

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
MARCH 27, 2018
BRIELLE BOROUGH MUNICIPAL BUILDING
11:30 AM**

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 2018 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 11:40
Eugenia Poulos	Borough of Red Bank	Present
Donato Nieman	Township of Montgomery	Present
ALTERNATES:		
Brian Valentino	Western Monmouth MUA	Present 11:40
Brian Brach	Manasquan River Regional SA	Absent
Suzanne Veitengruber	Township of Shrewsbury	Present

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	Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Absent
Network & Medical Claims Service	Qualcare Inc.	Richard Maier	Present
Network & Medical Claims Service	Aetna	Joseph Rodrigues	Present
Dental Claims Service	Delta Dental	Amy Lehrer	Absent
Rx Administrator	Express Scripts	Kyle Colalillo	Absent
Auditor	Holman & Frenia	Rodney Haines	Absent

OTHERS PRESENT:

Trina Lindsey, Bedminster Township
Cindy Toye, TRMUA
Charles Casagrande, Danskin
John Casagrande, Danskin
Valerie Tornick Heilweil, Borough of Keyport

CORRESPONDENCE: None

APPROVAL OF MINUTES: JANUARY 17, 2018 OPEN:

MOTION TO APPROVE OPEN MINUTES OF JANUARY 17, 2018:

MOTION:	Commissioner Nieman
SECOND:	Commissioner Rieker
VOTE:	Unanimous

EXECUTIVE DIRECTOR’S REPORT

FINANCIAL FAST TRACK – as of January 31, 2018

Executive Director said the fast track shows a surplus of \$1.1 million for January which is unusual. He said it should return to normal in the next few months.

IRMA TAX -RESOLUTION

Executive Director said the Finance Committee recently met via conference call to review a proposed resolution for some of Brick’s retirees that were impacted by the IRMA tax, which is an additional Medicare contribution that is imposed when they transitioned to the new fully insured EGWP prescription plan. He said the proposal is that the township will reimburse the retiree for this extra contribution and since Brick saved over \$500,000 a year with this transition, the Fund will reduce their prescription rates by 1.52%, which equates to approximately \$1,100 a month. Even after this reduction, there is still significant savings seen by the Fund and the group. If other entities make similar applications, we can apply credits reflecting their unique circumstances. He said he will be meeting with the town along with the Program manager to make sure they are comfortable with the resolution.

RDS SUBSIDY

Executive Director said the final reconciliation payment in the amount of \$62,110.21 was approved on March 7, 2018. This subsidy will begin to phase out as a majority of our prescription retirees are in the fully insured EGWP plan which receive reimbursements from Medicare prior to assessment.

SENATE BILLS 1877/1878

Executive Director said the federal government eliminated the individual mandate for the purchase of health insurance and have also reduced subsidies to the individual market. He said Senate Bill 1877 would re-impose the mandate for NJ residents and 1878 would create a subsidy program to support that market.

Executive Director said 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.

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. We will present these changes to the contracts committee in early May.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND

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

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 is still developing its responses to the claims audit recommendations. We will have an update on all open items either at the meeting or at our next executive committee meeting.

NEW MEMBER APPROVAL

Ms. Koval said there are 3 new member approvals. Barnegat Light and Asbury Park will join on 4/1/208 and are Dental Only. She said Highlands BOE has joined the HIF for medical coverage, but we inadvertently included data at our last meeting on Hampton BOE, so this information and the resolution in consent is meant to correct this error.

LAKESWOOD WELLNESS APPLICATION

Ms. Koval said Lakewood Township has submitted a wellness application for 2018. The Wellness Committee reviewed and are recommending its approval in the amount of \$15,000. The program will include Wellness Challenges, Workshops and a Fair that will allow for biometric screenings.

MOTION TO APPROVE THE LAKESWOOD WELLNESS GRANT IN THE AMOUNT OF \$15,000:

MOTION:	Commissioner Lapp
SECOND:	Commissioner Rieker
VOTE:	Unanimous

PROGRAM MANAGER'S REPORT

TELEMEDICINE

Program Manager said as a reminder effective January 1, 2018, all CJHIF members have access to a telemedicine program through their medical plan. The program provides 24/7 access to licensed medical professionals for routine health issues at a \$0 dollar copay for most members (all except those enrolled in an HDHP who have a \$40 copay).

EGWP

Medicare Part D Initial Coverage Limit/Donut Hole

Program Manager said Aetna member communications on Medicare Part D plans outlines the *Initial Coverage Limit* (ICL). Medicare Part D's ICL, also referred to as the "donut hole," is a component of Medicare Part D, which states that when a member reaches \$3,750 in covered medication costs, Medicare Part D temporarily stops paying and requires the member to self-pay a *discounted amount of the cost of medications* until the member reaches \$5,000 of covered drug spending. The CJHIF EGWP is offered as a single integrated product designed to cover the ICL. The enhanced Part D consists of two components: basic Medicare Part D benefits and AETNA supplemental benefits. Supplemental benefits are non-Medicare benefits that provide enhanced coverage beyond basic Part D, and are designed to protect members from traditional Part D exposure, such as the *Initial Coverage Limit* described above. Should a member enter the "donut hole", the AETNA supplemental coverage kicks in and covers prescription costs that would have fallen into the "donut hole". Exposure for CJHIF members is limited to their applicable copay.

RITE AID - WALGREENS MERGER

Program Manager said certain Rite Aids are being converted to Walgreens as a result of their merger. He said the Fund network does not include Walgreens however this only impacts the ESI population. 118 Rite Aids of 256 in New Jersey are being converted and will allow members to fill their prescriptions at the Rite Aides until August. He said 60-30 days prior to the courtesy extension expiring impacted members will be notified with a letter.

In response to Commissioner Poulos, Program Manager said this will open up the network to retail pharmacy chains due to mileage restrictions.

IRS - New 2018 HSA Contribution Limit

Program manager said the IRS is 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.

CIGNA PURCHASING EXPRESS SCRIPTS

Program Manager said Cigna recently announced that it has entered into a definitive agreement to acquire Express Scripts for \$67 billion. The Program Manager's team had a call with the Express Scripts CJHIF 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.

ADMINISTRATIVE AUTHORIZATIONS

There are no administrative authorizations for discussion.

TREASURER – The February and March Bills List were included in the Agenda.

February 2018 – Confirmation of Payment

FUND YEAR CLOSED	\$1,812,424.00
FUND YEAR 2017	\$311.61
FUND YEAR 2018	\$745,331.85
TOTAL ALL FUND YEARS	\$2,558,067.46

March 2018 – Resolution 18-18

FUND YEAR CLOSED	\$160,517.69
FUND YEAR 2018	\$518,513.07
TOTAL ALL FUND YEARS	\$679,030.76

ATTORNEY: None

QUALCARE: Mr. Maier distributed the paid claims for January and February 2018. He said there were 4 high claims in excess of \$100,000.

AETNA: Mr. Rodrigues reviewed the 2017 total paid claims. He said the total pepm was \$1,137 which was slightly lower than 2016. He said the paid claims for January 2018 was just under \$1.4 million. He said there were 22 claimants over \$10,000 in January. He reviewed the dashboard report and noted it should state paid claims through 2017, not 2016. He said one metric was missed for the average speed of answer, and Aetna will be working with the Executive Director to determine if any payments are due back to the Fund.

AMERIHEALTH: Report included in Agenda

EXPRESS SCRIPTS: Report included in Agenda

DELTA DENTAL: None

MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:

MOTION:	Commissioner Lapp
SECOND:	Commissioner Nieman
VOTE:	8 Ayes, 0 Nays

NEW BUSINESS: None

OLD BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Lapp
SECOND:	Commissioner Poulos
VOTE:	Unanimous

MEETING ADJOURNED: 12:00 PM