



May 2018

# Southern Coastal <sup>FUND</sup>

Innovative Employee Benefits Solutions  
for New Jersey Public Entities

**PERMA** | RISK  
MANAGEMENT  
SERVICES

**SHA**  
SHARED HEALTH ALLIANCE

# About PERMA

## PERMA is an independent affiliate of Conner Strong & Buckelew

- 35 years in JIF management
- Manages 7 Health Insurance JIFs
- Manages 17 Property & Casualty JIFs
- Manages the nationally recognized Municipal Excess Liability (MEL) Fund, the 2nd largest Property & Casualty JIF in the United States

## Characteristics of the PERMA Health JIFs

- \$390+ million annual benefits budget
- 46,000 member lives
- Conservative actuarial underwriting
- Below market annual rates of increase

# About Shared Health Alliance

- Shared Health Alliance is a full service health benefits management company specializing in employee benefits, and is made available only to public entities throughout New Jersey.
- Founded in 2011, the company manages every aspect of the fund from day-to-day functionalities, long range forecasting, and vendor selection, providing employer groups with exclusive products and services.
- Membership in the Shared Health Alliance creates stable and predictable costs through pooled risk arrangements, and lowers overall expenses necessary for public entities. We also provide administrative support to the employer.
- Shared Health Alliance also maintains a fully-trained benefits support team that assists individual subscribers in claim mediation and improving awareness of plan benefits.

# Program Manager Functions

- Day to day service to individual entities
- Client consultation and assistance
- On site open enrollment assistance and meeting attendance
- Assistance with collective bargaining and plan modeling
- Individual service on elevated cases for employees and dependents (member advocacy)
- On going member education
- Assistance with new client on boarding and enrollment process
- Review performance of the Fund
- Participate with all Fund meetings
- Collaborate with members' brokers
- Appeals assistance
- Benefit Booklet preparation and issuance

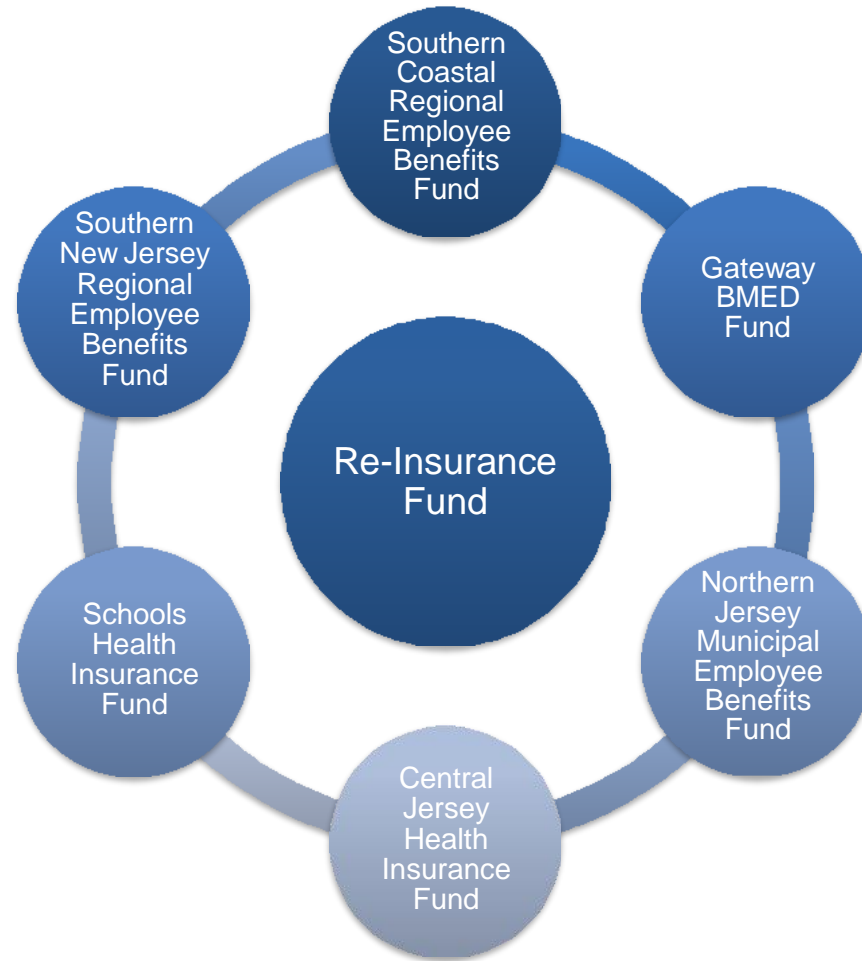
# PERMA Duties

- Fund governance including meetings, agendas, minutes, records management
- Budget development
- Enrollment platform
- Collaborate with members' broker
- COBRA administration
- Retiree billing
- Accounting and general ledger functions; "CFO"
- Eligibility transfer to vendors
- Consolidated billing for all lines of coverage
- HIPAA and COCC issuance
- A-4 payment
- Regulatory interface and annual filings
- Conduit for all Health JIF professionals

# PERMA Duties (Cont.)

- Vendor recommendation, marketing and negotiations
- Contract management with vendors
- Data Warehouse and Financial Analysis/Reporting
- Actuarial liaison
- Appeals assistance
- Individual service on elevated cases for employees and dependents (member advocacy)
- Benefit Booklet preparation and issuance

# Regional Funds



# Health Insurance JIFs N.J.S.A. 40A:10-36

- A Health Insurance JIF is a **public entity** regulated by the NJ Department of Banking and Insurance that creates the infrastructure to **“share services”** for the procurement and delivery of health benefits
  - State law created Municipal Health JIFs in 1991. School Districts were allowed to join Municipal Health JIFs in 2007
  - Allows for economies of scale
  - To start a new Health Insurance JIF, there must be at least 2 entities and a minimum of 1,000 employees covered
- A Health Insurance JIF and a Property & Casualty Insurance JIF share the same objectives



# Advantages of Health JIFs

- Owned and governed by the member entities
- Stable and predictable premium rates over time
- Lower expenses and profits compared to traditional insurance programs
- Ability to maintain or alter your plan designs
- Potential dividend distributions
- Premium rates determined by the Fund Actuary, in the best interest of the member entities

# History

Schools join the  
Southern New  
Jersey Regional  
Employee  
Benefits Fund

2007

2011

Southern Coastal  
Regional Employee  
Benefits Fund  
founded

31 member  
schools

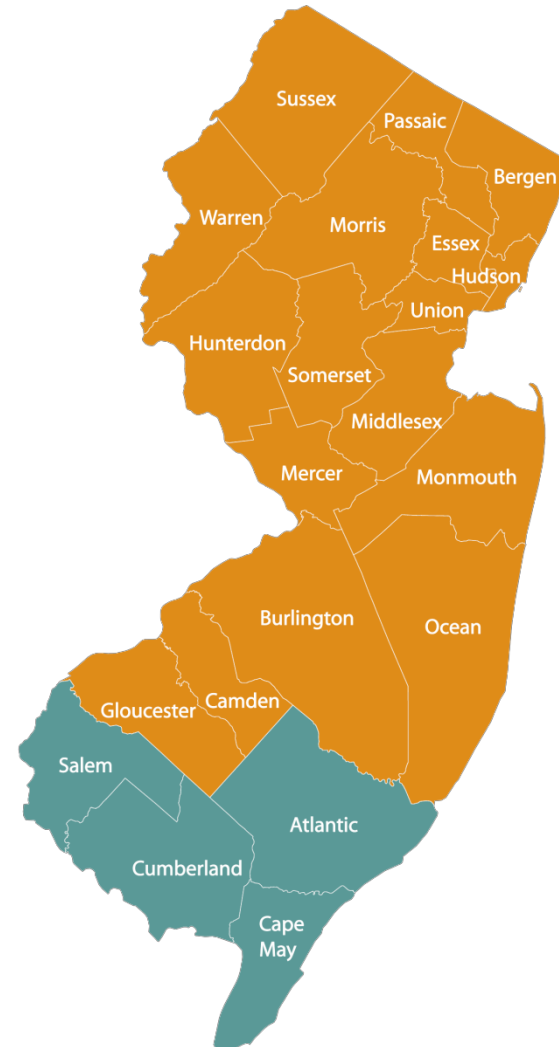
2015

Schools Health  
Insurance Fund  
founded

2016

# Statewide Health JIF Footprint for Schools

- Schools Health Insurance Fund
- Southern Coastal Regional Employee Benefits Fund



# Health Insurance JIF Mechanics

- Regularly scheduled open public meetings for transparency
  - Best practices
  - Performance results
  - Creative solutions
- Monthly financial statements distributed to member schools and state regulators
- Risk management plans and by-laws to safeguard the integrity of the plan
- Premium rate calculation
  - New entrants pay initial premiums based on their attributes
  - Annually, member schools receive the same rate change
- Coverage is “equal to or better than” current plan designs
- Self-insured
- Re-insurance protection from large claims

# Traditional Health Insurance vs. Health JIF

## Traditional Model Budget – Cost Allocation



## HIF Budget – Cost Allocation

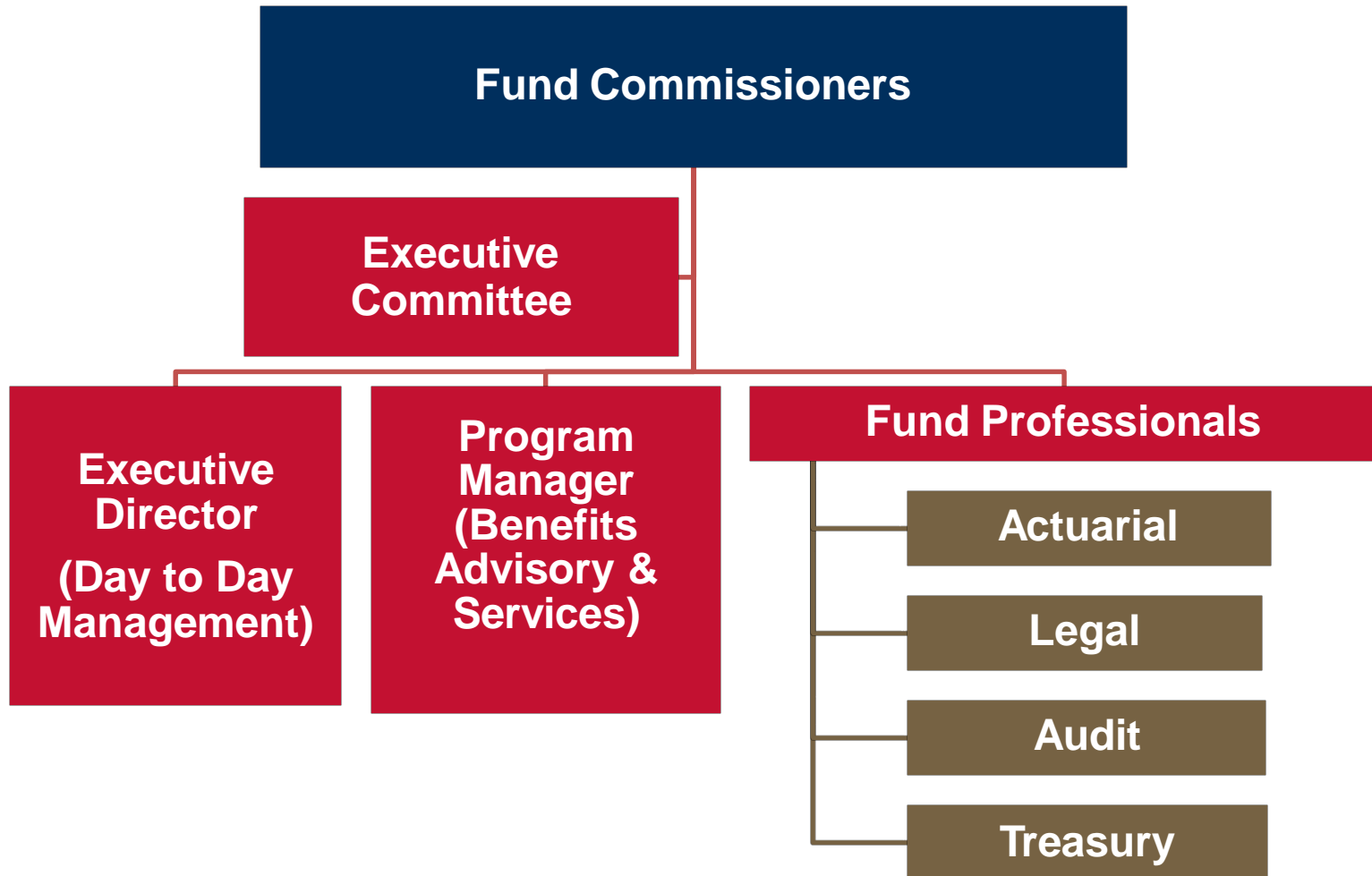


Health JIF does not pay the PPACA Health Insurer Fee. Reduces fixed cost by approximately 4%. Health Insurer Fee suspended in 2017.

# Rate History

	2012	2013	2014	2015	2016	2017	2018	Average
Southern Coastal Regional Employee Benefits Fund	15.22%	18.10%	8.19%	4.35%	2.91%	7.69%	2.35%	8.40%

# Fund Governance



# Fund Professionals

**Actuarial Solutions**  
Actuary

**Harris Law Offices**  
Attorney

**Professionals**

**PERMA**  
Executive Director

**Michael Zambito, CPA, RMA,  
CMFO**  
Treasurer

**Shared Health Alliance**  
Program Manager

**Bowman & Company,  
LLP**  
Auditor



# Best-in-Class Administrators

**aetna**<sup>SM</sup>

  
**AmeriHealth**<sup>®</sup>

 **EXPRESS SCRIPTS**<sup>®</sup>

 **DELTA DENTAL**<sup>®</sup>

# Enrollment

- Consolidated billing for all lines of coverage
- On line enrollment platform
- Paperless
- Administrator access for enrollment changes
- Optional employee self-enrollment



# COBRA & Retiree Services – PERMA

## Complete COBRA & Retiree Administration

- Notification letters, premium billing, and premium collection
- Call center services for inquiries
- Reporting and reconciliation