

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
JULY 20, 2016
BRIELLE BOROUGH MUNICIPAL BUILDING
1:30 PM**

Meeting called to order by Acting Chair William Rieker. 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	Absent
Adam Hubeny	Borough of Atlantic Highlands	Absent
Eugenia Poulos	Township of Red Bank	Present (1:47)
Donato Nieman	Township of Englishtown	Present
ALTERNATES:		

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval Karen Kamprath	Present Present Present
Program Manager	Conner Strong & Buckelew	Brandon Lodics Jeanne Frank Maggie Friel Max Hollander	Present 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	Kim Ward	Present
Dental Claims Service	Delta Dental	Amy Lehrer	Absent
Rx Administrator	Express Scripts	Jim Bieber Ken Rostkowski	Present Present
Auditor	Holman & Frenia	Rodney Haines	Absent

OTHERS PRESENT:

Cindy Toye, Toms River MUA
Anthony Tonzini, Integrity Consulting Group
Chuck Grande, Integrity Consulting Group
Fred Carr, South River
Cindy Lisa, Danskin
Charles Casagrande, Danskin

CORRESPONDENCE: None

APPROVAL OF MINUTES: MAY 18, 2016 OPEN:

MOTION TO APPROVE OPEN MINUTES OF MAY 18, 2016, AS AMENDED:

MOTION: Commissioner Nieman
SECOND: Commissioner Gilsenan
VOTE: 3 Ayes, 0 Nays, 1 abstain (Chair Nolan)

EXECUTIVE DIRECTOR:

- **Fast Track Financial Report** - as of May 31, 2016
- **Cash Flow Report** - as of May 2016

Executive Director said the statutory surplus shows the Fund is up 2.1 million for the year which reflects a dividend from the MRHIF. He said Lakewood is off to a very good start with \$853,000 in surplus.

DIVIDEND CONSIDERATION - Due to positive financial results, the CJHIF can consider a dividend.

Dividend Availability Review	Fund Standard	
	2 Months of Claims as Surplus	
Surplus as of 12/31/2015	\$	17,935,590
Less Share of Former Members	\$	(3,515,209)
Surplus Retention Objective	\$	(6,935,750)
Available For Dividends	\$	7,484,631

The amount recommended for a dividend is equal to roughly 1/5th of the amount available - \$1,500,000. This approach is intended to assure that a dividend can be sustained in future years if financial results are stable.

Executive Director said \$7.5 million could be declared as a dividend, however he recommends \$1.5 million because it could be sustained over a few years if each Fund Year broke even. He said the Finance committee met and has agreed to this amount. He said the distribution by member was

included with the resolution. Chair Nolan said the Committee agrees to have a steady release of funds, rather than one large one and possibly not receiving one for many years thereafter.

CJ HIF Dividends by Year	
2004	\$ 1,000,000
2005	\$ 1,500,000
2006	\$ 725,000
2007	\$ 1,000,000
2008	\$ 1,500,000
2009	\$ 2,000,000
2010	\$ 2,000,000
2011	\$ 2,000,000
2012	\$ 2,000,000
2013	\$ -
2014	\$ 741,000
2015	\$ 1,000,000
2016 (Proposed)	\$ 1,500,000
Total	\$16,966,000

ADMINISTRATION

AETNA CONTRACT - The Aetna contract has been finalized and was included in the Agenda for signature. Executive Director said one new item included in the contract is performance standards for Aetna.

Central Jersey Health Insurance Fund Program Manager’s Report

Program Manager introduced Maggie Friel and Max Hollander.

BROKER EMAIL BOX - We are excited to announce that we’ve added a new member to our team! Maggie Friel is an Employee Benefits Specialist with over 15+ years experience in the Employee Benefits Industry. Her role will include acting as a liaison between insurance carriers and clients to resolve claim issues and billing inquiries and performing benefit provision research, as well as assisting our broker partners when they bring these inquiries into the Broker Email Box. We are certain that our dedicated efforts will continue to streamline broker inquires and provide increased response time and data tracking.

STATE HEALTH BENEFITS (SHBP) UPDATE - The SHBP cancelled their renewal meetings originally scheduled for July 6 and July 13 until further notice. No additional information has been provided at this time, but will notify the Fund when the renewal is released.

PHARMACY SERVICE UPDATES:

1. *Step Therapy and Prior Authorization FAQ* - in partnership with Express Scripts, we have developed FAQs which will be mailed direct to members actively enrolled and participating in these programs.

Receipt should be expected throughout the month of July. If you'd like to receive an electronic version of these communication pieces, please reach out to Jeanne Frank.

2. *CJHIF Specific Call Center, August 1, 2016*- a communication is currently being mailed direct to actively enrolled members advising of this new customer service number which will be notated on the new ID cards that they will be receiving before August 1st. The only change to ID cards will be this new customer service number.
3. *Mail Order*- During today's meeting, an Express Scripts Mail Order representative will be present to provide communications, answer questions, and discuss mail order best practices.

Program manager distributed the member communication letters.

Pharmacy Clinical News Flash- May Update We will continue to provide updates regarding pharmacy trends and new drugs to the market.

Recent FDA Approvals:

Name of Medication	Approval Date	Release Date	Diagnosis	Type	Estimated Pricing
<i>Descovy</i>	4/4/2016	Early April	HIV -1	Specialty	\$18,000 per year
<i>Inflectra</i>	4/5/2016	TBD	Rhematoid Arthritis	Non Specialty	Not Available
<i>Cabometyx</i>	4/25/2016	Early May	Renal Cell Carcinoma	Specialty	\$165,000 per year
<i>Nuplazid</i>	4/29/2021 6	End of May	Hallucinations & Delusions	Specialty	Not Available
<i>Tecentriq</i>	5/18/2016	October	Metastatic urothelial carcinoma	Specialty	\$150,000 per year
<i>Zinbryta</i>	5/27/2016	July	Multiple Sclerosis	Specialty	Not Available

ACA UPDATE

PCORI Fee Due to the IRS August 1 - The Patient-Centered Outcomes Research Institute (PCORI) fee for plan years ending on and after January 1, 2015 and on and before December 31, 2015 must be remitted to the IRS by August 1, 2016. Typically, the fee is due by July 31st of the year following the last day of a plan year. However, the fee due in 2016 must be paid by Monday, August 1, 2016 since July 31st falls on a weekend this year.

Background - The ACA created the Patient-Centered Outcomes Research Institute to help patients, clinicians, payers and the public make more informed health decisions by advancing comparative effectiveness research. The Institute's research is funded, in part, through PCORI fees paid by insurers of "specified health insurance policies" and plan sponsors of self-insured health plans. Plan sponsors of self-insured health plans are required to pay the PCORI fee for certain health coverage arrangements. Plan sponsors of fully-insured health plans are not responsible for paying the PCORI fee (the obligation rests with the insurer). For a list of

insurance coverage or arrangements subject to the PCORI fee, please see the IRS chart [Application of the Patient-Centered Outcomes Research Trust Fund Fee to Common Types of Health Coverage or Arrangements.](#)

The PCORI fee applies to policy or plan years ending on or after October 1, 2012 and before October 1, 2019.

PCORI fees will be paid by 7/31 directly by the fund on behalf of all member entities.

ACA Returns May Continue to Be Filed After the Deadline - The Internal Revenue Service (IRS) has announced that certain information returns required under the Affordable Care Act (ACA) may continue to be filed after June 30, 2016.

For applicable large employers (ALEs), self-insured employers, or other health coverage providers, the deadline to electronically file ACA information returns with the IRS was midnight ET on June 30, 2016. The ACA Information Returns (AIR) system will remain up and running after the deadline. Filers are advised that if they are not able to submit all required ACA information returns by June 30, 2016, they should file the returns after the deadline. It is important to note the following:

- The AIR system will continue to accept information returns filed after June 30, 2016.
- Filers can still complete required system testing after June 30, 2016.
- If any transmissions or submissions were rejected by the AIR system, filers have 60 days from the date of rejection to submit a replacement and have the rejected submission treated as timely filed.
- If filers submitted and received “Accepted with Errors” messages, they may continue to submit corrections after June 30, 2016.

The IRS is aware that some filers are still in the process of completing their 2015 tax year filings. As is the case for other information returns, penalties may be associated with the submission of the ACA information returns for failure to timely file required returns. As the IRS has publicly stated in various forums in recent months, filers of Forms 1094-B, 1095-B, 1094-C and 1095-C that miss the June 30, 2016 due date will not generally be assessed late filing penalties if the reporting entity has made legitimate efforts to register with the AIR system and to file its information returns, and it continues to make such efforts and completes the process as soon as possible. In addition, consistent with existing information reporting rules, filers that are assessed penalties may still meet the criteria for a reasonable cause waiver from the penalties.

For non-electronic filers who missed the May 31, 2016 paper filing deadline for ACA information returns, filers are directed to complete the filing of the paper returns as soon as possible.

NEWSWORTHY ARTICLE -

http://www.nj.com/politics/index.ssf/2016/07/christie_holds_up_spending_to_coerce_public_worker.html

Program manager said there is one item for closed session.

TREASURER – Fund Treasurer said the bills list is included in the consent agenda

June 2016 – Confirmation of Payment

FUND YEAR 2016	\$410,534.10
TOTAL ALL FUNDS YEARS	\$410,534.10

July 2016 – Resolution 20-16

FUND YEAR 2016	\$319,370.03
TOTAL MAY 2016	\$319,370.03

ATTORNEY: Fund Attorney said there is one item for closed session.

QUALCARE: Mr. Epstein distributed the QualCare report. He said from January – June there was \$7.1 million in charges and \$1.9 million paid.

AETNA: Ms. Ward the reporting period is from April and May. She said there were additional members added in April from the Borough of South River. She said there were 12 large claimants for the month of April and 18 for May over the \$20,000 threshold. She reviewed the new dashboard report that shows more robust reporting and a snapshot of the plan programs. She said it can be adjusted accordingly. She said it's important to report back on the performance guarantees now that they are included in the contract.

EXPRESS SCRIPTS: Mr. Bieber was present to provide a home deliver update. He said 53% of the membership uses home delivery. He said the focus has been on online and mobile usage. He said home delivery can provide convenience and adherence for members which can lead to reduced medical costs. He said ESI is working to improve service and delivery timing. Mr. Bieber said the website can provide the pricing between retail and home delivery. He said the Fund would save on average 4% by utilizing home delivery. Program Manager said the pattern seen in member advocacy claims are an abundance of meds and drugs not being delivered on time. In response to Program Manager, Mr. Bieber said that was the reason for the change to auto refills which gives the member control of their refills. In response to Program Manager, Mr. Bieber said ESI will ask if the member wants to receive auto refills.

Program Manager said ESI opened a new mail order facility in Florence, NJ and are offering a tour to any interested Commissioner.

Mr. Rostkowski said the Fund is trending down for the year. He said generic usage is up while specialty is down due in part to prior authorization and step therapy. The Fund also went from 3 Hep C patients to 1.

DELTA DENTAL: No Report

CONSENT AGENDA:

- 19-16 Authorizing Refund from Closed Years Account
- 20-16 Approval of the June and July Bills Lists

MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:

MOTION: Commissioner Gilseman

SECOND: Commissioner Reiker
ROLL CALL VOTE: 5 Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ENTER EXECUTIVE SESSION:

MOTION: Commissioner Gilsenan
SECOND: Commissioner Poulos
ROLL CALL VOTE: 5 Ayes, 0 Nays

MOTION TO UPHOLD THE DENIAL BY AETNA:

MOTION: Commissioner Reiker
SECOND: Commissioner Gilsenan
ROLL CALL VOTE: 5 Ayes, 0 Nays

MOTION TO ADJOURN MEETING:

MOTION: Commissioner Gilsenan
SECOND: Commissioner Reiker
VOTE: Unanimous

MEETING ADJOURNED: 2:00 pm