

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
MAY 23, 2016
VOORHEES TOWN CENTER
6:15 PM

Meeting of Executive Committee called to order by Mayor Wolk 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 | Absent |
| 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. Spellman welcomed everyone to Voorhees Township. Acting Chair Wolk said Chair Mevoli is doing well.

APPOINTED PROFESSIONALS PRESENT:

| | |
|---------------------------|---|
| Executive Director/Adm. | PERMA Risk Management Services 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 | |
| Treasurer | Ken Verrill |
| Express Scripts | Ken Rostkowski |

ALSO PRESENT

Kim Porter, CHB Group

Suzanne Ward, CBIZ Model

Lawrence Spellman, Voorhees Township

APPROVAL OF MINUTES: April 25, 2016

MOTION TO APPROVE OPEN MINUTES OF APRIL 25, 2016:

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

CORRESPONDENCE – None

PRO FORMA REPORTS

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

Ms. Koval said the Financial Fast Track is still immature. The cash reduction is due to the run out from Coastal and SHIF.

AUDIT AND DIVIDEND - The 2015 Audit is expected to be complete for the June meeting. The Finance committee should meet to review and discuss the Audit and dividend options. We should schedule a date for this committee meeting, which can be done via conference call.

ESI CONTRACT AUDIT - The MRHIF audit of contract performance has been completed for 2016 and has been provided to ESI. ESI has the opportunity to address audit findings before it is finalized. We will keep the Fund advised as to progress on this matter.

Ms Koval said PERMA received a draft of the ESI audit for Q1. It is being finalized and ESI will provide feedback.

MRHIF - MUNICH RE AGREEMENT - Included in the agenda is an updated reinsurance agreement between MRHIF and Munich Reinsurance which details specific and aggregate retentions for 2016. This will be fully endorsed at the June 8 MRHIF meeting.

INDEMNITY AND TRUST AGREEMENTS - A few months ago, PERMA sent Indemnity and Trust Agreements and Resolutions to be adopted by the governing body to renew membership with the Fund for an additional 3 years. A list of members who have renewing agreements due by January 1, 2016 and older was included.

Program Manager's Report

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

Rosuvastatin Calcium (A-B Rated Generic Crestor):

On May 2, 2016, Allegran announced the launch of the first A-B rated generic to AstraZeneca's Crestor. Allergan, the prescription manufacturer was permitted to launch the medication 67 days prior to Crestor's patent expiring. Crestor was the last of the statin cholesterol medications to go generic. This generic is covered under the Fund's Formulary.

AETNA APPEALS PROCESS - In recent months AETNA and PERMA have been working on an updated agreement to better manage appeals in accordance with the SNJREBF bylaws. The bylaws permit members to file two levels of appeal, a level one and a level two. We have reached an agreement that AETNA will review and make determinations on Level I appeals and PERMA/SNJREBF will make final determination on Level II appeals. Through the remainder of 2016, AETNA has agreed to perform Level I appeals at no additional cost to the Fund. An additional fee will be built in to the 2017 budget for consideration.

In response to Commissioner Shannon, Program Manager said the member can file at the carrier level which is outlined in the bylaws. Aetna is currently not performing level 1 or 2 appeals. Fund Attorney said under ACA there has to be a 1st level appeal with an adverse decision, the participant has the right to an external review. They will make a recommendation and the executive committee will approve or deny. In response to Commissioner Shannon, Fund Attorney said the committee will only see claim appeals after the external reviews are performed.

TREASURER'S REPORT - Fund Treasurer reviewed the May bills list. He said the accounts have been moved to Republic Bank effective May 1st.

Resolution 16-16: Payment of May Bills List

| | |
|--------|--------------|
| FY2015 | \$5,376.00 |
| FY2016 | \$580,879.52 |
| Total | \$586,879.52 |

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

Motion: Commissioner Di Angelo
Second: Commissioner Lipsett
Vote: 7 Ayes, 0 Nays

FUND ATTORNEY: Fund Attorney said employers should not be offering incentives for members over 65 to opt out of the group plan and join Medicare as their primary.

AMERIHEALTH: Ms. Didio said AmeriHealth NJ saw no high level claims for this period. She said AmeriHealth Admin had 1 high claimant.

AETNA: The Aetna report was included in the Agenda

EXPRESS SCRIPTS: Mr. Rostkowski said the first 4 months have been trending flat due to new contract, new pricing and generic utilization. He said the fund saw almost 1 million in savings. In response to Commissioner Shannon, Mr. Rostkowski said a unique patient is any patient that filled 1 prescription. In response to Commissioner Di Angelo, Mr. Rostkowski said there is a program in place that requires the member to try a specific drug first before getting the name brand.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: none

NEW BUSINESS: none

PUBLIC COMMENT: none

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 6:45 PM

NEXT MEETING: June 27, 2016, Haddonfield Borough

Emily Koval , Assisting Secretary
for

JOSEPH WOLK, SECRETARY