

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JULY 25, 2016
PINE HILL BOROUGH
6:15 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

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	Absent
Neal Rochford	Haddonfield	Absent
Edward Hill - Alternate 1	CCBOSS	Present

Ms. Hendricks welcomed everyone to Pine Hill Borough.

APPOINTED PROFESSIONALS PRESENT:

Executive Director/Adm.	PERMA Risk Management Services Emily Koval Karen Kamprath
Program Manager	Conner Strong & Buckelew Jeanne Frank
Attorney	J. Kenneth Harris, Esq.
Medical TPA - Amerihealth	Lisa Didio
Medical TPA - Aetna	Kim Ward
Treasurer	Ken Verrill
Express Scripts	Ken Rostkowski
Auditor	Jim Miles

ALSO PRESENT

Eleanor Kelly, Boro of Runnemede
Pat Hendricks, Pine Hill Borough

APPROVAL OF MINUTES: JUNE 27, 2016

MOTION TO APPROVE OPEN MINUTES OF JUNE 27, 2016:

Moved:	Commissioner Wolk
Second:	Commissioner DiAngelo
Vote:	6 Ayes, 0 Nays

CORRESPONDENCE – None

Ms. Hendricks welcomed the Committee to Pine Hill Borough.

PRO FORMA REPORTS

- **Fast Track Financial Reports** – as of May 31, 2016
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

Ms. Koval said the Financial Fast Track shows a significant surplus for May, of which a large portion is a dividend from the MRHIF. The Fund will be receiving approximately \$150,000 of the total dividend, the rest will be transferred to the SHIF and Coastal. She said the report shows a drop in cash due to an irregularity of claim payments. This was caught and corrected by the treasurer and the June Fast Track will show a reversal.

ADMINISTRATION

AUDIT REPORT AND VALUATION REPORT AS OF DECEMBER 31, 2015 - The Finance Committee reviewed the December 31, 2015 Audit prior to the meeting. Copies of the Audit were distributed at the meeting. The Actuary's Statement of Actuarial Opinion was also included in the agenda for review.

Mr. Miles said the Audit was reviewed with the Finance Committee prior to this meeting. He said the Fund had a net increase of approximately \$13 million, which resulted in a surplus of approximately \$50 million. He said \$24 million was distributed to the SHIF and Coastal Funds. He said there were no findings or recommendations. In response to Commissioner DiAngelo, Ms. Koval said the draft budget should be ready by early September and there will be a discussion regarding how to use the surplus. In response to Commissioner Shannon, Mr. Miles said the Finance Committee can discuss a possible premium reduction.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION 19-16, AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.

Moved: Commissioner Wolk
Second: Commissioner DiAngelo
Vote: 6 Ayes, 0 Nays

As a result of the completion of the audit, the Fund has closed the 2014 fund year and transferred the surplus to the closed year account. In the August agenda we will propose a resolution transferring balances owed by former School and Coastal members to the new HIFs. The Fund will retain in the closed year account the share for municipal members. The allocation of the closed amount is as follows:

	Close out 2014
COASTAL	807,760.25
SHIF	1,718,348.18
SNJHIF	426,367.96
	2,952,476.38

AMERIHEALTH AUDIT - Last year, the MRHIF approved NIIS to perform a claims and operations audit of AmeriHealth Administrators. The report was returned clean with no concerns or recommendations. We would like to thank the professionals at AmeriHealth for their cooperation.

AETNA CONTRACT - The Aetna contract has been finalized and was included in the Agenda.

In response to Chair Mevoli, Ms. Koval said there will be another resolution included in the August Agenda for the transfer of funds to SHIF and Coastal. In response to Commissioner Di Angelo, Ms. Koval said the ESI audit has been completed and we are waiting for their response.

**Southern New Jersey Regional Employee Benefits Fund
Program Manager's Report
July 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.

STATE HEALTH BENEFITS (SHBP) UPDATE - The SHBP cancelled their renewal meetings originally scheduled for July 6 and July 13 until further notice. No additional information has been provided at this time, but will notify the Fund when the renewal is released.

PHARMACY CLINICAL NEWS FLASH - JULY UPDATE - We will continue to provide updates regarding pharmacy trends and new drugs to the market.

Recent FDA Approvals:

Name of Medication	Approval Date	Release Date	Diagnosis	Type	Estimated Pricing
<i>Tecentriq</i>	5/18/2016	October	Metastatic urothelial carcinoma	Specialty	\$150,000 per year
<i>Zinbryta</i>	5/27/2016	July	Multiple Sclerosis	Specialty	Not Available
<i>Epclusa</i>	6/28/2016	July	Hepatitis C genotypes 1-6	Specialty	\$75K (wholesale) per 12-week regimen

ACA UPDATE

PCORI Fee Due to the IRS August 1 - The Patient-Centered Outcomes Research Institute (PCORI) fee for plan years ending on and after January 1, 2015 and on and before December 31, 2015 must be remitted to the IRS by August 1, 2016. Typically, the fee is due by July 31st of the year following the last day of a plan year. However, the fee due in 2016 must be paid by Monday, August 1, 2016 since July 31st falls on a weekend this year.

Background - The ACA created the Patient-Centered Outcomes Research Institute to help patients, clinicians, payers and the public make more informed health decisions by advancing comparative effectiveness research. The Institute's research is funded, in part, through PCORI fees paid by insurers of "specified health insurance policies" and plan sponsors of self-insured health plans. Plan sponsors of self-insured health plans are required to pay the PCORI fee for certain health coverage arrangements. Plan sponsors of fully-insured health plans are not responsible for paying the PCORI fee (the obligation rests with the insurer). For a list of insurance coverage or arrangements subject to the PCORI fee, please see the IRS chart Application of the Patient-Centered Outcomes Research Trust Fund Fee to Common Types of Health Coverage or Arrangements.

The PCORI fee applies to policy or plan years ending on or after October 1, 2012 and before October 1, 2019.

PCORI fees are paid directly by the fund on behalf of all member entities.

ACA Returns May Continue to Be Filed After the Deadline - The Internal Revenue Service (IRS) has announced that certain information returns required under the Affordable Care Act (ACA) may continue to be filed after June 30, 2016.

For applicable large employers (ALEs), self-insured employers, or other health coverage providers, the deadline to electronically file ACA information returns with the IRS was midnight ET on June 30, 2016. The ACA Information Returns (AIR) system will remain up and running after the deadline.

Filers are advised that if they are not able to submit all required ACA information returns by June 30, 2016, they should file the returns after the deadline. It is important to note the following:

- The AIR system will continue to accept information returns filed after June 30, 2016.
- Filers can still complete required system testing after June 30, 2016.
- If any transmissions or submissions were rejected by the AIR system, filers have 60 days from the date of rejection to submit a replacement and have the rejected submission treated as timely filed.
- If filers submitted and received “Accepted with Errors” messages, they may continue to submit corrections after June 30, 2016.

The IRS is aware that some filers are still in the process of completing their 2015 tax year filings. As is the case for other information returns, penalties may be associated with the submission of the ACA information returns for failure to timely file required returns. As the IRS has publicly stated in various forums in recent months, filers of Forms 1094-B, 1095-B, 1094-C and 1095-C that miss the June 30, 2016 due date will not generally be assessed late filing penalties if the reporting entity has made legitimate efforts to register with the AIR system and to file its information returns, and it continues to make such efforts and completes the process as soon as possible. In addition, consistent with existing information reporting rules, filers that are assessed penalties may still meet the criteria for a reasonable cause waiver from the penalties.

For non-electronic filers who missed the May 31, 2016 paper filing deadline for ACA information returns, filers are directed to complete the filing of the paper returns as soon as possible.

NEWSWORTHY ARTICLE -

By Samantha Marcus | NJ Advance Media for NJ.com

http://www.nj.com/politics/index.ssf/2016/07/christie_holds_up_spending_to_coerce_public_worker.html

TRENTON – Gov. **Chris Christie**'s administration is freezing \$100 million in aid to the state's depressed cities and social programs favored by Democrats until public employees heed his call to cut \$250 million in their health benefits.

TREASURER'S REPORT - Fund Treasurer reviewed the July Bills List.

Resolution 20-16: Payment of July Bills List

FY2015	\$25,000
FY2016	\$720,112.29
Total	\$745,112.29

MOTION TO APPROVE RESOLUTIONS 20-16, APPROVAL OF THE JULY 2016 BILLS LIST:

Motion: Commissioner Wolk
Second: Commissioner Michielli
Vote: 6 Ayes, 0 Nays

MOTION TO APPROVE THE REMAINDER OF THE TREASURERS REPORT:

Motion: Commissioner Wolk
Second: Commissioner DiAngelo
Vote: Unanimous

FUND ATTORNEY: Fund Attorney said Assemblyman Gusciora issued a press release that he plans to introduce a single payer healthcare system in the state of New Jersey. He said Vermont considered this but it would increase taxes so much it would have doubled the states budget. In response to Commissioner Shannon, Fund Attorney said there were not specifics provided.

AMERIHEALTH: Ms. Didio said there are no high level claimants for this reporting period.

AETNA: Ms. Ward said May was a higher month driven by 3 high level claimants over \$100 thousand. She said the dashboard report shows very little change this month. In response to Chair Mevoli, Ms. Ward said 98.7% is the average for in network.

EXPRESS SCRIPTS: Mr. Rostkowski said the overall spend decreased by 2.5% due to the changes made last May. He said there is also an increase in generic utilization. In response to Chair Mevoli, Mr. Rostkowski said this is compared to the first half of last year.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: none

NEW BUSINESS: none

PUBLIC COMMENT:

MOTION TO ADJOURN:

Moved: Commissioner Michielli
Second: Commissioner DiAngelo
Vote: Unanimous

MEETING ADJOURNED: 6:45 PM

NEXT MEETING: August 22, 2016, Barrington Borough

Emily Koval , Assisting Secretary

for

JOSEPH WOLK, SECRETARY