TOWNSHIP OF BEDMINSTER	Judith Sullivan	Trina Lindsey	alt. Present
WEST LONG BRANCH TOWNSHIP	Lori Cole		Absent
KEYPORT BOROUGH	Valerie Heilweil		Absent
TOMS RIVER MUA	Steven Acropolis	Cindy Toye	Present
SEASIDE HEIGHTS BOE	Kevin O'Shea		Absent
WESTERN MOUNMOUTH MUA	Brian Valentino		Present
Lakewood Fire District	Yehuda Beer		Absent
Harvey Cedars	Daina Dale		Absent
Jackson MUA	james diaz		Present
Brick Housing Authority			Absent
Borough of Oceanport	Raymond Poerio		Absent
South River	Frederick Carr	Joseph Zanga	alt. Present

A quorum of Fund Commissioners was achieved. The following nomination was presented and unanimously adopted.

Ms. Koval read the current 2017 Executive Committee Slate.

Nomination of Chairperson: Thomas Nolan

Nomination of Secretary: William Rieker

Nomination of Executive Committee: Joseph Gilsenan
Diane Lapp
Adam Hubeny
Eugenia Poulos
Donato Nieman

Nomination of Alternates:

Brian Valentino

Brian Brach

MOTION TO APPROVE NOMINATION OF 2017 EXECUTIVE COMMITTEE, AS READ

MOTION: Commissioner Hubeny
SECOND: Commissioner Gilsenan
VOTE: 9 Ayes, 0 Nays

Oaths of Office distributed, and Fund Attorney swore in the 2017 Executive Committee.

ROLL CALL OF 2017 EXECUTIVE COMMITTEE

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
William Rieker	Township of Lakewood	Present
EXECUTIVE	COMMITTEE	
Joseph Gilsenan	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
Adam Hubeny	Borough of Atlantic Highlands	Present
Eugenia Poulos	Borough of Red Bank	Present
Donato Nieman	Township of Montgomery	Present
ALTERNATES:		
Brian Valentino	Western Monmouth MUA	Present
Brian Brach	Manasquan River Regional SA	Present

EXECUTIVE DIRECTOR’S REPORT

Financial Fast Track – Executive Director reviewed the Financial Fast Track through November 2016 which showed a surplus over 20 million. He said prescription trends are decreasing which resulted in a good renewal in 2017. He said preferably, he’d like to wait until the annual audit is complete, but a decent dividend may be considered.

REORGANIZATION RESOLUTIONS – The Reorg resolutions were included in the consent agenda. Ms. Koval reviewed the resolutions that needed completion. The Committee agreed to continue with the MRHIF representation from Commissioner Hubeny and Lapp as Commissioner and Alternate, respectively.

Executive Director reviewed the Risk Management Plan. In response to Commissioner Hubeny, Executive Director said that a few years ago, the Fund decreased its self insured retention to the MRHIF because of loss of membership, but since then has been increasing it by \$25,000 each year.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - The Municipal Reinsurance Health Insurance Fund has met on December 14, 2016 to adopt the 2017 budget in the amount of \$13,153,856,

which was passed unanimously. The Central Jersey Health Insurance Fund assessment to the MRHIF is \$1,146,845. In addition, results from the RFQ for PBM Consultant were received and will be awarded to Adler Consulting in January

Commissioner Hubeny's report was included in Appendix II. Commissioner Hubeny said he had questioned the return on investment for the PBM consultant, which he said he was told that there were significant rebates that were unpaid through this audit. In addition, the new contract that he negotiated resulted in a 5% decrease and new rebate standards, without extending the term.

2017 COMMITTEE APPOINTMENTS - Below are the standing Committees that were appointed in 2016. If a Commissioner is interested in joining a committee, please reach out to Emily Koval or Chair Nolan. Commissioner Gilsenan was added to the claims committee.

Finance & Contracts Committee

Tom Nolan, Chair
Eugenia Poulos
William Rieker

Wellness and Plan Design Committee

Diane Lapp, Chair
Joseph Gilsenan
Eugenia Poulos

Claims Committee

William Rieker, Chair
Joe Gilsenan
Diane Lapp

Nominating Committee

Adam Hubeny, Chair
Joseph Gilsenan

BRICK HOUSING AUTHORITY - Effective January 1, 2017, the Brick Housing Authority separating from Brick Township and has become its own member of the Central Jersey Health Insurance Fund for prescription only. There is a new broker which is included on resolution 13-17. A resolution accepting membership is also included in the consent agenda.

MEDICARE ADVANTAGE RX PLANS - At our November meeting, you authorized us to proceed with this program for all members with Rx plans for Medicare retirees. The plan was subject to confirmation of pricing from Aetna. Aetna was able to confirm pricing for Brick's Rx plan, but not for other CJ HIF members. Therefore, we are proceeding with the Brick plan implementation on 3/1/2017 with a savings of \$250,000. We believe that this option remains a positive one for all members for 2018 and thereafter.

PROGRAM MANAGER'S REPORT

Program Manager introduced Marybeth Visconti who will be working on the Central Jersey HIF.

MONTHLY BILLING - As a reminder, please be sure to check your monthly invoice for accuracy. If you find a discrepancy, please report it to the CJHIF enrollment team.

The Fund's policy is to limit retro corrections, *including terminations*, to 60 days.

ID CARDS - As a reminder, PERMA no longer has direct carrier system access to order ID cards for members.

AFFORDABLE CARE ACT UPDATE - The IRS has [announced](#) a 30-day automatic extension for the furnishing of 2016 IRS Forms [1095-B](#) (Health Coverage) and [1095-C](#) (Employer-Provided Health Insurance Offer and Coverage) to individuals, from January 31, 2017 to March 2, 2017. "Automatic" means that requests for extension do not have to be sent to the IRS. According to the IRS, further extensions of the due date will not be available. The IRS will also not be formally responding to extensions that have already been requested by reporting entities.

Due Date Not Extended for IRS Reporting. IRS has also confirmed that the due date is NOT extended for filing 1094s and 1095s with the IRS, which remains February 28, 2017 if not filing electronically, and March 31, 2017 if filing electronically. Automatic extensions will still be available by filing a [Form 8809](#).

The IRS also indicates that, while failure to furnish and file the Forms on a timely basis may subject employers and other coverage providers to penalties, such entities should still attempt to furnish and file even after the applicable due date as the IRS will take such action into consideration when determining whether to abate penalties.

REPORTING CHART

2016 Report	Original Deadline	Extended Deadline
Forms Sent to Individuals Form 1095-B Form 1095-C	January 31, 2017	March 2, 2017
Forms Filed with the IRS Forms 1094-B and 1095-B Forms 1094-C and 1095-C	February 28, 2017 - paper March 31, 2017 - electronic	N/A N/A

Good Faith Transition Relief Provided for 2016 Reporting. Additionally, the IRS announced that good faith reporting standards will apply for 2016 reporting. This means that reporting entities will not be subject to reporting penalties for incorrect or incomplete information if they can show that they have made good faith efforts to comply with the information-reporting requirements for 2016 (both for furnishing to individuals and for filing with the IRS). This relief applies to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement. No relief is provided in the case of reporting entities that do not make a good-faith effort to comply with the reporting requirements or where there has been a failure to file an information return or furnish a statement by the applicable due date (as extended).

Individual Taxpayer Reporting. The notice also explains that because of the extension, some employees and other taxpayers may not receive a Form 1095-B or Form 1095-C by the time they are ready to file their 2016 tax return. Taxpayers may rely on other information received from their employer or other coverage provider for purposes of filing their returns, including determining eligibility for the premium tax credit. Thus, employers who take advantage of the extension and receive employee requests for 2016 Forms 1095-C before the extended due date should refer their employees to the [IRS guidance](#).

This IRS announcement provides welcome relief for plan sponsors facing significant challenges in consolidating year-end data in time to satisfy the original January 31, 2017 furnishing deadline. Please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220 with

any questions. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).

SECURITY BREACH - QUEST DIAGNOSTICS

Aetna

Quest Diagnostics Incorporated (Quest) announced it is investigating an unauthorized third-party intrusion that might have compromised the protected health information of approximately 34,000 individuals. Quest addressed the vulnerability, took steps to prevent further incidents, and sent written notice to affected individuals.

Data from biometric screening programs is not a part of this breach because the systems are completely isolated and separate.

We are working with Quest to determine if any of the patients impacted were Aetna members. There is no indication that the compromised information has been misused in any way, but we will continue working with them to make sure they take every reasonable step to protect sensitive information and reestablish confidence in their system.

We encourage anyone with additional questions to read the announcement on the Quest website and review the attachments below for more information. Anyone with concerns can call the dedicated toll-free number Quest established for this incident. The number is (888) 320-9970, and can be reached Monday through Friday between 9:00 a.m. and 7:00 p.m. Eastern Time.

EXPRESS SCRIPTS FORMULARY UPDATE

Express Scripts recently completed its annual formulary review, and the following drug list exclusions will go into effect for your member population on January 1, 2017.

New Exclusions		
COLCHICINE	KINERET	ORENCIA
TALTZ	ZYCLARA	

Express Scripts will send a letter to the affected members advising of this change and include the suitable alternatives for them to discuss with their physician. Clinical exceptions can also be reviewed if requested by the physician.

The complete communication notice from Express Scripts has been included in this packet for your review

COMPOUND MANAGEMENT UPDATE- EXPRESS SCRIPTS

On December 1, 2016, Express Scripts will add all non-hormonal topical creams to the compound exclusion list. The vast majority of these compounds appear to be prescribed for unproven uses.

Below is a list of top 20 non-hormonal topical utilized in compounds.

Top 20	
diclofenac sodium	levocetirizine dihydrochloride
lidocaine-prilocaine	fluticasone propionate
Gabapentin (excluded Q1 2016)	ketoprofen
meloxicam	urea
duloxetine Hcl	EnovaRX-Baclofen™
lidocaine	fluocinonide
topiramate	mupirocin
amitriptyline Hcl	Voltaren®
lamotrigine	livixil pak
imiquimod	baclofen

ADMINISTRATIVE AUTHORIZATION - An appeal was filed in December for a member who utilized a Participating Surgeon. The surgeon contracted with an out of network assistant without the patient's knowledge. The Program Manager authorized the TPA to make additional payment for the balance billed amount to hold the member harmless. Program Manager said this is a common appeal situation.

WELLNESS GRANT PROGRAM - Enclosed is the proposed 2017 Grant application for members. This year, the budget included \$100,000 for health and wellness purposes. We have wellness professionals at Conner Strong that will be available to assist in the grant selections. If approved, we will send out this week and ask for all interested groups to return applications by mid February.

QUALCARE SERVICE - Commissioner Hubeny said he has had issue with a Qualcare releasing information to his human recourses representative at the borough. Mr. Epstein said that he would like to work this out and will send a HIPPA form to the HR rep for each individual so they can inquire on their behalf.

TREASURER -

December 2016 - Confirmation of Payment

FUND YEAR 2016	\$471,633.23
TOTAL ALL FUND YEARS	\$471,633.23

JANUARY 2017 - Resolution 14-17

FUND YEAR 2016	\$1,791.50
FUND YEAR 2017	\$388,848.29
TOTAL ALL FUND YEARS	\$390,639.79

ATTORNEY: Fund Attorney thanked the committee for his reappointment

QUALCARE: Mr. Epstein reviewed the monthly claim reports and high claimant reports.

AETNA: Ms. Dennison thanked the committee for reappointment. She reviewed the claims for September, October and November which were consistent. She reviewed the third quarter results for the flex management model. She said the dashboard report shows a missed metric for claim accuracy which does affect the contracted performance guarantees. She said this was not HIF related, but their performance is rated on the entire service location, which includes their entire public and labor book of business.

EXPRESS SCRIPTS: Mr. Rostkowski said that the December report shows positive trends over the entire year. He said the generic fill rate is also increasing, which produces savings. There was a market check at the end of the contract year which produced increased rebates. He said there were some pharmacies that make FDA approved compounds that automatically send out refills, even when they were not requested, causing there to be an over fill of prescriptions. ESI has put restrictions on these auto-fills for compound medications.

DELTA DENTAL: No Report

NEW BUSINESS: None

OLD BUSINESS: None

PUBLIC COMMENT: None

MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:

MOTION:	Commissioner Donato
SECOND:	Commissioner Gilseman
VOTE:	9 Ayes, 0 Nays

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Hubeny
SECOND:	Commissioner Lapp
VOTE:	Unanimous

MEETING ADJOURNED: 2:15 pm