

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
NOVEMBER 16, 2016
ATLANTIC CITY SHERATON
12:45 PM**

Meeting called to order by Commissioner Hubeny 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	Absent
SECRETARY		
William Rieker	Township of Lakewood	Absent
EXECUTIVE	COMMITTEE	
Joseph Gilsean	Township of Brick	Present
Diane Lapp	Township of Manchester	Absent
Adam Hubeny	Borough of Atlantic Highlands	Present
Eugenia Poulos	Township of Red Bank	Present
Donato Nieman	Montgomery Township	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	Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Absent
Network & Medical Claims Service	Qualcare Inc.	Gary Epstein	Absent
Network & Medical Claims Service	Aetna	Kim Ward	Present
Dental Claims Service	Delta Dental	Amy Lehrer	Absent
Rx Administrator	Express Scripts	Jeff Basile Ken Rostkowski	Present
Auditor	Holman & Frenia	Rodney Haines	Absent

OTHERS PRESENT:

John Casagrande, Danskin Agency

Charles Casagrande, Danskin Agency
 Alison Kelly, Danskin Agency
 Ted Wardell, Grinspec
 Diane Peterson, Conner Strong & Buckelew

CORRESPONDENCE: None

APPROVAL OF MINUTES: OCTOBER 19, 2016 OPEN:

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 19, 2016:

MOTION:	Commissioner Gilseman
SECOND:	Commissioner Poulos
VOTE:	3 Ayes, 0 Nays, 1 Abstain (Commissioner Nieman)

EXECUTIVE DIRECTOR:

- **Fast Track Financial Report** – as of September 30, 2016

Executive Director said the Financial Fast Track shows a loss of \$1 million for September due to the release of the dividend. He said the Fund continues to perform well.

PRESCRIPTION FEATURE FOR MEDICARE ADVANTAGE PLANS

We have worked with Aetna on developing prescription plans for Medicare retirees. The coverage will be integrated with the medical coverages provided under the fully insured “Medicare Advantage” program.

Based upon the current quote from Aetna, this arrangement has the potential to produce significant savings:

HIF	Current pmpm costs	Stop Loss	Less Rebates	Total	Trended At 10% Per Annum	EGWP Cost	Enrollees	Total Current Plan Cost - 2017	Total EGWP Cost - 2017	Savings \$	Savings %
CJ	\$ 497.86	\$ 2.75	\$ (74.68)	\$ 425.93	\$ 489.82	\$ 399.00	507	\$2,980,046.55	\$2,427,516.00	\$ 552,530.55	18.54%

Aetna is in the process of updating its quote with the most current information so these numbers may change. We expect the updated quote prior to the meeting. When Medicare Advantage was implemented, a variety of plans were mapped into one plan. In this case, a variety of Rx plans will be mapped into plans using “equal to or better” criteria. We are not recommending that entities rates be reduced now because of this program, as the current plans are operating at a deficit and are being subsidized by active employees. Taking this approach also will allow the savings to be manifested in the 2018 renewal. Brandon Lodics will be explaining the program in detail and will seek authorization to implement it for a March 1 time frame.

Executive Director said currently the active employees are subsidizing the retirees. He is recommending the savings be kept in the surplus so they can be used towards next year’s renewal. In response to Commissioner Hubeny, Executive Director said he believes the savings will be approximately \$552,000.

RESOLUTION TO SUPPORT INVESTMENT ALTERNATIVE LEGISLATION FOR JIFS AND HIFS

Enclosed is a resolution supporting legislation aimed at providing additional investment options for joint insurance funds. The universe of investments would be expanded to include local entity securities, and the opportunity to create a combined investment trust for JIFs would be provided. The legislation was included in the agenda.

BRICK TOWNSHIP HOUSING AUTHORITY

Brick Township Housing Authority, currently receives prescription coverage through the Central Jersey Health Insurance Fund as part of Brick Township. As of January 1, 2017, this Housing Authority will be separating their coverage and begin receiving prescription coverage as an individual entity. They will be passing a Resolution to Join, Indemnity and Trust and appointing a Commissioner at their November Board Meeting. There is no action required at this time.

PROGRAM MANAGER:

EGWP

Program Manager distributed and reviewed the EGWP presentation. He said the program operates as a retiree drug subsidy. He said the current ESI plans are in place of Medicare part D, and the Fund files for a retiree drug subsidy from the government and Medicare subsidizes the Fund. The ACA is reducing those subsidies, so the advantage of moving to the EGWP is that the subsidies would be received upfront. He said the benefit of the Aetna product is that it is fully insured so the high dollar individuals would be transferred into this platform. Ms. Peterson said there was a group in the SNJHIF that implemented this program and saved a lot of money. Ms. Ward said Aetna has a lot of flexibility in their plan design so they were able to find a match for everyone. Program Manager said the current membership will be issued 1 ID card and this would open up more pharmacies to the members. He said the formulary would not be exactly the same as ESI so there could be copay disruptions and prior authorizations would need to be redone after a 1 time courtesy fill. He said the Fund received other quotes, but Aetna was able to map all of the plans. He said the Fund is looking at a March 1 implementation date. In response to Commissioner Hubeny, Commissioner Poulos said there should not be a problem in Red Bank as long as this is equal to or better than. Ms. Ward said that communication is important. In response to Commissioner Poulos, Ms. Ward said existing MA members are in Aetna. Program Manager said there are some Lakewood retirees that won't be able to switch. In response to Commissioner Hubeny, Executive Director said the overall savings to the Fund will be about \$552,000.

MOTION TO AUTHORIZE THE IMPLEMENTATION OF THE EGWP PROGRAM:

MOTION:	Commissioner Poulos
SECOND:	Commissioner Gilsenan
VOTE:	

Program Manager said Brick Housing authority will roll out as their own entity while remaining in the HIF. They will receive the same rates as Brick Township. Executive Director said a resolution will be included to accept them as a member in the January agenda.

MOTION TO APPROVE RESOLUTION 24-16 SUPPORTING THE INVESTMENT LEGISLATION AND APPROVING THE NOVEMBER 2016 BILLS LIST IN THE AMOUNT OF \$381,600.25 :

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Nieman
VOTE:	4 Ayes, 0 Nays

ATTORNEY: No Report

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Nieman
VOTE:	Unanimous

MEETING ADJOURNED: 1:30 pm