

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND**  
**OPEN MINUTES**  
**APRIL 24, 2017**  
**CHERRY HILL FIRE DISTRICT**  
**6:00 PM**

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

**PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

**WELCOME** - Mr. Foley welcomed everyone to Cherry Hill Fire District and introduced Mr. Gibson who is the Chairman of the Board of the Cherry Hill Fire Commissioners.

**ROLL CALL OF 2017 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               | CCBOSS                 | Present |

**APPOINTED PROFESSIONALS PRESENT:**

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| <b>Executive Director/Administrator</b> | PERMA Risk Management Services<br>Paul Laracy<br>Karen Kamprath |
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| <b>Program Manager</b> | Conner Strong & Buckelew<br>Brandon Lodics<br>Maggie Friel |
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| <b>Attorney</b> | Ken Harris |
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| <b>Deputy Treasurer</b> | Ken Verrill<br>Lorraine Verrill |
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| <b>AmeriHealth</b> | Lisa Didio |
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| <b>Express Scripts</b> | Jeff Basile |
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**Also Present:**

Kim Porter, CHB Group  
Joe Madera, Hardenbergh Insurance

Bob Weil, Conner Strong & Buckelew  
Suzanne Wood, CBIZ Model  
Tom Kirner, Glenn Insurance

**APPROVAL OF MINUTES:        March 27, 2017 Open**

**MOTION TO APPROVE OPEN MINUTES OF MARCH 27, 2017:**

|         |                        |
|---------|------------------------|
| Moved:  | Commissioner Michielli |
| Second: | Commissioner Di Angelo |
| Vote:   | Unanimous              |

**CORRESPONDENCE – None**

**EXECUTIVE DIRECTOR’S REPORT**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports – as of February 28, 2017**
  - **Historical Income Statement**
  - **Consolidated Balance Sheet**
  - **Indices and Ratios Report**

Executive Director said the financial fast track shows year to date earnings of \$165,000 and the Fund is performing as expected. He said the dividend will be shown on the March fast track. He said there is an additional report included that shows the pepm Rx costs. He said there is currently a downward trend.

**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 2017 notice with instructions has been released and fines will be issued for non compliance. The new filing deadline is May 31, 2017.

**MRHIF MEETING DATE**

The MRHIF has rescheduled its meeting to from June 14 to May 11.

**AETNA PERFORMANCE STANDARDS**

Aetna has informed us that they did not meet the standards for financial accuracy of claims processing for 2016. As such, the HIFs will be eligible for a partial refund of up to 2% of fees paid in 2016 (\$17,692). We are working with Aetna on the details of this adjustment and will report further at next month’s meeting.

In response to Commissioner Shannon, Executive Director said ESI submitted their independent analysis for 2016 and that is currently being reviewed by the independent auditor.

## **INVESTIGATION OF PARTNERSHIP HEALTH CENTER CONCEPT FOR SNJ HIF AND SCHOOLS HEALTH INSURANCE FUND**

We have begun an investigation of a "Partnership Health Center" concept for the North Jersey HIF and plan to also do so for the SNJ HIF and the Schools HIF. Under this concept, the Funds can contract with a service provider to operate a health center dedicated to employees and families of HIF members. In New Jersey, the State Educators Health Benefits Program is experimenting with a similar concept (a dedicated Medical home) and partnership health centers are in use for Toms River and Long Branch BOEs. This concept is in very preliminary phases of development for the HIFs and we have no predisposition on how the studies will turn out.

Commissioner DiAngelo said Cooper Hospital is currently working on a similar concept. Executive Director said this is only conceptual for now.

### **PROGRAM MANAGER'S REPORT** **ADMINISTRATIVE UPDATES**

#### **HEARING AIDES - UPDATE**

Ms. Friel said the HRA would not be administratively cost effective for the Fund. She said the FSA is available and members can be reimbursed. Mr. Lodics said members 15 years and younger receive a benefit of \$1,000 every two years. If that was offered to all members it would add about 1 point to the premium. He said it is estimated that 17-25% of the population needs hearing aides. He said Aetna does offer a hearing aide discount program.

#### **SHBP FINANCIAL ANALYSIS**

Ms. Friel said the SHBP recently released their annual audit and PERMA has performed an in-depth analysis of the report. She said the state subgroup deficit doubled and the local subgroup maintains a sizeable surplus however the overall operations lost \$27.2 million. She said the state group has a deficit of 1 month of claims, the local group surplus exceeds 2 months of claims and the schools subgroup has a surplus of 9 days. In response to Commissioner Shannon, Mr. Lodics said the group renews on 1/1.

#### **NJ OPIOID LAW - COMPLIANCE UPDATE**

Ms. Friel said any new group that enters the Fund will be required to comply and they are recommending that the existing SNJHIF groups adopt the mandate starting January 1, 2018. She said this would add approximately 1% point to the renewal. Mr. Lodics said the HIF has consistently adopted new state mandates. In response to Commissioner Shannon, Mr. Lodics said on the medical side anyone who has a claimed opioid addiction has the right to enter an inpatient or outpatient facility without prior authorization. He said the current plan requires prior authorization. He said this is only enforceable on the in-network side. In response to Chair Mevoli, Fund Attorney said the law covers in network admissions, and if no facility is available then necessary exceptions to the network would need to be provided within 24 hours. Mr. Lodics said in addition on the pharmacy side for first time opioid prescriptions only a 5 day supply can be given. Mr. Basile said if the member needs additional medication the prescription can be written on the 4<sup>th</sup> day for an additional 25 days.

**WELLNESS**

Ms. Friel said there are two communication pieces included in the Agenda, 1 from Aetna and 1 from AmeriHealth for their choose healthy affinity program.

**EPI PEN RECALL**

Ms. Friel said there was an epi pen recall on devices from 13 specific production lots that were distributed between 12/17/2015 and 7/1/2016. She said affected patients were notified by the manufacturer and provided a free replacement.

**CMS UPDATE**

Ms. Friel said CMS now requires an annual Health Risk Assessment to be completed. She said there is no penalty for non-compliance.

**TREASURER'S REPORT** - Deputy Treasurer reviewed the Treasurer’s Report, the April 2017 Bills List and Supplemental Bills list.

**Resolution 16-17: Payment of April 2017 Bills**

|                |                     |
|----------------|---------------------|
| <b>FY 2016</b> | <b>\$1,716.54</b>   |
| <b>FY 2017</b> | <b>\$566,187.18</b> |
| <b>TOTAL</b>   | <b>\$567,903.72</b> |

**MOTION TO APPROVE RESOLUTION 16-17, APPROVAL OF APRIL 2017 BILLS LIST AND THE SUPPLEMENTAL BILLS LIST FOR A TOTAL AMOUNT OF \$568,018.39.**

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

Deputy Treasurer distributed the March treasurer’s report.

**MOTION TO APPROVE THE REMAINDER OF THE TREASURER’S REPORT**

Motion: Commissioner Wolk  
Second: Commissioner Michielli  
Vote: Unanimous

**FUND ATTORNEY:** None

**AETNA:** Report included in Agenda

**AMERIHEALTH:** Ms. Didio said there are no high claimants for this reporting period. The average pepm is \$572.92.

**EXPRESS SCRIPTS:** Mr. Basile provided an overview of the Fund's opioid usage. He said about 18% of the membership has filled an opioid prescription in the last year. In response to Chair Mevoli, Mr. Basile said it takes 2 weeks for someone's body to become physically addicted to opioids. Mr. Basile said the Fund does have a fraud waste and abuse program in place which does help control this.

Mr. Basile said the Fund is currently trending negative. He said the pmpm has decreased 6.7%. He said specialty is still the biggest cost driver.

**DENTAL ADMINISTRATOR:** None

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN:**

|         |                        |
|---------|------------------------|
| Moved:  | Commissioner Michielli |
| Second: | Commissioner Wolk      |
| Vote:   | Unanimous              |

**MEETING ADJOURNED:**  
**NEXT MEETING: MAY 22, 2017**  
**VOORHEES TOWNSHIP**

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Karen Kamprath , Assisting Secretary  
for

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**JOSEPH WOLK, SECRETARY**