

CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
SEPTEMBER 13, 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 2017 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: | | |
| Brian Valentino | Western Monmouth MUA | Absent |
| Brian Brach | MRRSA | Present |

APPOINTED OFFICIALS PRESENT:

| | | | |
|-----------------------------------|-----------------------------------|---|--------------------|
| Executive Director/ Administrator | PERMA Risk Management Services | Emily Koval Karen Kamprath | Present Present |
| Program Manager | Conner Strong & Buckelew | Brandon Lodics | Present |
| Attorney | Berry, Sahradnik, Kotzas & Benson | Mathew Thompson | Present |
| Treasurer | | Stephen Mayer | Absent |
| Network & Medical Claims Service | Qualcare Inc. | Gary Epstein | Present |
| Network & Medical Claims Service | Aetna | Peggy Dennison | Present |
| Network & Medical Claims Service | AmeriHealth | Mike Murphy Lisa Didio | Present Present |
| Dental Claims Service | Delta Dental | Amy Lehrer | Present |
| Rx Administrator | Express Scripts | Jeff Basile | Present |
| Auditor | Holman Frenia & Allison | Rodney Haines | Absent |

OTHERS PRESENT:

Trina Lindsey, Bedminster
Cindy Toye, TRMUA
Joseph Zanga, South River
Jack Layne, South River
Dom Cinelli, Brown & Brown

CORRESPONDENCE: None

APPROVAL OF MINUTES: JULY 19, 2017 OPEN:

MOTION TO APPROVE OPEN MINUTES OF JULY 19, 2017:

| | |
|----------------|-----------------------|
| MOTION: | Commissioner Nieman |
| SECOND: | Commissioner Gilsenan |
| VOTE: | 8 Ayes, 0 Nays |

EXECUTIVE DIRECTOR’S REPORT

FAST TRACK FINANCIAL REPORT – as of July 31, 2017

Ms. Koval said the Financial Fast Track for July was distributed prior to the meeting. It shows a gain of \$385,000 for the month but an overall decrease of \$3.8 million due to the dividend release. She said the Fund should break even for the year and is doing very well operationally.

ADMINISTRATION

INTRODUCTION OF 2018 BUDGET

The the Finance Committee reviewed the budget prior the meeting and are recommending introduction as presented. Ms Koval reviewed the following budget items:

1. An average increase including Lakewood of 2.5%
2. No average change in assessments for the membership excluding the Lakewood self insured program. However, individual members received either increases or decreases depending upon loss ratio adjustments and participation in lines of coverage.
3. A provisional increase for Lakewood of 8.65%

CLAIMS FUND

Medical claims are increasing by 2.5% (without Lakewood) compared to 2017, while Rx claims are rising by 6%. However, the Rx increase can be offset by the use of formulary rebates from ESI and as a result of a migration to “Employer Group Waiver Plans (EGWP)” from Aetna. We attempted to migrate to EGWP last year but encountered pricing and timing issues that frustrated the plan. Lakewood medical claims are rising by 21.8% and their Rx claims are dropping by 26% as a result of good experience, formulary rebates, and the EGWP offering.

REINSURANCE AND INSURED PROGRAMS

The reinsurance line is dropping by 12.01% for specific claims and is flat for aggregate coverage. A separate line item is included for the stop loss insurance that will be purchased for the Lakewood program. This program is expected to rise in cost by 10% but the proposal process is still underway. The Medicare Advantage renewal is preliminarily rising by 17.9% as a result of higher than expected claims experience and the possibility of an ACA tax going into effect. We are monitoring legislative action on this tax and can amend the budget if it is repealed. This line item also now includes the insured premium for the EGWP program.

LOSS FUND CONTINGENCY

This item can be adjusted at the discretion of the Executive Committee. A modest amount is currently included to balance assessments to the budget.

CONTRACTS AND EXPENSES

Most expenses are proposed to rise by 2% as a normal inflationary increase. The wellness budget has been reduced because utilization is lower than anticipated.

ASSESSMENTS

Assessments are prepared using Fund policy developed over the last several years:

- The medical increase is 2.75% for all carriers;
- Medicare Advantage rates rising by 14.9%;
- Rx rates are down by 6.4%;
- Dental rates are flat;
- Loss ratio adjustment factors of +/-2.5% are applied at the entity level.
- Lakewood medical rates are rising by 22.27% but their Rx rates will drop by 32.6%.

Lakewood's projections are being reviewed and may change upon adoption. We are also be invited to submit a proposal to Lakewood for them to rejoin the Fund wide risk sharing pool.

DIVIDENDS / SUPPLEMENTAL ASSESSMENTS

The Fund declared a dividend in 2017 of \$3,500,000 and can consider a significant dividend also in 2018 once the audit is received.

Commissioner Gilson said his town reviewed the EGWP last year and found it to not be beneficial. He said he is unable to make a decision today whether to proceed or not.

MOTION TO INTRODUCE THE CENTRAL JERSEY HEALTH INSURANCE FUND BUDGET FOR 2018 AND ADVERTISE A PUBLIC HEARING FOR OCTOBER 18, 2017 AT 1:30PM AT THE BRIELLE BOROUGH HALL TO ADOPT THE BUDGET.

| | |
|----------------|---------------------|
| MOTION: | Commissioner Nieman |
| SECOND: | Commissioner Gilson |
| VOTE: | 8 Ayes, 0 Nays |

MRHIF MEETING

Ms. Koval said the MRHIF met prior to this meeting and the CJHIF is receiving a decrease of 12%. She said the MRHIF is recommending approval of the ESI contract as well approving Aetna as the vision vendor.

Central Jersey Municipal Employee Benefits Fund

Print Date: 9/6/2017 16:28

2018 Proposed Budget

| Census: | Monthly | Annual |
|--|---------|--------|
| Medical QualCare | 201 | 2,412 |
| Medical AmenHealth | 20 | 240 |
| Medical Aetna | 1,000 | 12,000 |
| Rx | 2,060 | 24,720 |
| Dental | 1,693 | 20,316 |
| Vision | 83 | 996 |
| Medicare Advantage - Medical | 355 | 4,260 |
| Rx No Medical (Incl in Rx above) | 975 | 11,700 |
| Dental No Med No Rx (Incl in Dental above) | 718 | 8,616 |
| Medicare Advantage Only | 1 | 12 |

| LINE ITEMS | Annualized Budget FY2017 | Proposed Budget FY2018 | S Change | % Change |
|-------------------------------------|--------------------------|------------------------|---------------------|----------------|
| Claims | | | | |
| 1 Medical Claims QualCare | \$ 3,526,142 | \$ 3,614,295 | \$ 88,154 | 2.50% |
| 2 Medical Claims AmenHealth | \$ 314,725 | \$ 322,593 | \$ 7,868 | 2.50% |
| 3 Medical Claims Aetna | \$ 10,280,909 | \$ 10,537,932 | \$ 257,023 | 2.50% |
| 4 Medical Claims | \$ 14,121,776 | \$ 14,474,820 | \$ 353,044 | 2.50% |
| 5 Prescription Claims | \$ 9,266,338 | \$ 9,822,319 | \$ 555,980 | 6.00% |
| 6 Lakewood SIR Claims | | | | |
| 7 Medical - Lakewood | \$ 6,996,636 | \$ 8,521,903 | \$ 1,525,267 | 21.80% |
| 8 Prescription - Lakewood | \$ 1,908,733 | \$ 1,409,248 | \$ (499,485) | -26.17% |
| 9 Less Rx Rebates and EGWP Savings | \$ (200,000) | \$ (1,959,840) | \$ (1,759,840) | \$79.92% |
| 10 Dental Claims | \$ 1,595,663 | \$ 1,595,663 | \$ - | 0.00% |
| 11 Dental Claims BOE's | \$ 38,094 | \$ 38,094 | \$ 0 | 0.00% |
| 12 Vision Claims | \$ 9,593 | \$ 9,784 | \$ 192 | 2.00% |
| 13 Subtotal | 33,736,832 | 33,911,991 | \$ 175,159 | 0.52% |
| 14 | | | | |
| 15 Medicare Advantage / EGWP | 1,102,062 | 2,509,140 | \$ 1,407,078 | 127.68% |
| 16 | | | | |
| 17 | | | | |
| 18 Reinsurance | | | | |
| 19 Specific | \$ 1,092,449 | \$ 961,260 | \$ (131,190) | -12.01% |
| 20 Aggregate* | \$ 86,394 | \$ 86,394 | \$ - | 0.00% |
| 21 Lakewood - ICH | \$ 503,234 | \$ 553,557 | \$ 50,323 | 10.00% |
| 22 Dental | \$ - | \$ - | \$ - | 0.00% |
| 23 Subtotal Reinsurance | \$ 1,682,077 | \$ 1,601,211 | \$ (80,866) | -4.81% |
| 24 | | | | |
| 25 Loss Fund Contingency | \$ 957 | \$ 1,355 | \$ 398 | 41.59% |
| 26 | | | | |
| 27 Total Loss Fund | 36,521,928 | 38,023,697 | \$ 1,501,769 | 4.11% |
| 28 | | | | |
| 29 | | | | |
| 30 Expenses | | | | |
| 31 Legal | \$ 35,016 | \$ 35,716 | \$ 700 | 2.00% |
| 32 Treasurer | \$ 11,548 | \$ 11,779 | \$ 231 | 2.00% |
| 33 Administrator | \$ 300,478 | \$ 306,425 | \$ 5,947 | 1.98% |
| 34 Program Manager | \$ 747,654 | \$ 758,297 | \$ 10,643 | 1.42% |
| 35 Actuary | \$ 38,963 | \$ 39,750 | \$ 787 | 2.02% |
| 36 Auditor | \$ 22,400 | \$ 22,900 | \$ 500 | 2.23% |
| 37 TPA - QualCare | \$ 90,127 | \$ 91,912 | \$ 1,785 | 1.98% |
| 38 TPA - AmenHealth | 10,080 | 10,080 | \$ - | 0.00% |
| 39 TPA - Aetna | \$ 615,840 | \$ 628,200 | \$ 12,360 | 2.01% |
| 40 Rx PBM | \$ 5,000 | \$ 5,000 | \$ - | 0.00% |
| 41 Plan Documents | \$ 15,000 | \$ 15,000 | \$ - | 0.00% |
| 42 Out of State Network | \$ 12,301 | \$ 12,301 | \$ - | 0.00% |
| 43 Dental TPA | \$ 62,980 | \$ 62,980 | \$ - | 0.00% |
| 44 Wellness | \$ 100,000 | \$ 50,000 | \$ (50,000) | -50.00% |
| 45 Comparative Effectiveness Tax | \$ 7,134 | \$ 7,134 | \$ (0) | 0.00% |
| 46 Misc/Cont | \$ 22,439 | \$ 22,439 | \$ 0 | 0.00% |
| 47 | | | | |
| 48 Total Expenses | \$ 2,096,960 | \$ 2,079,913 | \$ (17,047) | -0.81% |
| 49 | | | | |
| 50 Total Budget | \$ 38,618,888 | \$ 40,103,610 | \$ 1,484,722 | 3.84% |
| 51 Total Billing | \$ 39,125,676 | \$ 40,103,610 | \$ 977,934 | 2.50% |
| 52 | | | | |
| 53 Reconciliation | 506,788 | 0 | (506,788) | |

Central Jersey HIF
Assessment Comparison Fund Year 2017 Annualized vs. Fund Year 2018 Proposed

| Group Name | Fund Year 2017 Annualized | | | Fund Year 2018 Proposed | | | Difference \$ | | | Difference % | | |
|---|---------------------------|-------------------|----------------------|-------------------------|-------------------|----------------------|-------------------|------------------|-------------------|---------------|---------------|--------------|
| | Member Billed | Direct Billed | Total | Member Billed | Direct Billed | Total | Member Billed | Direct Billed | Total | Member Billed | Direct Billed | Total |
| Atlantic Highlands Borough | \$ 1,391,292 | \$ 1,692 | \$ 1,392,984 | \$ 1,370,556 | \$ 1,692 | \$ 1,372,248 | \$ (20,736) | \$ - | \$ (20,736) | -1.49% | 0.00% | -1.49% |
| Bedminster Township | \$ 749,544 | \$ 42,384 | \$ 791,928 | \$ 755,088 | \$ 43,656 | \$ 798,744 | \$ 5,544 | \$ 1,272 | \$ 6,816 | 0.74% | 3.00% | 0.86% |
| Borough of Allentown | \$ 148,524 | \$ - | \$ 148,524 | \$ 152,616 | \$ - | \$ 152,616 | \$ 4,092 | \$ - | \$ 4,092 | 2.76% | 0.00% | 2.76% |
| Borough of Interlaken | \$ 126,156 | \$ - | \$ 126,156 | \$ 124,320 | \$ - | \$ 124,320 | \$ (1,836) | \$ - | \$ (1,836) | -1.46% | 0.00% | -1.46% |
| Borough of Manasquan | \$ 53,556 | \$ 3,480 | \$ 57,036 | \$ 53,556 | \$ 3,480 | \$ 57,036 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Borough of Matawan | \$ 75,972 | \$ 492 | \$ 76,464 | \$ 75,972 | \$ 492 | \$ 76,464 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Borough of Red Bank | \$ 4,083,744 | \$ 14,676 | \$ 4,098,420 | \$ 4,035,480 | \$ 13,824 | \$ 4,049,304 | \$ (48,264) | \$ (852) | \$ (49,116) | -1.18% | -5.81% | -1.20% |
| Borough of Spring Lake | \$ 55,476 | \$ - | \$ 55,476 | \$ 55,476 | \$ - | \$ 55,476 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Brick Township | \$ 4,160,964 | \$ 5,976 | \$ 4,166,940 | \$ 3,992,616 | \$ 5,736 | \$ 3,998,352 | \$ (168,348) | \$ (240) | \$ (168,588) | -4.05% | -4.02% | -4.05% |
| Brielle Borough | \$ 770,472 | \$ 19,692 | \$ 790,164 | \$ 795,888 | \$ 18,948 | \$ 814,836 | \$ 25,416 | \$ (744) | \$ 24,672 | 3.30% | -3.78% | 3.12% |
| Eatontown Sewerage Authority | \$ 136,428 | \$ - | \$ 136,428 | \$ 134,508 | \$ - | \$ 134,508 | \$ (1,920) | \$ - | \$ (1,920) | -1.41% | 0.00% | -1.41% |
| Englishtown Borough | \$ 13,020 | \$ - | \$ 13,020 | \$ 13,020 | \$ - | \$ 13,020 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Lakewood Township | \$ 11,619,384 | \$ 18,180 | \$ 11,637,564 | \$ 12,626,460 | \$ 18,276 | \$ 12,644,736 | \$ 1,007,076 | \$ 96 | \$ 1,007,172 | 8.67% | 0.53% | 8.65% |
| Manasquan River Regional Sewerage Authority | \$ 440,160 | \$ - | \$ 440,160 | \$ 429,132 | \$ - | \$ 429,132 | \$ (11,028) | \$ - | \$ (11,028) | -2.51% | 0.00% | -2.51% |
| Manchester Township | \$ 250,740 | \$ 1,356 | \$ 252,096 | \$ 250,740 | \$ 1,356 | \$ 252,096 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Montgomery Township | \$ 3,034,428 | \$ 150,432 | \$ 3,184,860 | \$ 3,112,272 | \$ 161,388 | \$ 3,273,660 | \$ 77,844 | \$ 10,956 | \$ 88,800 | 2.57% | 7.28% | 2.79% |
| Plumsted Township | \$ 387,180 | \$ - | \$ 387,180 | \$ 381,864 | \$ - | \$ 381,864 | \$ (5,316) | \$ - | \$ (5,316) | -1.37% | 0.00% | -1.37% |
| Ship Bottom Borough | \$ 31,656 | \$ 1,248 | \$ 32,904 | \$ 31,656 | \$ 1,248 | \$ 32,904 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Township of Aberdeen | \$ 3,582,372 | \$ 2,016 | \$ 3,584,388 | \$ 3,535,152 | \$ 2,016 | \$ 3,537,168 | \$ (47,220) | \$ - | \$ (47,220) | -1.32% | 0.00% | -1.32% |
| Township of Shrewsbury | \$ 58,524 | \$ - | \$ 58,524 | \$ 59,136 | \$ - | \$ 59,136 | \$ 612 | \$ - | \$ 612 | 1.05% | 0.00% | 1.05% |
| Borough of West Long Branch | \$ 1,357,464 | \$ - | \$ 1,357,464 | \$ 1,388,508 | \$ - | \$ 1,388,508 | \$ 31,044 | \$ - | \$ 31,044 | 2.29% | 0.00% | 2.29% |
| Seaside Heights BOE | \$ 40,992 | \$ - | \$ 40,992 | \$ 40,992 | \$ - | \$ 40,992 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Borough of Keyport | \$ 37,452 | \$ 600 | \$ 38,052 | \$ 37,452 | \$ 600 | \$ 38,052 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Lakewood Twp Fire Department | \$ 527,820 | \$ - | \$ 527,820 | \$ 524,484 | \$ - | \$ 524,484 | \$ (3,336) | \$ - | \$ (3,336) | -0.63% | 0.00% | -0.63% |
| Toms River MUA | \$ 1,089,096 | \$ 11,316 | \$ 1,100,412 | \$ 1,137,852 | \$ 11,316 | \$ 1,149,168 | \$ 48,756 | \$ - | \$ 48,756 | 4.48% | 0.00% | 4.43% |
| Western Monmouth Utilities Authority | \$ 80,808 | \$ - | \$ 80,808 | \$ 80,808 | \$ - | \$ 80,808 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Borough of Oceanport | \$ 836,568 | \$ 612 | \$ 837,180 | \$ 834,216 | \$ 612 | \$ 834,828 | \$ (2,352) | \$ - | \$ (2,352) | -0.28% | 0.00% | -0.28% |
| Borough of South River | \$ 2,695,704 | \$ 19,164 | \$ 2,714,868 | \$ 2,773,932 | \$ 20,616 | \$ 2,794,548 | \$ 78,228 | \$ 1,452 | \$ 79,680 | 2.90% | 7.58% | 2.93% |
| Jackson Township | \$ 58,008 | \$ 1,392 | \$ 59,400 | \$ 58,008 | \$ 1,392 | \$ 59,400 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Borough of Harvey Cedars | \$ 23,592 | \$ - | \$ 23,592 | \$ 23,592 | \$ - | \$ 23,592 | \$ - | \$ - | \$ - | 0.00% | 0.00% | 0.00% |
| Housing Authority of Brick Township | \$ 72,732 | \$ - | \$ 72,732 | \$ 67,476 | \$ - | \$ 67,476 | \$ (5,256) | \$ - | \$ (5,256) | -7.23% | 0.00% | -7.23% |
| Tuckerton Borough School District | \$ 829,428 | \$ 11,712 | \$ 841,140 | \$ 832,380 | \$ 11,754 | \$ 844,134 | \$ 2,952 | \$ 42 | \$ 2,994 | 0.36% | 0.36% | 0.36% |
| Totals | \$ 38,819,256 | \$ 306,420 | \$ 39,125,676 | \$ 39,785,208 | \$ 318,402 | \$ 40,103,610 | \$ 965,952 | \$ 11,982 | \$ 977,934 | 2.49% | 3.91% | 2.50% |

PROGRAM MANAGER'S REPORT

EMPLOYEE GROUP WAIVER PLAN

Program Manager reviewed the EGWP presentation that was distributed prior to the meeting. A sample communication piece was also included in the agenda. He said some important things to note are each group has been mapped into a plan design that is equal to or better than their current copay structure. Groups that are not able to be mapped into an eligible plan design will remain on the current set up with Express Scripts. He said some other notable changes are that ESI mail order refills and prior authorizations will not be transferred. Members would get a one time courtesy fill on prior authorizations. He also said this is not available in Puerto Rico, so any members living there would stay with ESI. He said his team is available to come out and go over this presentation. He said member communications should be going out mid October.

OPEN ENROLLMENT

Program manager said the Fund be hosting the 2018 open enrollment for coverage changes effective on January 1, 2018. Open enrollment will begin in mid-October and run through mid-November. New this year, PERMA would like to send open enrollment packets electronically to each group for distribution to their employees. Early retirees and COBRA enrollees will still receive hard copies at their residencies. The Commissioners agreed that open enrollment packets can be distributed electronically to active members.

OCEAN COUNTY SCHOOL BOARDS

Program Manager said the Southern Coastal Regional Employee Benefits Fund territory is being expanded to include Ocean County School Boards, who are not currently enrolled in the CJHIF. The Fund Coordinator of The Coastal has been expanding their marketing efforts and has identified School Board opportunities in Ocean County. The Coastal Fund is made of 90% School Boards and based on demographics and claims makeup these prospect would be a good fit. He said any School Board currently in the CJHIF would remain.

VISION RFP UPDATE

Program Manager said the MRHIF recently released an RFP for a stand-alone vision product which resulted in 3 proposals. Aetna will be the preferred vendor and they will offer 3 different tiers of plans. He said this is voluntary to each member.

ESI 2018 FORMULARY

Program Manager said ESI has announced changes to the National Preferred Formulary (NPF) guide which will take effect on January 1, 2018. New exclusions in the NPF are expected to deliver an additional \$2.5 billion in savings among their full book of business. ESI has informed us that (based on claim data for the last 130 days) there will be 63 members/patients impacted by the changes. Impacted members will be receiving a mailed notification from Express Scripts notifying them of their impacted medication and the preferred alternatives. The NPF allows for members who may not take preferred medication due to a clinical need an opportunity to file for an authorization for a no preferred medication to be covered. The updated guide excludes 46 multi-source brands including Benicar/Benicar HCT, Strattera and Vytarin. A summary list of the exclusions is included in your agenda.

AMERIHEALTH ADMINISTRATORS UPDATES

Amerihealth is undergoing a system migration effective January 1, 2018. Members will receive a letter with their new ID cards that explains what they can expect:

- New ID cards will be issued to all members
- Member ID numbers will remain the same
- New member portal and URL will be printed on the back of the cards
- Members will need to register in the new portal even if they were registered on the previous one
- Old ID cards will be linked to the new cards so old cards should continue to work after January 1
- Explanation of Benefits (EOBs) will be updated and easier to read

Labcorp will become the exclusive In-Network lab for AmeriHealth Administrators (AHA). All other lab contracts will be terminated by May 1, 2018, according to this schedule:

- Quest Diagnostics term effective October 1, 2018
- Bio Reference Laboratories term effective March 1, 2018
- Health Network Laboratories term effective May 1, 2018

LabCorp includes the following affiliates as part of its specialty laboratory testing group: Dianon Pathology, Integrated Oncology, Integrated Genetics, MedTox Laboratories, Monogram BioSciences, and Litholink ("Specialty Testing Group"). AHA will also include some additional contracted freestanding laboratories in-network, after May 1, 2018. For assistance in locating in-network facilities, plan members are encouraged to visit the member page of ahatpa.com or log on to the secure website listed on their ID card and access the Find a Provider Tool. AHA will be sending notifications to all their enrollees in September.

MEDICARE PART D NOTICES

Program Manager said Employers who provide Rx drug benefits must notify Medicare-eligible employees and CMS. Employers whose health care plans include prescription drug benefits for active employees (or retirees) who are Medicare-eligible must notify those covered individuals by Oct. 15 of each year whether their drug benefit is "creditable coverage," meaning that it is expected to cover, on average, as much as the standard Medicare Part D prescription drug plan. These plan sponsors must also report whether their drug benefit is creditable coverage to the federal Centers for Medicare & Medicaid Services (CMS) by March 1 for calendar-year plans. The disclosure obligation applies to all plan sponsors that provide prescription drug coverage, even those that do not offer prescription drug coverage to retirees. Medicare Part D, which became effective in 2006, is a federal program to subsidize the cost of private prescription drug plans. If your group's prescription plan is in the Fund, Express Scripts will be sending these member notices by the October 15th due date. We will be providing a generic electronic version of the letter to be distributed to your active employees, who may have dependents who qualify for Medicare Part D.

SAVEON UPDATE

As discussed at the prior meeting, we continue to work on the January 1 implementation of the SaveOn program with Express Scripts and SaveOn. Included in this agenda is a draft of the initial member communication we will be mailing on or about 11/1/2017 to approximately 40 CJHIF

members who have been identified as eligible for the SaveOn program. Saveon will send a second letter to those members who do not respond to the initial communication followed by 3 phone call attempts to reach non-responsive members.

STATE HEALTH BENEFITS (SHBP) UPDATE

On August 3, 2017 the SHBP Committee proposed the 2018 rate renewal and plan modifications for the Local Government and State Employee Groups.

CJHIF MEMBER APPEALS

There was one 2nd level prescription drug appeal since the July meeting for a Montgomery Township member. The IRO upheld the initial denial as not medically necessary.

TREASURER – Chair Nolan said the Bills List is included in the Agenda.

AUGUST 2017 – Confirmation of Payment

| | |
|-----------------------------|---------------------|
| FUND YEAR 2017 | \$351,992.46 |
| TOTAL ALL FUND YEARS | \$351,992.46 |

AUGUST 2017 – Confirmation of Payment - Dividend

| | |
|-----------------------------|---------------------|
| FUND YEAR CLOSED | \$115,914.00 |
| TOTAL ALL FUND YEARS | \$115,914.00 |

SEPTEMBER 2017 – Resolution 23-17

| | |
|-----------------------------|---------------------|
| FUND YEAR 2017 | \$477,207.64 |
| TOTAL ALL FUND YEARS | \$477,207.64 |

ATTORNEY: None

QUALCARE: Mr. Epstein reviewed the Qualcare reports from January 2017 through August 2017. He said there has been a total of \$8.4 million charges, \$2.2 million in payments and 6,500 in total claims.

AETNA: Ms. Dennison reviewed the June and July 2017 claims data. She said the claims were slightly higher than the previous months but on track with what the Fund usually sees. She said there were 20 claims over \$10,000 in June and 18 over \$10,000 in July.

AMERIHEALTH: Ms. Didio said there are currently 20 AmeriHealth participants and no high claims for June or July. She introduced Mike Murphy and said he will be the representative for AmeriHealth at future meetings.

EXPRESS SCRIPTS: Mr. Basile said the current trend at 8% is related to the drop in membership from August 2016. He said there was also a decrease in January 2017 due to a market check.

DELTA DENTAL: Ms. Leher said she would just like to inform the Fund that members will no longer be receiving an EOB when there is a zero balance, however they will be available online.

MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:

| | |
|----------------|-----------------------|
| MOTION: | Commissioner Lapp |
| SECOND: | Commissioner Gilsenan |
| VOTE: | 8 Ayes, 0 Nays |

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN MEETING:

| | |
|----------------|---------------------|
| MOTION: | Commissioner Hubeny |
| SECOND: | Commissioner Nieman |
| VOTE: | Unanimous |

MEETING ADJOURNED: 2:00 pm

NEXT MEETING: October 18, 2017 1:30 pm.