

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
AUGUST 27, 2018
BARRINGTON BOROUGH
6:00 PM**

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. Lodics welcomed everyone to Barrington

ROLL CALL OF 2018 EXECUTIVE COMMITTEE:

| | | |
|---------------------------|------------------------|---------|
| Michael Mevoli, Chairman | Borough of Brooklawn | Present |
| M. Joseph Wolk, Secretary | Borough of Mt. Ephraim | 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 | Absent |
| Alternates | | |
| Robert Maybury | Mount Holly MUA | Present |

APPOINTED PROFESSIONALS PRESENT:

| | |
|---------------------------|---|
| Executive Director/Adm. | PERMA Risk Management Services Paul Laracy Karen Kamprath |
| Program Manager | Conner Strong & Buckelew Brandon Lodics |
| Attorney | J. Kenneth Harris, Esq. |
| Medical TPA - AmeriHealth | Mike Murphy |
| Medical TPA - Aetna | Joe Rodrigues |
| Express Scripts | Kyle Colalillo |
| Deputy Treasurer | Ken Verrill |

PRESENT FUND COMMISSIONERS AND PROFESSIONALS:

Kim Porter, CHB Group
Sarah Scala, Hardenbergh Insurance Group
Michael Theokas, Bordentown Township
Steve Whalen, Boro of Magnolia
Eleanore Kelly, Boro of Runnemede
Michael Sheeran, Glenn Insurance

APPROVAL OF MINUTES: July 23, 2018 Open

MOTION TO APPROVE OPEN MINUTES OF JULY 23, 2018:

| | |
|---------|-----------------------|
| Moved: | Commissioner DiAngelo |
| Second: | Commissioner Lipsett |
| Vote: | Unanimous |

CORRESPONDENCE – None

EXECUTIVE DIRECTOR’S REPORT

FINANCIAL FAST TRACK – As of June 30, 2018

Executive Director said the Fund made slightly over \$1 million in June. He noted that the \$37 million that was transferred was money that went to the SHIF and Coastal Funds and that was completed in 2017. He said in order to simplify the Fast Track he is going to combine lines 8 and 9 because the surplus is essentially a transferred dividend. He also noted that the reason there is a cash deficit is due to the release of the dividend.

2019 BUDGET PREVIEW

Executive Director said overall the average assessments are projected to drop by .30%. The decrease is driven by positive loss experience for the membership as a whole. The medical, Medicare Advantage, and Rx rate change is projected at +1% while dental rates would drop by 5%. He said CCBOSS has a reduction in Medical but an increase for RX. He said \$391,000 is included for loss fund contingency because of his concerns about the reinsurance however the increase for reinsurance will only be about 7%. He said the loss fund contingency can stay as presented or can be reduced or taken out. He said overall the budget is up .53%. He said the budget can be introduced at this time if the committee is comfortable. The Committee agreed to schedule a conference call with the finance committee prior to the September meeting and if there are no major issues the budget can be introduced at that time. If there are major changes or concerns, the Fund will hold a budget workshop meeting on October 10, 2018 at 6:00 pm.

Executive Director said the Fund has the option to release a dividend based on the available surplus.

| Surplus Objective | 2 Month Target |
|---|-----------------------|
| Surplus Target | \$ 6,019,250 |
| Surplus | \$ 14,911,973 |
| Available | \$ 8,892,724 |
| Paid in 2015 | \$ 750,000 |
| Paid in 2016 | \$ 1,500,000 |
| Paid in 2017 | \$ 3,649,475 |
| Paid in 2018 | \$ 3,650,000 |
| Recommended 2019 - Pay 1/3rd of Available | \$ 2,964,241 |

CONTRACT AWARD RESOLUTION

Executive Director said there is a resolution to appoint the Fund professionals for 2019 included in the Agenda. Commissioner Rochford said he has some questions regarding the closed minutes and the contracts before approving the resolution. Fund Attorney said the questions should be addressed in closed session.

PROGRAM MANAGERS REPORT

ONLINE ENROLLMENT SYSTEM TRAINING

The Executive Committee voted and approved mandatory use of the online enrollment system by each member group. If you need training or would like a refresher course on the online enrollment system, please reach out to Karen Kidd at kkidd@permainc.com of PERMA.

CONTACT INFORMATION

Please direct any eligibility, enrollment, billing or system related questions to our dedicated SNJREBF Team. The team can be reached by email at southernnj_enrollments@permainc.com or by fax at 856-685-2249.

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, *including terminations*, to 60 days. We have noticed an increase in requests for enrollment changes, billing changes, terminations and additions well past the 60 day time frame. Moving forward, it is of the utmost importance to review bills for rate and enrollment accuracy on a monthly basis. If there is an error, please bring it to the enrollment team's attention.

BROKER CONTACT INFORMATION

Please direct any escalated claims, benefit coverages, prescription coverage, Medicare advantage or appeal related questions to our dedicated SNJREBF Client Servicing Team. The team can be reached by email at brokerservices@permainc.com.

ID CARDS

As a reminder, PERMA no longer has direct carrier system access to order ID cards for members. We wanted you to be aware of the following carrier contact numbers members can call to request additional ID cards if needed.

- Aetna ID cards: 800-370-4526
- Express Scripts ID cards: 800-305-1834

- Delta Dental: 800-452-9310
- AmeriHealth Admin (non referrals): 800-480-5031

AETNA UPDATES

Program Manager said Aetna and LabCorp have signed an expanded agreement to make LabCorp a preferred national laboratory for all Aetna Commercial and Medicare health plans, products and members beginning January 1, 2019. The addition of LabCorp offers more choices and access for lab services for your employees. LabCorp joins Quest Diagnostics as a nationally preferred lab for Aetna, in addition to other participating nationally and locally contracted labs. Your employees will have in network laboratory access to LabCorp's full range of services effective January 1, 2019. There will be no change for Quest Diagnostics in the Aetna Network.

AMERIHEALTH UPDATES

No updates at this time

EXPRESS SCRIPTS UPDATES

Program Manager said there was a product recall for medications containing Valsartan, which is a generic medication used to treat high blood pressure; due to an impurity detected in the product. On 07/18/18 ESI mailed letters to any members that received the affected NDC through ESI Mail. There were about 16 members and 32 affected claims thru the end of July 2018, of the SNJREBF. At the MRHIF level, there were 155 affected members and 314 affected claims, thru the end of July 2018.

UPDATED NJSA 3753- NJ NEWBORN MANDATE ACT

Program Manager said on January 16, 2018, New Jersey updated the existing NJ Newborn Mandate Act that provides coverage for all newborns from the moment of birth for the first 31 days to first 60 days. Please note, this mandate does not apply to newborns of dependent children. Self-Insured plans can elect to participate on the first renewal after January 16, 2018.

MOTION TO COMPLY WITH THE UPDATED NJSA 3753-NJ NEWBORN MANDATE ACT EFFECTIVE JANUARY 1, 2019:

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|---------|----------------------|
| Moved: | Commissioner Shannon |
| Second: | Commissioner Lipsett |
| Vote: | 7 Ayes, 0 Nays |

OPEN ENROLLMENT

Program Manager said we are currently in the preparation stages of 2019 Open Enrollment. In 2017, the SNJREBF distributed enrollment guides electronically. This was well received by our members and entities, we are recommending we continue with this distribution media. In the September meeting, we expect to have a sample guide and timelines for your review.

ADMINISTRATIVE AUTHORIZATIONS

No updates at this time.

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No updates at this time.

TREASURER'S REPORT - Deputy Treasurer reviewed the bills list and treasurers report. He noted that republic bank increased their rate to 2% starting in August. He distributed a report showing the schedule of investments at TD Wealth Management.

Resolution #23-18 August 2018 Bills

| | |
|---------------|---------------------|
| FY2018 | \$522,777.71 |
| Total | \$522,777.71 |

MOTION TO APPROVE RESOLUTION 23-18 APPROVING THE AUGUST 2018 BILLS LIST:

Moved: Commissioner DiAngelo
 Second: Commissioner Wolk
 Vote: 7 Ayes, 0 Nays

MOTION TO APPROVE THE REMAINDER OF THE TREASURERS REPORT:

Moved: Commissioner Rochford
 Second: Commissioner Lipsett
 Vote: Unanimous

FUND ATTORNEY: Fund Attorney said he previously reported on the legislation signed by the Governor to protect individuals from unexpected out of network bills. In response to Commissioner Shannon, Fund Attorney said the intention of this bill is so that consumers have a level playing field when they receive unexpected out of network bills. In response to Commissioner Shannon, Fund Attorney said this puts the owness on the carrier and the provider. Program manager said the Fund already has protection in place for the members. He said if a member goes in for surgery and the anesthesiologist is out of network it is already built into the system to reprocess that claim as in network.

AETNA: Mr. Rodrigues reviewed the claims for May and June 2018. He said the total paid claims for June were just under \$1.9 million. He said there was 1 large claimant for the Month of June. He reviewed the dashboard report and noted that through Q2 2018 there were 34 online Teladoc visits.

AMERIHEALTH: Mr. Murphy distributed the AmeriHealth Report. He reviewed the claims data through July 2018. He said there were not high claims for this reporting period. HE said they are out of the claims backlog and has resumed to normal levels.

EXPRESS SCRIPTS: Mr. Colalillo said the Fund is trending at -10.8% for the year. He said they are expecting more manufacturers to recall products that contain Valsartan. In response to Chair Mevoli, Mr. Colalillio said this was an ingredient inside the pill. Mr. Colalillo said there is a replacement product out that does not contain this ingredient. He said the advanced opioid management program will go into place on September 1.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: None

NEW BUSINESS: Chair Mevoli said a meeting for the budget will be held on October 10, 2018 at 6:00 pm in Collingswood.

PUBLIC COMMENT: None

MOTION TO ENTER EXECUTIVE SESSION:

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| Moved: | Commissioner DiAngelo |
| Second: | Commissioner Shannon |
| Vote: | Unanimous |

MOTION TO APPROVE RESOLUTION 22-18:

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|---------|-----------------------|
| Moved: | Commissioner DiAngelo |
| Second: | Commissioner Lipsett |
| Vote: | 7 Ayes, 0 Nays |

MOTION TO ADJOURN:

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| Moved: | Commissioner DiAngelo |
| Second: | Commissioner Lipsett |
| Vote: | Unanimous |

MEETING ADJOURNED:

NEXT MEETING: SEPTEMBER 24, 2018

Karen Kamprath , Assisting Secretary
for

JOSEPH WOLK, SECRETARY