

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
JANUARY 25, 2017
MOORESTOWN COMMUNITY HOUSE
12:00 PM**

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

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2016-2017 BOARD OF TRUSTEES:

Trustee	BOE		
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		Present
Christopher Lessard	Frankford Township BOE		Present
Christopher Destratis	Swedesboro-Woolwich BOE		Present
David Pawlowski	Alexandria BOE		Absent
Evon Digangi	Mount Holly BOE		Present
Vacancy			

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR:

PERMA Risk Management

Paul Laracy
Emily Koval
Karen Kamprath

PROGRAM MANAGER:

Conner Strong & Buckelew

Brandon Lodics
Jozsef Pfeiffer

FUND ATTORNEY:

Ken Harris

FUND TREASURER:

Ken Verrill

FUND AUDITOR:

Jim Miles
Dennis Skalkowski

PRESCRIPTION ADMIN:

Jeff Basile
Ken Rostkowski

MEDICAL TPA AMERIHEALTH:

Lisa Didio

MEDICAL TPA AETNA:

Kim Ward

MEDICAL TPA HORIZON:

Michelle Witherspoon
Joe Ciampa

ALSO PRESENT

Manuel Delgado, Leap Academy
Chuck Grande, Integrity Consulting Group
Kevin Kitchenman, Conner Strong & Buckelew
Greg Grimaldi, Conner Strong & Buckelew
Susan Morris, The Lance Group
Carol Nash, Conner Strong & Buckelew
Kim Porter, CHB Group
Rob Wachter, Mt. Laurel BOE
Nicholas Bice, Burlington Township BOE
Michael Griggel, Deptford
Mary Muscarella, Brown & Brown
Abbie Geletka, Allen Associates
Dina Murray, Allen Associates
Joe Madera, Hardenbergh Insurance Group
Kathleen Jackson Hill, Kingsway
Kate Mcentee, Kingsway
Ed Snyder, Brown & Brown
Joanne D'Angelo, Moorestown
Greg Wilson, East Greenwich
John J Cobb, JCobb Insurance Group

Chair Collins said the Fund was notified that there were going to be 2 open spots on the Board of Trustees. He said the nominations committee met and the minutes are included in the agenda. He said several responses were received and it was decided to appoint Nicholas Bice and Jim Sekelsky to the Board of Trustees due to having an even number on the board.

MOTION TO APPROVE THE 2016/2017 BOARD OF TRUSTEES AS RECOMMENDED BY THE NOMINATIONS COMMITTEE:

Moved:	Trustee Digangi
Second:	Trustee Lessard
Vote:	All in Favor

Fund Attorney swore in the new Trustees.

APPROVAL OF MINUTES: November 20, 2016 Open

MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 20, 2016, 2016

Moved:	Trustee Domin
Second:	Trustee Giovanelli
Vote:	All in Favor

EXECUTIVE DIRECTORS REPORT

PRO FORMA REPORTS

- **Fast Track Financial Reports – SHIF – as of November 30, 2016**
 - **Indices and Ratios Report**
 - **Consolidated Balance Sheet**
 - **Budgetary Comparison**
 - **Fast Track Financial Reports – SNJHIF – as of November 30, 2016**

Executive Director said the Fund has made \$9.7 million year to date and holds an overall surplus of \$33 million. He said the Fund will be receiving an additional 6 or 7 million from the SNJHIF in May or June of this year. He said the financial position is extremely strong.

AUDITOR YEAR-END REPORTS

A copy of the Annual Financial Audit for the period ending June 30, 2016 was attached as a separate document. Additional copies were provided at the meeting. Mr. Miles and Mr. Skalkowski from Bowman & Company were present to review the report. The Finance Committee reviewed the Audit prior to the meeting and their report was included in Appendix IV. Once approved, we will make a filing with the Department of Banking and Insurance.

Mr. Miles said the initial audit was completed and discussed in detail with the Finance Committee. He said as of June 30, 2016 the net position was \$23,515,685 and there were no findings or recommendations.

MOTION TO APPROVE RESOLUTION 1-17 ACCEPTING THE AUDIT AS PRESENTED:

Moved:	Trustee Destratis
Second:	Trustee Sekelsky
Vote:	All in Favor

Chair Collins thanked the professionals for their work on the Audit.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND

The Municipal Reinsurance Health Insurance Fund has met on December 14, 2016 to adopt the 2017 budget in the amount of \$13,153,856, which was passed unanimously. The Schools Health Insurance Fund's assessment to the MRHIF is \$5,893,904. In addition, results from the RFQ for PBM Consultant were received and will be awarded to Adler Consulting in January. Trustee Sekelsky's report was included in Appendix II.

2017-2018 BUDGET UPDATE

Most of the required data is with the Fund Actuary for his projection for the 2017-2018 SHIF Budget.

Proposed Schedule of Budget Process:

February 15 – Finance Committee Conference Call (date to be confirmed)

February 22 – Budget Introduction

March 1 – All groups to receive draft rates

March 22 – Public Hearing of Budget Adoption

March 27 – Final rates to membership

March 31 – File with State/ Advertise

Executive Director said PERMA will be working with the Finance Committee and the Wellness Committee to determine the overall budget.

VERISK CLAIMS ANALYSIS SYSTEM

This system was implemented for the Fund after the 2012 claims surge in order to improve our ability to analyze the causes of unusual claims activity. The system worked as expected until Q1 of 2016. Since then, the vendor has not successfully uploaded our claims and provided us with access to their portal. We have suspended the project while we look at alternatives and have stopped paying them as of 3/31/2016. We will update the Trustees as alternatives are developed.

Executive Director said we are currently utilizing the AmeriHealth, Aetna and ESI reporting systems.

NEW MEETING LOCATION

Ms. Koval said the Fund may need to find a meeting location with a larger capacity and suggestions are welcome.

WELLNESS UPDATE

We propose a Wellness Committee meeting date of February 10, 2017 at PERMA Parsippany with a conference call option. We will discuss the progress of the 2016-2017 grants, the status of the Wellness Coaches, and will develop the wellness budget for 2017-2018.

Program Manager's Report

AMERIHEALTH ADMINISTRATORS TRANSITION

Effective January 1, 2017, all AmeriHealth New Jersey members have been transitioned to the AmeriHealth Administrators platform. Members have received their new ID cards and plans are up and running without issue. This transition will increase claims accuracy and ensure all SHIF members are operating on the same claims systems with the same account team.

AFFORDABLE CARE ACT UPDATE

A sample letter is provided per your request for a reminder to be sent to all for 1094/1095 filings. Please refer to the letter.

- **Additional - ACA Guidance Update 1/09/17**

The IRS extended the 2017 due date for employers and coverage providers to furnish information statements to individuals. The due dates to file those returns with the IRS are not extended. This chart can help you understand the upcoming deadlines.

Action	2017 Reporting Due Dates for...		
	Applicable Large Employers - Including Those That Are Self-Insured	Self-insured Employers That Are <u>Not</u> Applicable Large Employers	Coverage Providers - other than Self-Insured Applicable Large Employers*
Provide 1095-B to responsible individuals	Not Applicable**	Mar. 2	Mar. 2
File 1094-B and 1095-B with the IRS	Not Applicable**	Paper: Feb. 28 E-file: Mar. 31*	Paper: Feb. 28 E-file: Mar. 31*
Provide 1095-C to full-time employees	Mar. 2	Not Applicable	Not Applicable
File 1095-C and 1094-C with the IRS	Paper: Feb. 28 E-file: Mar. 31*	Not Applicable	Not Applicable

*If you file 250 or more Forms 1095-B or Forms 1095-C, you must electronically file them with the IRS. Electronically filing ACA information returns requires an application process separate from other electronic filing systems. Additional information about electronic filing of ACA Information Returns is on the Affordable Care Act Information Reporting (AIR) Program page on IRS.gov and in Publications 5164 and 5165.

**Applicable large employers that provide employer-sponsored self-insured health coverage to non-employees may use either Forms 1095-B or Form 1095-C to report coverage for those individuals and other family members.

This chart applies only for reporting in 2017 for coverage in 2016.

ACA Section 1557 - Nondiscrimination in Health Programs & Activities

Section 1557 is the civil rights provision of the ACA of 2010. Section 1557 prohibits discrimination on the grounds of race, color, national origin, sex, age or disability in certain health programs and activities. Section 1557 final rule applies to any health program or activity, any part of which receives funding from HHS, such as hospitals that accept Medicare or doctors who receive Medicaid payments; the Health Insurance Marketplaces and issuers that participate in those Marketplaces; and any health program that the HHS itself administers.

The rule makes clear that sex discrimination prohibited under Section 1557 includes discrimination based on the following.

- An individual's sex
- Pregnancy, childbirth and related medical conditions
- Gender identity
- Sex Stereotyping
- Disabled Individuals
- Individuals with limited English proficiency.

Below are the links to the Health and Human Services website.

- www.hhs.gov/civil-rights/for-individuals/section-1557

The Health Insurance Fund (HIF) complies with Section 1557. Both Aetna and AmeriHealth have been notified according. If you have specific questions, please contact Maggie Friel.

ADDITIONAL MENTAL HEALTH PARITY GUIDANCE ISSUED

Generally, under the Mental Health Parity Act and the Mental Health Parity and Addiction Equity Act, to the extent that the health plan offers mental health or substance abuse disorder benefits, the plan must provide parity between the medical/surgical benefits and the MHSA disorder benefits. For health plans subject to the MHSA parity rules (small employer and retiree-only health plans are generally exempt) and with limited exceptions, parity should exist between the plan's medical/surgical and MHSA benefits with respect to annual and lifetime limits, financial requirements (ex. deductibles, copays), quantitative treatment limitations (ex. number of visits, days of treatment) and non-quantitative treatment limitations (ex. formulary design for prescription drugs).

The Health Insurance fund complies with all Mental Health Parity rules.

SECURITY BREACH - QUEST DIAGNOSTICS

Aetna

Quest Diagnostics Incorporated (Quest) announced it is investigating an unauthorized third-party intrusion that might have compromised the protected health information of approximately 34,000 individuals. Quest addressed the vulnerability, took steps to prevent further incidents, and sent written notice to affected individuals.

Data from biometric screening programs is not a part of this breach because the systems are completely isolated and separate.

We are working with Quest to determine if any of the patients impacted were Aetna members. There is no indication that the compromised information has been misused in any way, but we will continue working with them to make sure they take every reasonable step to protect sensitive information and reestablish confidence in their system.

We encourage anyone with additional questions to read the announcement on the Quest website and review the attachments below for more information. Anyone with concerns can call the dedicated toll-free number Quest established for this incident. The number is (888) 320-9970, and can be reached Monday through Friday between 9:00 a.m. and 7:00 p.m. Eastern Time.

PHARMACY CLINICAL NEWS FLASH -

We will continue to provide updates regarding pharmacy trends and new drugs to the market.

Express Scripts recently completed its annual formulary review, and the following drug list exclusions will go into effect for your member population on January 1, 2017.

New Exclusions		
COLCHICINE	KINERET	ORENCIA
TALTZ	ZYCLARA	

Express Scripts will send a letter to the affected members advising of this change and include the suitable alternatives for them to discuss with their physician. Clinical exceptions can also be reviewed if requested by the physician.

The complete communication notice from Express Scripts has been included in this packet for your review.

Administrative Authorization:

<i>Appeal #</i>	<i>Appeal Reason</i>	<i>Appeal Determination</i>
20160802295	Non Emergent use of ER	Denial Upheld
2016112202214	Non Emergent use of ER	IRO Approved
201601902718	Non Emergent use of ER	IRO Approved

In response to Trustee Lessard, Program Manager said first level appeals are handled by a third party administrator and if the appeal is overturned the claim is paid. If the appeal is denied by the TPA then the member has the right to a level 2 appeal with the Fund. If it is an administrative issue the Fund can overturn it, if it is a medical necessity issue it will be sent to a third party independent review organization to make a decision.

WELLNESS COACHES USA-

Mr. Wade from Wellness Coaches USA reviewed the report that was included in the Agenda. He said the report shows a comparison of 2015 and 2016 participation. He said the total interactions include multiple face to face interactions meaning he is seeing more individuals on a more frequent basis. He said blood pressure, exercise and stress saw the largest improvements.

TREASURER – Fund Treasurer reviewed the December 2016 and January 2017 Bills list and Treasurer’s report. He said Republic Bank is adjusting their rate to .8% which is equal to 10 basis points. Fund Treasurer introduced Manny Delgado who is the Commissioner for Leap Academy. Commissioner Delgado said there are other rooms available at the Community House for future meetings.

RESOLUTION 2-17 DECEMBER 2016 AND JANUARY 2017 BILLS LISTS

FUND YEAR	AMOUNT
DECEMBER 2016/2017	\$1,858,874.32
JANUARY 2016/2017	\$1,556,482.03

MOTION TO APPROVE THE DECEMBER 2016 AND JANUARY 2017 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION:	Trustee Sekelsky
SECOND:	Trustee Domin
VOTE:	Unanimous

FUND ATTORNEY- Fund Attorney said there will most likely be changes to the ACA due to the new Administration. He reviewed the empowering patients first act which is designed to dismantle the ACA with highlights including a tax credit for individuals to purchase insurance on the private market, expanded health savings accounts, continuing coverage for pre-existing conditions and a potential cap for employer deductions.

AMERIHEALTH – Ms. Didio said the AHNJ members were moved to AHA on January 1st. She said there were 2 high level claimants for AHNJ for November with a total of \$143,727.87. She said there were also 2 high level claimants for AHA totaling \$119,671.12. She reviewed the supplemental report that shows the aggregate data for the AHA groups. She said she is gathering additional data on the first call resolution metric. She introduced Christine Lyons as a new team member who will attend future meetings in her absence.

AETNA – Ms. Ward said the claims have been steady throughout the year with the exception of January 2016 which was a transition month. She reviewed the October and November claims reports. She said there were 4 high level claimants in October and 7 in November. She reviewed the dashboard report and said the in network usage is excellent. She said all metrics are on target except for claims accuracy which was due to an issue not related to the Fund directly.

EXPRESS SCRIPTS – Mr. Rostkowski said overall 2016 was positive. He said the generic fill rate increased over 6 points in 2016. Mr. Basile said ESI is making Mylan’s generic epipen their preferred offering over Adrenaclick’s product. He said they believe Mylan’s product is more efficient.

DELTA – None

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

MOTION:	Trustee Giovanelli
SECOND:	Trustee Digangi
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: February 22, 2017
Moorestown Community House
12:00pm

Emily Koval, Assisting Secretary, Date Prepared: February 3, 2017