

**CENTRAL JERSEY HEALTH INSURANCE FUND  
OPEN MINUTES  
SEPTEMBER 18, 2013  
BRIELLE BOROUGH MUNICIPAL BUILDING  
1:30 PM**

Meeting called to order by Chairman Addie Schmidt. The Open Public Meeting notice read into record.

**PLEDGE OF ALLEGIANCE**

**MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER**

**ROLL CALL OF 2013 EXECUTIVE COMMITTEE:**

<b>CHAIRPERSON</b>		
Thomas Nolan	Borough of Brielle	Absent
<b>SECRETARY</b>		
Adeline Schmidt	Township of Shrewsbury	Present
<b>EXECUTIVE</b>	<b>COMMITTEE</b>	
Richard Bethea	Borough of Ship Bottom	Absent
Jerome Cevetello	Manasquan River RSA	Present
William Rieker	Township of Lakewood	Present
Joseph Gilsenan	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
<b>ALTERNATES:</b>		
Adam Hubeny	Atlantic Highlands Twp	Absent
Jane Gillespie	Borough of Spring Lake	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services	<b>Paul Laracy</b> <b>Loreine Ghani</b>	Present Present
Program Manager	Conner Strong	<b>Diane Peterson</b> <b>Joseph Pfeiffer</b>	Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	<b>Jack Sahradnik</b>	Present
Treasurer		<b>Stephen Mayer</b>	Present
Network & Medical Claims Service	Qualcare Inc.	<b>Sharon Seitzman</b> <b>Jerry Eisenberg</b> <b>Gary Epstein</b>	Absent Present Present
Network & Medical Claims Service	Aetna	<b>Kim Ward</b> <b>David Nortner</b>	Present

Dental Claims Service	Delta Dental	<b>Amy Lehrer</b>	Present
Rx Administrator	Express Scripts	<b>Susan Wolf</b> <b>Katty Mercado</b>	Absent Absent
Auditor	Holman & Frenia	<b>Rodney Haines</b>	Absent

**OTHERS PRESENT:**

Angela Morin, Aberdeen Township  
 Cindy Lisa, Danskin  
 Charles Casagrande, Danskin  
 Eva Biviano, Red Bank Borough  
 Ted wArdell, BBBA  
 Susan Smith, Montgomery Township

**CORRESPONDENCE:** None

**APPROVAL OF MINUTES: JULY 17, 2013 OPEN:**

**MOTION TO APPROVE OPEN MINUTES OF JULY 17, 2013:**

**MOTION:** Commissioner Reiker  
**SECOND:** Commissioner Cevetello  
**VOTE:** Unanimous

Executive Director brought up the open alternate Executive Committee member. Chairman Schmidt asked for the following motion:

**MOTION TO APPOINT COLLEEN LAPP AS ALTERNATE COMMISSIONER TO EXECUTIVE COMMITTEE:**

**MOTION:** Commissioner Reiker  
**SECOND:** Commissioner Diane Lapp  
**VOTE:** 5 Ayes, 0 Nays

The Oath of Office was read and Commissioner Lapp was sworn in.

**PRO FORMA REPORTS**

- **Fast Track Financial Report** – as of July 31, 2013
- **Cash Flow Report** – as of July 31, 2013
- **Budget Reconciliation** – as of September 2013
- **Regulatory Compliance Checklist** – as of July 2013

Month of July surplus, however small concerns still exist.

**ADMINISTRATION**

**BUDGET/FINANCE**

The Finance Committee met on September 4, 2013 to review a draft of the 2014 budget. The overall increase is around 12%. Increase is driven by Aetna utilization. There will be a follow up meeting with Aetna's medical director to see if there is any abating action the fund can take. Re-insurance is flat, but will drop attachment point to \$225,000 to theoretically pay more claims at MRHIF level. Medicare Advantage is budgeted at 5%. Proposed no increase for most vendors. Taxes for ACA are the biggest increment in the budget. Those taxes are collected to subsidize the online exchanges.

Average medical increase is 15% for both medical TPAs. The other factor affecting the specific entity rates are their individual loss ratios which we adjust for credibility. Executive Director turned it over to the Finance sub-committee for commentary. There were no comments.

### **MOTION TO INTRODUCE 2014 BUDGET**

<b>MOTION:</b>	Commissioner Cevetello
<b>SECOND:</b>	Commissioner Diane Lapp
<b>VOTE:</b>	6 Ayes, 0 Nays

### **MEMBERSHIP**

We have received a resolution to terminate coverage for the Township of Hazlet effective September 30, 2013.

### **WELLNESS**

We have also developed a wellness program for the HIFs for 2014 and will be meeting with the Fund wellness committee to review and develop it further for presentation the entire Executive Committee.

### **EMPLOYER GROUP WAIVER PLAN (MEDICARE ADVANTAGE PLAN FOR RX)**

As discussed at previous meetings, we have investigated the cost effectiveness of implementing an Employer Group Waiver Plan (EGWP) for Rx coverage for Medicare retirees. Currently, the Fund provides this coverage and obtains subsidies under Medicare Part D. The Express Scripts and Aetna rates that were provided to us do not produce savings compared to the existing program. While we are disappointed in this finding, we believe that the EGWP concept still has the potential to produce savings in the future, particularly if it can be done on a self insured platform. We will revisit this issue next year after we resolve global issues with Express Scripts on pricing.

### **MUNICIPAL REINSURANCE HEALTH INSURANCE FUND**

The MRHIF met on September 11, 2013. One of the highlights was savings in RX costs due to implementation of several cost savings programs including step therapy, expanded prior authorization, cost saving networks, and a “fraud, waste and abuse program.

The MRHIF accepted a report from an outside consultant on ESI’s contract that will be discussed further at the meeting.

The MRHIF declared a dividend of \$1.2M and approved an improvement in specific claim coverage at no additional cost for the CJHIF.

Due to the efforts of the MRHIF Program Manager’s office, the CJHIF received a recovery under a class action suit concerning Rx pricing. A check for \$131,095 has been deposited in the CJHIF’s accounts.

**LAKWOOD ENROLLMENT EXCEPTION**

A Lakewood employee did not add a newborn dependent to his coverage in the required 31 day period and would normally need to wait until open enrollment to add the child. The Township advises us that employee did not receive notice of the 31 day requirement and the plan document was never finalized. They are requesting an enrollment exception to add the employee. Conversely, Lakewood has committed to completing its plan document review and providing it to its employees within 30 days.

**MOTION TO GRANT ENROLLMENT EXCEPTION TO LAKWOOD:**

<b>MOTION:</b>	Commissioner Rieker
<b>SECOND:</b>	Commissioner Bethea
<b>VOTE:</b>	6 Ayes, 0 Nays

*Executive Director's Report and Attachments made part of the Minutes.*

Diane Peterson introduced Joseph Pfeiffer to the group as a replacement for Jason.

**ADMINISTRATIVE ISSUES**

**ENROLLMENTS**

All enrollment and billing questions should be directed to our dedicated enrollment team. The CJ enrollment team may be contacted via email at [cjhifenrollments@permainc.com](mailto:cjhifenrollments@permainc.com) or by facsimile at 856-685-2258

**OPEN ENROLLMENT**

Open Enrollment for municipalities will be held during the month of October. PERMA will be bulk

shipping the Open Enrollment guides to your enrollment contacts for all active employees. All non-medicare retirees, dependents to age 31, and Cobra enrollees will be receiving their Open Enrollment guides in the mail directly.

Any entity that wishes to add a new plan for the upcoming enrollment period should alert the Program Manager as soon as possible.

### **PLAN / ENROLLMENT CHANGES**

There are no updates this month.

### **HEALTH CARE REFORM EXCHANGE NOTICES**

A requirement of Healthcare Reform is that each entity provides their employees with notification of the availability of the Healthcare exchanges by October 1, 2013.

Healthcare Reform Exchange Notices have been sent to towns to distribute to their members. We have provided one electronic copy of the required exchange notice and instructions to each group for distribution. A sample exchange notice has been attached to this Agenda.

### **MEDICARE ADVANTAGE STATUS**

We were successfully able to enroll all but 44 members. We sent out a third mailing for a 10/1 effective date and will update the success rate in the next PM Report.

### **MEDICARE ADVANTAGE PRESCRIPTION SPOUSE COVERAGE**

#### *Enrollment/Eligibility:*

Medicare Advantage enrollment required the separate enrollment of retirees and their spouses. To simplify the billing process, prescription enrollment was also split.

This required the creation of new accounts for spouses, based on **their** social security numbers, which results in the generation of new ID cards. Retirees will not be receiving new ID cards.

To reduce any confusion this may cause, we have mailed a letter to all spouses of Medicare eligible retirees.

This letter doubles as a temporary ID that may be provided to pharmacists, until new Express Scripts ID cards are received.

#### *Out of Pocket Accumulators:*

For those groups which have an integrated medical/prescription plan, the yearly accumulators of deductibles and maximum out of pockets needed to be updated. As of August 9, 2013 Express Scripts confirmed that they received all accumulator reports from the medical carriers.. All accumulators have been updated.. If any retiree/dependent paid additional out of pocket as a result of the Medicare Advantage transition, they will be reimbursed accordingly.

A tracking process between vendors and managed by PERMA has been implemented for future retirees enrolling in the Medicare Advantage Plan

### **INDUSTRY NEWS**

## *How Your Oral Health Affects Your Overall Wellness*

### **Oral Health, Overall Health**

Researchers know there's a synergic relationship between oral health and overall wellness. Gum disease is linked to a host of illnesses including heart disease, diabetes, respiratory disease, osteoporosis, and rheumatoid arthritis. By combing through 1,000-plus medical histories, researchers at the University Of North Carolina School Of Dentistry found that people with gum disease were twice as likely as others to die from a heart attack and three times as likely to have a stroke.

Gum disease is the most common chronic inflammatory condition in the world, yet it's often a silent disease, Ryan says. Why? The mouth can act as a portal of entry for an infection, says Salomon Amar, DMD, PhD, professor and director at the Center for Anti-inflammatory Therapeutics at Boston University School of Dental Medicine. Ongoing inflammation in your mouth can allow bacteria to enter the bloodstream, which may lead to more inflammation in other parts of your body, such as the heart.

Some studies point to a reciprocal relationship between gum disease and diabetes. "When you treat and control diabetes, immediately the condition in the mouth improves. And when you treat periodontal disease, the need for insulin is reduced," Amar says.

Maglares is on the road to recovery and indebted to her dentist. "If I hadn't gone to the dentist, I don't know if I'd be alive today. I pay a lot more attention to my teeth and gums. I believe it's all connected."

By [Jennifer Soong](#)

WebMD Magazine – Feature

<http://www.webmd.com/oral-health/features/oral-health-affects-wellness>

## **FEDS TRYING TO GET THE WORD OUT ABOUT EXCHANGES**

WASHINGTON — Amid a resurgent effort by critics to attack the 2010 health care law, the Obama administration and its allies are focusing on getting millions of Americans enrolled in coverage next year and making sure the new state health insurance exchanges will be ready for open enrollment in October.

But convincing a skeptical public to heed the Affordable Care Act's "individual mandate" will be a major challenge when the bulk of the health care overhaul is fully implemented next year.

Polls show that not only do most Americans dislike the provision that requires them to get health coverage or pay a fine for noncompliance, but they're also confused about what coverage they should get, how to get it and how much it will cost.

To better inform people of their options, nearly 1,200 community health centers will use \$150 million in federal grants to help spread the word. Florida Community Health Centers, for instance, which operates 10 facilities in central Florida, will use its \$173,000 grant to hire three full-time benefit counselors and an outreach worker who will seek out the uninsured for coverage.

"We go to beauty shops, barbershops, day cares, laundromats, churches and any other houses of worship. That's where people congregate," said Molly Ferguson, the centers' director of program development.

These and other federal grants will help with outreach efforts, but congressional Republicans' refusal to provide more money for a public awareness campaign has made the enrollment effort more difficult. The health care law was passed without Republican support.

Private administration friendly organizations such as Enroll America, Young Invincibles and Organizing for America will be counted on to help the administration try to win the health law messaging war. But opponents of the law have been on the offensive.

A recent analysis by Kantar Media, which tracks political spending, found that critics of the Affordable Care Act have spent \$400 million on television ads since the law passed, compared with just \$75 million by its supporters.

A \$1 million ad campaign against the law by Americans for Prosperity, a conservative political group funded by billionaire Kansas industrialists Charles and David Koch, is airing online and on cable networks in Ohio and Virginia.

"We feel it is important to educate Ohioans on the true consequences of government intrusion into the private health care decisions of families," said Eli Miller, the Ohio director of Americans for Prosperity.

The conservative Citizens' Council for Health Freedom has launched a national "Refuse to Enroll" campaign that urges people not to buy coverage through the exchanges.

The council, which describes itself as a "free-market resource" for health care issues, says the cost of coverage on the exchanges might be unaffordable for many, even with premium subsidies. The group claims, among other reasons, that the exchanges will offer only limited choices of physicians and hospitals and that they require considerable paperwork to enroll.

"We encourage Americans to get involved and make sure that the exchanges fail and, as a result, Obamacare also fails," said Twila Brase, the group's president and co-founder.

In response, the left-leaning Americans United for Change will launch a "Hands Off Obamacare" ad campaign on cable news stations beginning next week. In the face of dwindling funds and a powerful negative messaging machine, the Obama administration and a variety of public and private stakeholders will try to enroll an estimated 7 million people for coverage on the exchanges from October to March.

Source: Conner Strong & Buckelew Legislative Update July 2013

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*Central Jersey Health Insurance Fund*

## **MONTHLY REPORTING**

### **CLIENT ACTIVITY REPORTS**

Client Activity Reports illustrate service specific communication from the participants. Global Issues are reported separately to the Executive Committee via the Program Manager Report.

**PLAN DOCUMENTS**

Attached please find the status report for Plan Documents.

*Program Manager’s Report and Attachments made part of the Minutes*

**TREASURER:** Fund Treasurer presented the June, July and August claim payments.

**MOTION TO ACCEPT TREASURER’S REPORT**

**MOTION:** Commissioner Lapp

**SECOND:** Commissioner Gilsenan

**VOTE:** 6 Ayes, 0 Nays

Bills lists: July, August and September

<b>FUND YEAR 2013</b>	<b>\$331,621.86</b>
<b>TOTAL ALL FUND YEARS</b>	<b>\$331,621.86</b>

**MOTION TO APPROVE JULY SUPPLEMENTAL, AUGUST PAYMENTS AND SEPTEMBER BILL LISTS**

**MOTION:** Commissioner Gilsenan

**SECOND:** Commissioner Lapp

**VOTE:** 6 Ayes, 0 Nays

**ATTORNEY:**

1 Appeal for Closed Session

**QUALCARE:** Mr. Epstein reviewed the claim payment report Jan - August. The total payments for this period were \$7M. Mr. Epstein told the committee they are moving towards using an exclusive lab for in-network across the Qualcare book of business. They anticipate a cost savings which he will communicate the fund in the future. The resulting discussion revolved around the potential of this being viewed as change in coverage and what will the resulting savings be. Program Manager will do a disruption report.

**AETNA:** Ms. Ward said the Aetna reports include June and July data. \$1M.. She said the average pepm were \$1243 for July. Out of Network fee schedule went into place August 1 and Flex 3 model set for October 1 implementation.

**EXPRESS SCRIPTS:**



No report

**DELTA DENTAL:**

Rep noted that Oral health library is on the website with a particular tool called oral risk assessment tool. Executive Director noted that there are some wellness ideas that may help the Wellness Committee. Delta Dental has also released a mobile app for employees.

**NEW BUSINESS:**

None

**OLD BUSINESS:**

None.

**PUBLIC COMMENT:**

Ted Wardell stated there is a chiropractor who treats Neptune City patients that due to capitation is not being paid for certain services. Kim Ward informed him that it was due to a misunderstanding and the issue was resolved. He also asked about the new Express Scripts formulary. Program Manager said more detail would be available at the next Executive Committee meeting.

**MOTION TO ENTER EXECUTIVE SESSION**

<b>MOTION:</b>	Commissioner Reiker
<b>SECOND:</b>	Commissioner Lapp
<b>VOTE:</b>	Unanimous

**MOTION TO APPROVE PROGRAM MANAGER'S RECOMMENDATIONS FOR CLAIM NUMBER 09-13-01 NOT TO EXCEED THE MONEY SET FORTH IN CLOSED SESSION**

<b>MOTION:</b>	Commissioner Reiker
<b>SECOND:</b>	Commissioner Cevetello
<b>VOTE:</b>	6 Ayes, 0 Nays

**MOTION TO ADJOURN MEETING:**

<b>MOTION:</b>	Commissioner Cevetello
<b>SECOND:</b>	Commissioner Reiker
<b>VOTE:</b>	Unanimous

**MEETING ADJOURNED: 2:20 PM**