

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
MARCH 27, 2017
GLOUCESTER CITY COMMUNITY CENTER
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 – Commissioner Lipsett welcomed everyone Gloucester City.

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:

Executive Director/Administrator	PERMA Risk Management Services Emily Koval Karen Kamprath
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Program Manager	Conner Strong & Buckelew Brandon Lodics
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Attorney	J. Kenneth Harris, Esq.
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Deputy Treasurer	Ken Verrill
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APPROVAL OF MINUTES: February 27, 2017 Open

MOTION TO APPROVE OPEN MINUTES OF FEBRUARY 27, 2017:

Moved:	Commissioner DiAngelo
Second:	Commissioner Michielli
Vote:	Unanimous

CORRESPONDENCE – None

EXECUTIVE DIRECTOR'S REPORT

PRO FORMA REPORTS

- **Fast Track Financial Reports** - as of January 31, 2017
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

Acting Executive Director said the Financial Fast Track shows an increase in earnings of \$150,000 for January. She said there will be approximately \$12.8 million released back to the Schools and Coastal Funds once the audit is complete and 2015 is closed out this summer.

DIVIDEND RESOLUTION - Executive Director said at the previous meeting, the Executive Committee approved by motion a \$3,649,375 dividend. She said resolution 15-17 is included in the agenda formally approving this resolution for State filing.

MOTION TO APPROVE RESOLUTION 15-17 APPROVING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$3,649,375:

Moved:	Commissioner DiAngelo
Second:	Commissioner Rochford
Vote:	Unanimous

GASB 45 - Executive Director said most entities obtained their 3 year GASB 45 report within the past 2 years, but if a member is in need of an updated report for their annual audit, please reach out to Emily Koval (emilyk@permainc.com) to gather data.

2017 MEL & MR HIF EDUCATIONAL SEMINAR - Executive Director said the 7th annual seminar is scheduled for Friday, April 21st. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. She said a registration form is included in the agenda and should be sent to kkamprath@permainc.com

FINANCIAL DISCLOSURE STATEMENTS - Executive Director said every Commissioner is required to complete the online filing of the Financial Disclosure form. She said Commissioners will be receiving an email with filing instructions. She said fines are issued for non-compliance.

PROGRAM MANAGER'S REPORT

ADMINISTRATIVE UPDATES

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.

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

LOURDES HEALTH SYSTEM - NETWORK UPDATE - Program Manager said Lourdes and Aetna have agreed to a one year contract term and no member letters were sent. In response to Chair Mevoli, said multi and single year deals are both common. He said the issue generally comes down to fees. He said he is unsure if the previous contract was multi-year.

HEARING AIDES - UPDATE -Program Manager said PERMA is working with Aetna, Amerihealth and the Fund Actuary to determine the financial impact of the change.

NEW OPIOID LAW SIGNED IN NJ - NJ Opioid Law -New Jersey Governor Chris Christie has signed legislation aimed at curbing the state's opioid addiction epidemic. The law curbs initial opioid prescriptions to a five-day supply, making NJ's the most stringent limit in the nation. The new law also mandates state-regulated health insurers, namely fully insured plans and plans run by the state (including the State Health Benefits Program and the School Employees Health Benefits Program), to cover inpatient and outpatient treatment for drug addiction. The part of the law that speaks to plan design and utilization management will not automatically apply to self funded benefit plans that can voluntarily choose to follow the new law or not. The new law is a part of the NJ Governor's pledge to devote his last year in office to combating the opioid crisis plaguing the state. The law takes effect 90 days from the date it was signed although generally this shall require that insured plans will have to begin to cover the new requirements upon their next renewal on or after May 16, 2017. Below are the primary provisions of the new law.

Prescription Drug Requirements

- Initial opioid prescriptions written may not be more than for a five-day supply. The five-day limit will not apply to cancer and chronic pain patients and for end-of-life care. This aspect of the law will apply to all NJ patients, including those covered by insured or self funded plans.
- Any prescription for acute pain must be for the lowest effective dose of immediate-release opioid drug. In cases of acute or chronic pain, prior to issuing an initial prescription of a course of treatment that includes a controlled dangerous substance or any other opioid drug, a practitioner must document the patient's medical history, develop a treatment plan,

conform with a monitoring requirement, limit the supply of opioid drug prescriptions and comply with state and federal laws. This aspect of the law will also apply to all NJ patients, including those covered by insured or self funded plans.

- The benefits for outpatient prescription drugs used to treat substance abuse disorder must be provided (when medically necessary) by the person's provider without any prior authorization or other prospective utilization management requirements. This aspect of the law will apply to all NJ patients, including those covered by insured or self funded plans.
- The law requires new continuing education requirements for professionals who prescribe opioid drugs.

Program Manager said the Fund has the option to comply or not to comply with state mandates. He said the biggest concern is the medical side regarding medical necessity and precertification. He said the mandate would lift that for the first 180 days of service. He said it is difficult to measure the financial impact. Chair Mevoli said his concern is that someone could leave treatment after 2 weeks and then re-enter multiple times until the 180 days is used. Fund Attorney said the first 28 days would be without medical review, after that up to 180 would need to be determined to be medically necessary.

In response to Chair Mevoli, Fund Attorney said the mandate reads the first 180 days per plan year of in patient and out patient treatment. Program Manager said the average length of stay is 15 days. He said the Fund is working with Aetna to review with a behavioral health specialist to determine the level of effectiveness.

In response to Commissioner Shannon, Program Manager said Aetna or AHA currently make the medical necessity determination. In response to Commissioner Shannon, Fund Attorney said there is a provision in this law that states a new patient can't be prescribed opioids for more than 5 days. Program Manager said it appears the prescribers will need to be held accountable for the 5 day rule. Program Manager said the Fund has been included in an ESI program called fraud, waste and abuse which helps identify patterns of drug filling in individuals.

BENEFIT NEWS - CATASTROPHIC COVERAGE IN 2015 - According to data recently released by the US Department of Health and Human Services, a mere 10 prescription drugs accounted for nearly 33% of all spending in catastrophic pharmacy costs. Two of the top three are related to Hep-C and the new medications that took the market by storm in 2015. The table below provides the overview of these top 10 drugs. As the cost of specialty medications continues to skyrocket, employers and plan sponsors need to remain vigilant in the effective management of their pharmacy plans.

10 Drugs Accounted for Nearly One-Third of Spending in Catastrophic Coverage, 2015

Drug Name	Company Manufacturer*	Key Indications/Treats	FDA Approval Year	Average Price per Month**	Total Spending in Catastrophic Coverage
Harvoni	Gilead Sciences	Hepatitis C	2014	\$33,811	\$6,284,357,265
Relimid	Celgene	Cancers of the Blood	2005	\$11,516	\$1,718,263,750
Sovaldi	Gilead Sciences	Hepatitis C	2013	\$30,217	\$1,209,329,646
Humira	AbbVie, Inc.	Inflammatory Conditions	2002	\$3,930	\$1,205,270,252
Copaxone	Teva Pharms USA	Multiple Sclerosis	1996	\$5,642	\$1,143,986,768
Gleevec	Novartis	Various Cancers	2001	\$9,299	\$1,021,721,929
Enbrel	Amgen	Inflammatory Conditions	1998	\$3,540	\$938,254,647
Tecfidera	Biogen Idec, Inc.	Multiple Sclerosis	2013	\$5,595	\$735,215,799
Renvela	Sanofi	Chronic Kidney Disease	2007	\$1,158	\$675,261,441
Xtandi	Astellas	Prostate Cancer	2012	\$8,673	\$635,500,941
Total					\$15,567,162,441

*The term “company” refers to New Drug Application holder or Biologics License Application holder.

**Note: The price is the amount paid to the pharmacy by all payers. It is negotiated between the sponsors and their network pharmacies for the drug, or is the usual and customary price paid to out-of-network pharmacies. It is not adjusted for rebates or other price concessions. SOURCE: HHS Office of Inspector General analysis of Prescription Drug Event records, published in the OIG report, “High-Price Drugs Are Increasing Federal Payments for Medicare Part D Catastrophic Coverage” (OEI-02-16-00270).

GOOD RX - Good Rx, provided by Conner Strong & Buckelew, allows you to simply and easily search for retail pharmacies that offer the lowest price for specific medications. The cost for the same medications, even when using a network retail pharmacy can vary drastically from one drug store to the next. And while prescription drug plan copays may be the same no matter which pharmacy you go to, the retail cost to your employer may be greatly reduced when you get your medications from a pharmacy that charges a lower discounted price.

When you use Good Rx to compare drug prices at local and mail-order pharmacies and discover free coupons and savings tips. You can find the lowest prescriptions from any smartphone or tablet. Start saving on prescriptions by visiting <https://connerstrong.goodrx.com>

EXPRESS SCRIPTS FORMULARY UPDATE - Express Scripts recently completed its midyear review of the National Preferred Formulary and has made minor edits to the approved drug list. Beginning July 1, 2017, ESI will now exclude Burtrans – a narcotic analgesic and Sumavel DosePro – an anti-migraine therapy. Clinically comparable options for both are available.

Based on current utilization, ESI has identified 7 members impacted by this change. Notification letters will be sent outlining the change and the covered alternatives’. As always a member requires the non-formulary medication, they can access with clinical approval.

ADMINISTRATIVE AUTHORIZATION:

No Administrative Authorization reported this month

TREASURER'S REPORT - Deputy Treasurer reviewed the March Bills List. He said there is one correction on the treasurer's report; the rates are all .8% not .7%.

Resolution 14-17: Payment of March 2017 Bills

FY 2016	\$245.00
FY 2017	\$559,715.85
TOTAL	\$559,960.85

MOTION TO APPROVE RESOLUTIONS 14-17, APPROVAL OF MARCH 2017 BILLS LIST.

Motion: Commissioner Rochford
Second: Commissioner Wolk
Vote: 8 Ayes, 0 Nays

In response to Commissioner Shannon, Deputy Treasurer said the Park Bank Account will remain open with a small balance incase of a rate increase.

MOTION TO APPROVE THE REMAINDER OF THE TREASURER'S REPORT

Motion: Commissioner Shannon
Second: Commissioner Wolk
Vote: Unanimous

FUND ATTORNEY: Fund Attorney reviewed the coordination of benefits with Medicare for Disabled Dependents issue. He said if there is a 65 plus active employee employed by an employer with less than 100 employees, Medicare would be primary. If the member is part of a multiple employer plan and 1 employer has more than 100 employees, all of the employers would be considered to have more than 100 employees meaning the plan would become primary, not Medicare. He said the HIF has such a wide range of plan offerings that are not necessarily offered to all participants. In which case, he said he believes the definition of a multiple employer plan should not apply to the HIF due to the diverse plan offerings and not all offerings are the same to all employers. In response to Commissioner Shannon, Program Manager said currently the Fund is primary if the member is still employed.

AETNA: Report included in Agenda

AMERIHEALTH: Report included in Agenda

EXPRESS SCRIPTS: None

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: APRIL 24, 2017
CHERRY HILL FIRE DISTRICT**

Karen Kamprath , Assisting Secretary
for

JOSEPH WOLK, SECRETARY