

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
APRIL 25, 2016
CHERRY HILL FIRE DISTRICT
6:15 PM

Meeting of Executive Committee called to order by Michael Mevoli. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

ROLL CALL OF 2016 EXECUTIVE COMMITTEE:

Michael Mevoli, Chairman	Borough of Brooklawn	Present
M. Joseph Wolk, Secretary	Borough of Mt. Ephraim	Present
Richard Michielli	Borough of Magnolia	Present
Louis Di Angelo	Borough of Bellmawr	Present
Terry Shannon	Borough of Barrington	Present
Jack Lipsett	Gloucester City	Present
Neal Rochford	Haddonfield	Present
Edward Hill - Alternate 1	CCBOSS	Present

Mr. Fogel welcomed everyone to Cherry Hill Fire District.

APPOINTED PROFESSIONALS PRESENT:

Executive Director/Adm.	PERMA Risk Management Services Paul Laracy Emily Koval Karen Kamprath
Program Manager	Conner Strong & Buckelew Brandon Lodics Jeanne Frank
Attorney	J. Kenneth Harris, Esq.
Medical TPA - Amerihealth	Lisa DiDio
Medical TPA - Aetna	Kim Ward
Treasurer	Ken Verrill
Express Scripts	Jeff Basile

ALSO PRESENT

Kim Porter, CHB Group

Sarah Scala, Hardenburgh Insurance Group

APPROVAL OF MINUTES: March 28, 2016

MOTION TO APPROVE OPEN MINUTES OF MARCH 28, 2016:

Moved: Commissioner Wolk
Second: Commissioner Lipsett
Vote: 7 Ayes, 0 Nays, 1 Abstain
 (Commissioner Shannon)

CORRESPONDENCE - None

PRO FORMA REPORTS

- **Fast Track Financial Reports - as of February 29, 2016**
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

Executive Director said the claims are immature because of the run out from SHIF and Coastal, but the year is off to a good start as the Fund made \$260,000 for the month of February. Executive Director said there was a big jump in prescription claims for March, which could possibly be due to retirees from CCBOSS. He said the situation will be monitored.

TRANSFER OF FUNDS - At the end of last year, the Fund transferred owned funds to Coastal and SHIF. Subsequent to those transfers, there is additional closed year balances due to the Funds for liabilities that should be paid by the respective Funds, rather than SNJHIF.

Executive Director said there is additional money being transferred the SHIF and Coastal from the SNJHIF, including liabilities owned by the other Funds. The details were laid out in Resolution 14-16. He said we are continuing to work with the auditor and before the 2014 and 2015 years are closed out we will make sure all the transfers are audited and adjusted accordingly.

MOTION TO ADOPT RESOLUTION 14 -16 APPROVING THE TRANSFER OF FUNDS FROM THE SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND TO THE SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND AND THE SCHOOLS HEALTH INSURANCE FUND, AS DEPICTED.

Moved: Commissioner DiAngelo
Second: Commissioner Lipsett
Vote: 8 Ayes, 0 Nays

ADMINISTRATION

FINANCIAL DISCLOSURE STATEMENTS - As done in prior years and required by State law, each Fund Commissioner is required to complete a Financial Disclosure Statement through the Department of Community Affairs. The 2016 notice with instructions has been released and is included in agenda. The deadline is April 30, 2016. Fines will be issued for non compliance. A listing of compliance was included in the agenda

AMENDING BROKER FEE RESOLUTION - Attached is resolution 12-16 which will be amended to recognize a contract between the Borough of Somerdale and the CHB group. Their annual fee is reflected in the Resolution. We need a motion to formalize and file with the state.

Ms. Koval said the amount was changed from \$15,000 to a per employee per month cost of \$33.78. Executive Director said this cost was included in their rates for 2016.

MOTION TO AMEND RESOLUTION 12-16 ADDING CHB GROUP AS BROKER AT \$33.78 PER EMPLOYEE PER MONTH FOR THE BOROUGH OF SOMERDALE.

Moved:	Commissioner Lipsett
Second:	Commissioner Wolk
Vote:	8 Ayes, 0 Nays

CONNER STRONG & BUCKELEW AND CENTURY EQUITY - We are pleased to announce that Conner Strong & Buckelew along with its sister companies, J. A. Montgomery and PERMA has entered into a strategic alliance with Century Equity Partners. Under the transaction, a majority of the company remains under control of Joe Buckelew, George Norcross and Mike Tiagwad. Therefore, there will be no change in the management of the company or the joint insurance funds.

Program Manager's Report April 25, 2016

MONTHLY BILLING - As a reminder, please be sure to check your monthly invoice for accuracy. If you find a discrepancy, please report it to the SNJREBF enrollment team. The Fund's policy is to limit retro corrections to 60 days.

BROKER EMAIL BOX - RELAUNCH! - We are excited to announce that we've added a new member to our team! George Quinn is an Employee Benefits Specialist with over 25+ years experience in the Employee Benefits Industry. His role will include acting as a liaison between insurance carriers and clients to resolve claim issues and billing inquiries and performing benefit provision research, as well as assisting our broker partners when they bring these inquiries into the Broker Email Box. We are certain that our dedicated efforts will continue to streamline broker inquires and provide increased response time and data tracking.

EXPRESS SCRIPTS MAIL ORDER - Mail Order floor limit has been increased from \$100 to \$150.

Any member utilizing the Express Scripts home delivery pharmacy will not see a disruption in mail order shipments until their total balance reaches \$150 or more. This figure is set by Express Scripts corporate finance team and allows members a limited credit line when ordering prescriptions through the mail order pharmacy.

LATEST TRENDS AND BEST PRACTICES IN PHARMACY MANAGEMENT - On Thursday, April 14th, Conner Strong and Buckelew hosted a webinar in partnership with Express Scripts regarding the drivers of high cost pharmacy trend.

Here are some highlights of the presentation:

- Overall cost of care for a family of 4 in 2015 was \$24,671; \$3,913 or 16% of which was in Pharmacy costs.
- Pharmacy spend is expected to increase by 10.6% PEY in 2016; most of which will be due to rising costs of Specialty Pharmacy.
- Employers surveyed noted that Specialty Pharmacy is the 2nd highest driver of costs next to their high cost claimants.
- Employers surveyed noted the most commonly used utilization management strategies implemented have been Step Therapy, Prior Authorizations, Quantity Limitations, and Mandatory Mail Order for maintenance medications.

In response to Chair Mevoli, Ms. Frank said the increase in prescription spend in the SNJHIF is mostly due to specialty medications such as Harvoni. In response to Commissioner Shannon, Program Manager said specialty medications rarely have generic options. He said these numbers are not specific to the Fund. Ms. Frank the Fund uses utilization management programs which help control costs. In response to Commissioner Shannon, Program Manager said this data came from a national survey.

Mr. Basile said that specialty drugs are not going away and that the drug is priced so high they can lock down the market. He said Express Scripts is doing their best to stay on top of the specialty trend.

Program Manager said the Fund has the right tools in place, such as Express Scripts Accredo Specialty Pharmacy to help keep costs down. Program Manager said a new pepm prescription trend will be included in the agenda going forward.

AETNA SPEECH THERAPY CODING ISSUE - PERMA recently uncovered a coding issue on AETNA speech therapy claims. Certain covered diagnosis codes were not properly updated in 2016. AETNA has begun correcting the issue. The impacted members that have contacted us have been placed in special handling, and their providers contacted. Any others impacted will be picked up by a claims report requested of AETNA.

Ms. Ward said it took a while to figure out what occurred but the issue was identified and resolved. They are in the process of making sure all claims that were denied have been reprocessed. In response to Commissioner Shannon, Ms. Ward said the issue is specific to only to speech therapy claim codes.

3D MAMMOGRAMS - We've recently identified a gap in coverage between the Fund and other group plans regarding the coverage of 3D mammograms. The State and private market updated plan coverage to follow the expansion of the NJ Mandate in 2015.

This expansion of coverage now includes an ultrasound evaluation, a magnetic resonance imaging (MRI) scan, a three-dimensional (3D) mammography and other additional testing of an entire breast or breasts, after a baseline mammogram examination, and if the following criteria are met:

- the mammogram demonstrates extremely dense breast tissue,
- the mammogram is abnormal within any degree of breast density including not dense, moderately dense, heterogeneously dense or extremely dense breast tissue, or if
- The patient has additional risk factors for breast cancer, including but not limited to, family history of breast cancer, prior personal history of breast cancer, positive genetic testing, extremely dense breast tissue based on the Breast Imaging Reporting and Data System established by the American College of Radiology or other indications as determined by the patient's doctor.

Note: The coverage required for an ultrasound evaluation, MRI scan, 3D mammography or other additional testing may be subject to utilization review, including periodic review of the medical necessity of the additional screening and diagnostic testing.

Ms. Frank said any new groups will have this as of 4/1 and remaining groups will be updated going forward. In response to Commissioner Shannon, Program Manager said the newer groups are being addressed first then it will be fund by fund.

RECORDKEEPING AND REPORTING - IRS GRANTS AUTOMATIC EXTENSION

- **Employee forms 1095B or 1095C were due to your employees by March 31, 2016.**
- **Employer forms 1094B or 1094C are due to the IRS no later than May 31, 2016; unless filing electronically then due no later than June 30, 2016.**

Employers are advised to consult with their tax, HRIS/payroll, and legal advisors for assistance with specific issues/complexities regarding form preparation, appropriate eligibility and hours tracking rules, and the actual implementation of the data gathering, tracking, and reporting rules.

All entities with medical coverage in the Fund are self-insured and therefore required to file and distribute these forms; even those employers with less than 50 employees.

Entities with less than 50 employees will need to complete the 1094 and 1095 B forms.

Entities with more than 50 employees will need to complete the 1094 and 1095 C forms.

ACA and 1095 Forms Generally / Individual Tax Filing Issues - Most Commonly Asked

Questions:

1. *What are the new health coverage forms required by the Affordable Care Act?*

The Affordable Care Act (ACA) is a law designed, in part, to extend access to affordable health care coverage to more Americans. As required by the ACA, you must receive 1095 forms reporting on certain offers of health coverage and actual health coverage received in the prior year (note that other benefits such as dental plans, life insurance, or disability benefits are not reported on 1095 forms). The 1095 forms are filed by the marketplace ([Form 1095-A](#)), other insurers or providers ([Form 1095-B](#)), and certain large employers ([Form 1095-C](#)). One copy is sent to the Internal Revenue Service (IRS) and one copy is sent to you. A 1095 form is a little bit like a W-2 form. A W-2 form reports your annual earnings. The 1095 forms will show that you and your family members either did or did not have an offer of health coverage and/or actual health coverage during each month of the past year. Because of the ACA, every person who is not otherwise exempt must obtain health insurance or pay a penalty to the IRS.

2. *How many forms will I get and when should I receive the form(s)?*

Depending on the circumstances, some people may receive multiple forms and some people may receive no forms. You may receive multiple forms if you had coverage from more than one coverage provider, if you worked for more than one employer during 2015, or if you enrolled for coverage in the marketplace for a portion of the year and received coverage from another source for part of 2015. If you are due a form, you should receive it by March 31, 2016. (Starting in 2017, you should receive it each year by January 31, just like your W-2.)

3. *What do I do with the form(s)?*

You should keep your forms with your tax records. You don't actually need the form(s) in order to file your taxes, but when you do file, you'll have to tell the IRS (by checking a box on your tax return) whether or not you had health insurance for each month of 2015. Since you don't actually need the form(s) to file your taxes, you don't have to wait to receive it if you already know what months you did or didn't have health insurance in 2015. When you do get the form, keep it with your other 2015 tax information in case you should need it in the future to help prove you had health insurance. In the meantime, if your accountant or tax preparer requests proof of coverage, the government suggests these forms of documentation as proof of insurance coverage: insurance cards, explanation of benefits, statement(s) from insurers, W-2 or payroll statement(s) reflecting health insurance deductions, record(s) of advance payments of the premium tax credit, and other statements indicating an individual or family member had coverage.

4. *Where can I go for more information?*

You can go to the governmental websites and find more detailed information on the forms and the ACA requirements. See the IRS [Questions and Answers about Health Care Information Forms for Individuals \(Forms 1095-A, 1095-B, and 1095-C\)](#) at <https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals>. See also the [Department of Health and Human Services website](#) at <https://www.healthcare.gov/fees/> for detailed information on how the penalty is calculated. Ask your tax preparer or advisor if you have specific questions while filing your personal tax return. Everyone's family structure and income situation is different, and coverage providers and employers are not able to give you personal income tax advice. For further assistance you can

always call the IRS helpline at
800-829-1040.

NEW INTERACTIVE WELLNESS HUB:

www.healthylearn.com/connerstrong

Conner Strong and Buckelew is pleased to announce we have launched a new, interactive wellness portal available to our customers called **HealthyLearn™**. This is a new, high-powered portal that includes the best, most interactive and source based data available on wellness and medical topics. This new site replaces our previous Healthier at Home site. *All of the content one would expect regarding wellness and population health is now delivered to you on a site so user friendly you may never go anywhere else for health information.*

HealthyLearn™ is available to all Conner Strong & Buckelew clients at no additional cost, to make available to their employees and plan participants. HealthyLearn™ covers over a thousand health topics in a simple, straightforward manner. The data and information is laid out in an easy-to-follow format and includes an informational print-on-demand PDF. HealthyLearn™ includes the following interactive features and services:

- Ask the Coach
- Rotating Health Tip-of-the-Day
- Symptom Checker
- A to Z Encyclopedia
- Health News
- Medical Self-Care Guides for Adults, Children, Adolescents and Seniors
- Women and Men Guides
- Pain Management Guide
- Financial Wellness information
- Mental Health Guide
- Home Safety Guide
- Wellness and Disease Management
- Tobacco Cessation
- Stress Management
- Nutrition and Weight Loss
- Health Trackers
- Health Posters
- Health Videos
- Monthly Wellness Newsletter

TREASURER'S REPORT - Fund Treasurer reviewed the April Bills List and reports included in the Agenda. Fund Treasurer distributed a handout regarding Republic Bank. Annually, the Fund earns about \$20,000 dollars at TD Bank, by moving to Republic Bank the Fund could earn about \$72,000. In response to Commissioner Shannon, Fund Treasurer said .7% would be the minimum interest rate going forward.

In response to Commissioner Shannon, Executive Director said the surcharge will still appear until all the reconciliations are complete.

Resolution 15-16: Payment of April Bills List

FY2014	\$2,146,000.00
FY2015	\$2,613,384.08
FY2016	\$419,500.63
FY Closed	\$1,129,504.46
Total	\$6,308,398.17

MOTION TO APPROVE RESOLUTIONS 15-16, APPROVAL OF THE APRIL 2016 BILLS LIST:

Motion: Commissioner Di Angelo
Second: Commissioner Wolk
Vote: 8 Ayes, 0 Nays

MOTION TO APPROVE THE REPUBLIC BANK INVESTMENT TRANSFER

Motion: Commissioner Lipsett
Second: Commissioner Wolk
Vote: Ayes, 0 Nays

FUND ATTORNEY: Fund Attorney said the Fund is responding to the 3D mammography mandate for competitive reasons, but State Mandates do not apply to self insured funds.

AMERIHEALTH: Ms. Didio reviewed the AmeriHealth reports that were included in the agenda. She said AHNJ is running similar to last month.

AETNA: Ms. Ward said the Aetna claim report is overstated. She said there were several claims over 50 thousand including SHIF and Coastal.

EXPRESS SCRIPTS: Mr. Basile reviewed the Accredo copay assistance program. He said it saved approximately \$11,000 in copays in the last plan year. He said this program has proven to increase adherence. In response to Commissioner Shannon, Program Manager said most plans do not have large out of pocket expenses, so this plan would be assistance for someone with a coinsurance plan.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: none

NEW BUSINESS:

PUBLIC COMMENT: none

MOTION TO ADJOURN:

Moved:	Commissioner Michielli
Second:	Commissioner Lipsett
Vote:	Unanimous

MEETING ADJOURNED: 7:00 PM

NEXT MEETING: May 23, 2016, Voorhees Town Center

Emily Koval , Assisting Secretary
for

JOSEPH WOLK, SECRETARY