

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
SEPTEMBER 12, 2018
BRIELLE BOROUGH MUNICIPAL BUILDING
1:30 PM**

Meeting called to order by Chairman Thomas Nolan. The Open Public Meeting notice read into record.

PLEDGE OF ALLEGIANCE

MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER

ROLL CALL OF 2018 EXECUTIVE COMMITTEE:

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
William Rieker	Township of Lakewood	Present
EXECUTIVE	COMMITTEE	
Joseph Gilsean	Township of Brick	Present
Diane Lapp	Township of Manchester	Absent
Adam Hubeny	Borough of Atlantic Highlands	Absent
Eugenia Poulos	Borough of Red Bank	Present
Donato Nieman	Township of Montgomery	Absent
ALTERNATES:		
Brian Valentino	Western Monmouth MUA	Present
Brian Brach	Manasquan River Regional SA	Present
Suzanne Veitengruber	Township of Shrewsbury	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval Karen Kamprath	Present Present Present
Program Manager	Conner Strong & Buckelew	Brandon Lodics	Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Matthew Thompson	Present
Treasurer		Stephen Mayer	Present
Network & Medical Claims Service	Qualcare Inc.	Gary Epstein	Present
Network & Medical Claims Service	AmeriHealth	Mike Murphy	Absent
Network & Medical Claims Service	Aetna	Joseph Rodrigues	Absent
Dental Claims Service	Delta Dental	Amy Lehrer	Absent

Rx Administrator	Express Scripts	Ken Rostkowski	Absent
Auditor	Holman & Frenia	Lauren Holman	Absent

OTHERS PRESENT:

Trina Lindsey, Bedminster Township
 Diane Peterson, Conner Strong & Buckelew
 Joseph Zanga, Borough of South River
 Jack Layne, Borough of South River
 Charles Casagrande, Danskin
 John Casagrande, Danskin

CORRESPONDENCE: None

APPROVAL OF MINUTES: JULY 18, 2018 OPEN:

MOTION TO APPROVE OPEN MINUTES OF JULY 18, 2018:

MOTION:	Commissioner Brach
SECOND:	Commissioner Rieker
VOTE:	4 Ayes, 0 Nays, 2 Abstain (Commissioner Poulos and Commissioner Gilseman)

EXECUTIVE DIRECTOR’S REPORT

FINANCIAL FAST TRACK – as of June 30, 2018

Executive Director said the Fund made \$4.8 million through the end of June.

CONTRACT AWARD RESOLUTION

Ms. Koval said resolution 24-18 is included in the consent agenda and appoints Fund professionals resulting from the recent RFP process. Ms. Koval said there were competing responses received for the Fund Auditor position and the Committee decided to stay with the incumbent. The positions that fall under the Extraordinary Unspecified Services contract were approved in July. The proposed expenses will be included in the 2019 budget.

INTRODUCTION OF 2019 BUDGET

Executive Director reviewed the 2019 budget for introduction. He said overall the Loss Funds are down. He said Medical claims are decreasing by 5% (without Lakewood) while Rx claims are down by 7.79%. However, the savings realized from the “Employer Group Waiver Plans (EGWP)” from Aetna is now in the base so, overall, the Rx line needs a rate increase of 1.33%.

Executive Director said Lakewood’s medical claims are down by 4.36% and their Rx claims are up by 27.87%. Additional research is being completed on Lakewood’s claims and it is possible that this portion of the budget will be amended prior to adoption.

Executive Director said Dental claims are dropping by 5% reflecting positive experience in this line of coverage.

ASSESSMENTS

- The medical and Rx increase is 1.33% for all carriers;
- Dental rates are down by 4.5%;
- Loss ratio adjustment factors of +/-2.5% are applied at the entity level.

Lakewood's projections are being reviewed and may change upon adoption.

REINSURANCE AND INSURED PROGRAMS

Executive Director said the MRHIF met today to introduce their budget. He said overall the budget is down by 6.6%. He said 10% is built in for the Lakewood stop loss programs.

LOSS FUND CONTINGENCY

This item can be adjusted at the discretion of the Executive Committee. A modest amount is currently included to balance assessments to the budget.

CONTRACTS AND EXPENSES

Executive Director said most contractual expenses reflect the RFP process recently completed. He said generally expenses are rising by 1.79%. We are still negotiating the renewals for the claims agents, so the final cost for these vendors may vary slightly from projections.

DIVIDENDS / SUPPLEMENTAL ASSESSMENTS

Executive Director said the Finance committee is recommending a dividend of \$3 million.

MOTION TO INTRODUCE THE 2019 BUDGET AND SCHEDULE A PUBLIC HEARING TO ADOPT THE BUDGET ON OCTOBER 17, 2018 AND APPROVE A DIVIDEND IN THE AMOUNT OF \$3 MILLION:

MOTION:	Commissioner Valentino
SECOND:	Commissioner Rieker
VOTE:	6 Ayes, 0 Nays,

MRHIF MEETING

Executive Director said the MRHIF met today and awarded a contract to US Fire, who will replace Munich RE for the reinsurance. He said the renewal allowed for a reduction in the budget. He said there is a marketing effort underway to expand the visibility of the HIF's.

PROGRAM MANAGER'S REPORT

ELIGIBILITY/ENROLLMENT

Please direct any eligibility, enrollment, or system related questions to our dedicated CJHIF enrollment team. The team can be reached by email at cjhifenrollments@permainc.com or by fax at 856-552-2175.

MONTHLY BILLING

As a reminder, please be sure to check your monthly invoice for accuracy. *Please confirm the invoice detail as retro adjustments are limited to two months by Fund policy.* If you find a discrepancy, please report it to the CJHIF eligibility/enrollment team cjhifenrollments@permainc.com or by fax at 856-552-2175.

BROKER CONTACT INFORMATION

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

2019 OPEN ENROLLMENT

Program Manager said the 2019 annual Open Enrollment period for CJHIF members will begin on 10/15/2019. Each entity will receive OE materials and instructions electronically from PERMA. As in the past, Open Enrollment is passive, only members who wish to make plan changes or dependent coverage changes need to submit enrollment forms. Members who are not making changes will automatically continue with the same coverage they had in 2018. The timeline for 2019 is as follows:

- 10/15/2018 - group contacts will receive OE instructions and materials on or about 10/15
- 11/9/2018 - suggested deadline for members to submit plan change requests to the entity
- 11/16/2018 - the deadline for all entities to enter all OE changes into the Benefit Express system.
- 1/1/2019 - effective date for anyone making plan changes. ID cards should be received by members who make a plan change on/before 1/1.

Non Medicare Retirees and COBRA enrollees will receive OE information from PERMA at their residencies.

AETNA

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 There will be no change in status for Quest Diagnostics in the Aetna Network. This update will be highlighted in the 2019 Open Enrollment Guides.

EXPRESS SCRIPTS - 2019 FORMULARY UPDATE

Program Manager said ESI has announced that the National Preferred Formulary Guide (NPF) which the CJHIF plans follow will be updated. Beginning 1/1/2019, the below formulary changes will go into effect for CJHIF members. ESI will be sending personalized notifications to affected members prior to January 1 and will include a list of alternative medications that the member may want to discuss with their provider. We will present more information on CJHIF member impact in November. A copy of the 2019 Formulary will be distributed to all entities with Prescription coverage as a part of Open Enrollment materials.

ANNUAL NOTICE OF CREDITABLE COVERAGE (NOCC)

As a courtesy, the CJHIF in conjunction with ESI will be mailing an NOCC to all retirees enrolled in a CJHIF Prescription Drug Plan. This notice is required (by CMS) to be sent to annually to retirees on or before October 1st. A sample notice is included with your agenda.

Program manager said there are 3 mandates being recommended for adoption.

UPDATED NJSA 3753 – NJ NEWBORN MANDATE

On January 16, 2018, New Jersey legislature updated the NJ Newborn Mandate Act which initially provided coverage for all newborns for the first 30 days from birth. The law was amended to require coverage for newborns up to the 61st day following birth.

NJSA 2793- 3-D MAMMOGRAPHY PREVENTIVE SERVICE MANDATE

The NJ legislature enacted a new benefits mandate that requires health insurance coverage without cost share for digital tomosynthesis (3-D Mammography) to detect or screen for breast cancer in women over age 40, once per benefit year. Currently the Fund covers an annual 3-D Mammogram but cost share is applied. Insured plans and the SHBP must comply with the update upon first renewal on/after **August 1, 2018**.

NJSA 2297- EXTENDED CONTRACEPTIVE BENEFIT

On December 15, 2017, New Jersey legislature voted to update the existing NJ Prescription Female Contraceptive Mandate, requiring all health insurance and medical providers to cover contraceptive drugs and devices with the following day supply access:

- A three-month period for the first dispensing of the contraceptive
- A six-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing limit.
 - o Currently the Fund follows standard maintenance medication limits of up to 90 day (mail order/retail access vary amongst groups)

MOTION TO AMEND THE MEMBER PLAN DOCUMENTS TO COMPLY WITH STATE MANDATES 3753, 2793 AND 2297 EFFECTIVE JANUARY 1, 2019.

MOTION:	Commissioner Gilseman
SECOND:	Commissioner Poulos
VOTE:	6 Ayes, 0 Nays

MEDICARE SCAM

Program manager said as previously reported, CMS is issuing new ID cards to all members in an effort to curb identity theft by replacing social security numbers with unique ID numbers. Unfortunately, this campaign has spawned a new wave of “scammers” who are targeting Medicare participants by posing as Medicare representatives and asking for payment in exchange for the new ID card. As a reminder, the cards are being mailed automatically to all participants between April 2018 and April 2019 (certain geographic regions every few months) and there is NO cost for participants.

CLOSED SESSION REQUEST

Program Manager said a closed session is no longer necessary. He said at the direction of the Executive Committee an IRO was filed, and came back in favor of the member and payment was processed.

OON TRANSPARENCY ACT

Program Manager said in the past we have discussed the NJ OON transparency act in which providers would be required to disclose certain information about OON ancillary providers they may work with. He said there is potential that new ID cards will need to be issued for all self funded entities which includes the Fund.

TREASURER – Fund Treasurer distributed and reviewed the reports for August and September.

AUGUST 2018 – Confirmation of Payment

FUND YEAR CLOSED	-\$367,666.00
FUND YEAR 2018	\$606,719.60
TOTAL ALL FUND YEARS	\$239,053.60

SEPTEMBER 2018 – Resolution 26-18

FUND YEAR 2018	\$606,555.19
TOTAL ALL FUND YEARS	\$606,555.19

ATTORNEY: None

QUALCARE: Mr. Epstein reviewed the July and August claim payments. He said there was 1 high claimant in July and August.

AETNA: Report included in Agenda

AMERIHEALTH: Report distributed

EXPRESS SCRIPTS: Report included in Agenda.

DELTA DENTAL: None

NEW BUSINESS: None

OLD BUSINESS: None

PUBLIC COMMENT: None

MOTION TO APPROVE THE CONSENT AGENDA:

MOTION:	Commissioner Valentino
SECOND:	Commissioner Gilsenan
VOTE:	6 Ayes, 0 Nays

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Valentino
SECOND:	Commissioner Gilsenan
VOTE:	Unanimous

MEETING ADJOURNED: 2:00 PM