

**SCHOOLS HEALTH INSURANCE FUND  
OPEN MINUTES  
JULY 27, 2016  
MOORESTOWN COMMUNITY HOUSE  
12:00 PM**

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Meeting of Board of Trustees called to order by Joe Collins  
Open Public Meetings notice read into record.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF 2016 BOARD OF TRUSTEES:**

<b>Trustee</b>	<b>BOE</b>		
Joseph Collins	Delsea Regional BOE	Chairman	Present
Frank Domin	Berlin Borough BOE	Secretary	Present
Lisa Giovanelli	Rancocas Valley BOE		Present
Michael Colling	Medford Lakes BOE		Present
Beth Ann Coleman	Collingswood BOE		Absent
Jean Grubb	Black Horse Pike Regional BOE		Present
Christopher Lessard	Frankford Township BOE		Absent
Christopher Destratis	Swedesboro-Woolwich BOE		Present
David Pawlowski	Alexandria BOE		Absent
Evon Digangi	Mount Holly BOE		Present

**PRESENT FUND PROFESSIONALS:**

**FUND ADMINISTRATOR:**

**PERMA Risk Management**

Paul Laracy  
Emily Koval  
Karen Kamprath

**PROGRAM MANAGER:**

**Conner Strong & Buckelew**

Brandon Lodics  
Jozsef Pfeiffer  
Maggie Friel  
Max Hollander

**FUND ATTORNEY:**

Ken Harris

**FUND TREASURER:**

Ken Verrill

**PRESCRIPTION ADMIN:**

Jeff Basile

**MEDICAL TPA AMERIHEALTH:**

Lisa Didio

**MEDICAL TPA AETNA:**

Kim Ward

**ALSO PRESENT**

Mary Muscarella, Brown & Brown Benefit Advisors  
Dina Murray , Allen Associates  
Abbie Geletka, Allen Associates  
Paul Whitman, Moorestown  
Chris Russo, Delran  
Chuck Grande, Integrity Consulting  
Anthony Tonzini, Integrity Consulting  
Jim Finn, Brown & Brown  
Chrissy Wacker, Brown & Brown  
Joe Madera, Hardenbergh Insurance Group  
John J. Cobb, J Cobb Insurance  
Joseph Ciampa, Horizon  
Kathleen Brown, Horizon  
Michelle Witherspoon, Horizon  
Kelly DellaValle, Horizon

**APPROVAL OF MINUTES:**

**May 25, 2016 Open**

**MOTION TO APPROVE OPEN MINUTES OF May 25, 2016**

Moved:	Trustee DeStratis
Second:	Trustee Colling
Vote:	Unanimous

**CORRESPONDENCE - None**

**EXECUTIVE DIRECTORS REPORT**

**PRO FORMA REPORTS**

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

Executive Director said the financial results are positive through the end of May with an operations surplus of \$4 million combined with prior years of \$19 million. He said the SNJHIF fast track is included because of the closed years. Executive Director said the balance sheet shows 2 negative numbers which represent prepaid assessments and A4 surcharge liabilities.

**OPERATIONS AND NOMINATIONS COMMITTEE**

**REORGANIZATION MEETING** – Due to timing of this meeting, it has been suggested to continue business with the current slate and approve the below recommended slate for 2016-2017 Fund Year. PERMA will send out a ballot to the entire membership asking for a vote. Members may write in for any or all positions, or vote for the entire slate.

The Nomination Committee’s recommendation is to remain with the current slate listed below:

<b>Schools Health Insurance Fund - Roll Call</b>		
<u>Trustee</u>	<u>BOE</u>	
Joseph Collins	Delsea Regional BOE	Chairman
Frank Domin	Berlin Borough BOE	Secretary
Lisa Giovanelli	Rancocas Valley BOE	Trustee
Michael Colling	Medford Lakes BOE	Trustee
Beth Ann Coleman	Collingswood BOE	Trustee
Jean Grubb	Black Horse Pike Regional BOE	Trustee
Christopher Lessard	Frankford Township BOE	Trustee
Christopher Destratis	Swedesboro-Woolwich BOE	Trustee
David Pawlowski	Alexandria BOE	Trustee
Evon Digangi	Mount Holly BOE	Trustee

**FINANCE AND CONTRACTS COMMITTEE**

**STRATEGIC PLANNING**

The Finance and Contracts committee met via conference call to discuss administrative and program strategies for the future of the Fund. With the growth of this new Fund, it is important to have guidelines in place to better control rising costs. The minutes of this meeting lists the plan that is being recommended by the Committee and will be included in the Risk Management plan to be adopted in September. Minutes were included in Appendix II.

Executive Director said there were 17 action items discussed some were internal policies that will become part of the risk management plan. He said he feels Chair Collins wants the fund professionals to pay attention and provide more analysis on certain items. Chair Collins thanked the committee members for being so involved.

**RFQ RESPONSES - TPA AND WELLNESS COACH**

As per the direction of the Board, the Fund released an RFQ for an additional Medical TPA and an onsite Wellness Coaching provider. One response for each was received – Horizon and Wellness Coaches USA. Horizon’s fee is similar to that of AmeriHealth and Aetna and Wellness Coaches stayed flat to their 2015 contract. The Committee reviewed and will include their approval in the contracts resolution in September.

Ms. Koval said Mr. Ciampa is present to discuss the proposed OMNIA offer. Mr. Ciampa introduced Ms. Brown, Ms. Witherspoon and Ms. Dellavalle. In response to Mr. Grand, Mr. Ciampa said the

plan being offered is the standard 2 tiered OMNIA. In response to Mr. Finn, Executive Director said the rates will be set by the fund with input from Horizon.

### **SNJ HIF 2015 INDEPENDENT AUDIT**

The SNJ HIF audit is complete and is in the process of being approved by that Fund's executive committee. Electronic copies of that audit will be supplied to all School HIF members.

As a result of the completion of the audit, we have closed the 2014 fund year and transferred the surplus to the closed year account. In August, we will request of the SNJ executive committee a resolution transferring balances owed by former School and Coastal members to the new HIFs. The allocation of the closed amount is as follows:

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

We will follow the same process for the 2015 fund year once that is closed, roughly one year from now.

Executive Director said the surplus for 2015 is roughly 7 million of which SHIF owns about 63%.

### **WELLNESS & CLAIMS COMMITTEE**

The following items have been reviewed by the Wellness & Claims Committee. Minutes were included in Appendix III.

- Wellness and Claims Committee
  - Christopher Lessard, Chair
  - David Pawlowski
  - Michael Colling

### **WELLNESS GRANT APPLICATIONS**

As per the direction of the Board at the previous meeting, the Fund released the Wellness Grant Applications to the membership. 22 applications were received and reviewed by the Program Manager's team and the Wellness Committee. A summary of responses and requested grant money for each member was included in Resolution 24 -16, which is being recommended by the Committee. The resolution includes a requirement that all members that received grant money during the 2015-2016 budget should submit a summary of their program including where the money was spent, participation levels and details of the program that worked/didn't work. 2016-2017 money will not be released until this report has been received.

Ms. Koval said the wellness coordinators are present today if there are any questions. In response to Mr. Finn, Ms. Koval said any unused funds from 2015-2016 can be submitted for reimbursement until 12/31/16, then it will be transferred into the surplus.

**MOTION TO APPROVE RESOLUTION 24-16 APPROVING THE WELLNESS GRANT APPLICATIONS:**

<b>MOTION:</b>	Trustee Colling
<b>SECOND:</b>	Trustee Grubb
<b>VOTE:</b>	Unanimous

**ADMINISTRATIVE UPDATES**

**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. The report was included in Appendix VI.

**MRHIF MEETING**

The MRHIF met on Wednesday, June 8. The Committee approved the 2015 Audit which has been filed with the State. In addition, the Committee approved a dividend to the local Funds in the amount of \$1,589,500, of which the SNJHIF will receive \$901,552. The SHIF's portion of this dividend is \$512,973, which will be forwarded as part of the next surplus transfer resolution. A report was included in the agenda.

**AETNA CONTRACT**

The Aetna contract has been finalized and was included in the agenda for signature.

**FUND WEBSITE - [www.schoolshif.com](http://www.schoolshif.com)**

A secure log in has been added to the Fund website for all Trustees to gain access to certain documents. We are currently updating the login and password for each Trustee. This section can be accessed by clicking on Commission Login in the top right hand corner of [www.schoolshif.com](http://www.schoolshif.com). To access, please reach out to Karen Kamprath at [kkamprath@permainc.com](mailto:kkamprath@permainc.com)

Executive Director said AmeriHealth NJ was charging SHIF claims to the SNJHIF account. Part of the treasurer's report included a supplemental bills list to pay back the SNJHIF. This was brought to AmeriHealth's attention and corrected.

**Schools Health Insurance Fund**

**Program Manager's Report**

**July 27, 2016**

**Enrollments: [cs.mb.SHIFenrollments@permainc.com](mailto:cs.mb.SHIFenrollments@permainc.com)**

**Brokers:** [brokerservice@permainc.com](mailto:brokerservice@permainc.com)

**Fax:** 856-685-2249

## **OPEN ENROLLMENT**

The Fund's Open Enrollment period ended on May 27<sup>th</sup>. Open enrollment was a passive enrollment and only members who were making changes needed to complete an enrollment form. All changes, additions or deletions made during open enrollment were sent over to the carriers and went in to effect for July 1, 2016. New ID cards were only sent to members who made changes to their plan elections. ID cards were mailed out on June 17, 2016.

## **BROKER EMAIL BOX**

We are excited to announce that we've added a new member to our team! Maggie Friel is an Employee Benefits Specialist with over 15+ years experience in the Employee Benefits Industry. Her role will include acting as a liaison between insurance carriers and clients to resolve claim issues and billing inquiries and performing benefit provision research, as well as assisting our broker partners when they bring these inquiries into the Broker Email Box. We are certain that our dedicated efforts will continue to streamline broker inquires and provide increased response time and data tracking.

## **EXPRESS SCRIPTS MAIL ORDER PHARMACY**

Express Scripts has recently opened a new mail order facility in Florence, NJ. In order demonstrate their capabilities for processing prescriptions, Express Scripts has offered a tour of the facility to our consulting team and SHIF Trustees. If any Trustee is interested in viewing the new mail order facility, our office will coordinate a tour.

## **STATE HEALTH BENEFITS (SHBP) UPDATE**

The SEHBP 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 we will notify the Fund when the renewal is released. Currently no information is available regarding the renewal or increases of the SEHBP plan on 1/1/2017

## **NEW MEMBER GROUPS**

2016 has been a large growth year for the SHIF. We would like to officially welcome Kingsway Regional School District, East Greenwich BOE, Fredon Twp BOE, and West Deptford BOE who joined the SHIF effective July 1<sup>st</sup>.

On August 1<sup>st</sup>, two additional districts, Ogdensburg Borough School District and Delran Twp BOE will join the fund.

## **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.

Employers are advised to consult with their tax, HRIS/payroll, and legal advisors for assistance with specific issues/complexities regarding form preparation and related reporting rules. Should you have questions about this or any aspect of federal health insurance reform, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#)

**NEWSWORTHY ARTICLE -**

[http://www.nj.com/politics/index.ssf/2016/07/christie\\_holds\\_up\\_spending\\_to\\_coerce\\_public\\_worker.html](http://www.nj.com/politics/index.ssf/2016/07/christie_holds_up_spending_to_coerce_public_worker.html)

Program manager said Conner Strong & Buckelew is working with Aetna and AmeriHealth to price out their tiered network plans for January 2017.

**TREASURER -** Fund Treasurer reviewed the treasurers report and bills lists.

**CONFIRMATION OF PAYMENT JUNE 2016**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2016	\$1,151,284.39
<b>TOTAL</b>	<b>\$1,151,284.39</b>

**RESOLUTION 25-16 JULY 2016 BILLS LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2015	\$1,212,649.98
<b>TOTAL</b>	<b>\$1,212,649.98</b>

**MOTION TO APPROVE THE JUNE AND JULY 2016 BILLS LIST AND TREASURERS REPORT:**

**MOTION:** Trustee DeStratis  
**SECOND:** Trustee Colling  
**VOTE:** Unanimous

**FUND ATTORNEY-** Fund Attorney distributed a memo regarding transgender issues. He said NJ does not have a specific policy to deal with transgender situations in regards to healthcare.

**AMERIHEALTH -** Executive Director there was an increase for the month due to several large claims. There was a large claim paid in May that will not be ongoing.

**AETNA** - Ms. Ward said the claims are starting to level out. She reviewed the large claimants for April and May. There is one ongoing large claim for May. She said the dashboard report shows very little change for this reporting period.

**EXPRESS SCRIPTS** - Mr. Basile said the Fund is doing very well as a whole. The population grew over 400% which brought in new specialty patients. He said non specialty drugs should continue to decrease due to Crestor going generic.

**DELTA** - None

**OLD BUSINESS:** Ms. Koval said the Website is up and running and the Agenda can be uploaded for next month.

**NEW BUSINESS:** None

**MOTION TO ADJOURN:**

<b>MOTION:</b>	Trustee Giovanelli
<b>SECOND:</b>	Trustee Colling
<b>VOTE:</b>	Unanimous

**MEETING ADJOURNED:** 1:00 pm

**NEXT MEETING:** September 28, 2016  
Moorestown Community House  
12:00pm

Emily Koval, Assisting Secretary  
Date Prepared: August 25, 2016