

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
JULY 25, 2018
MOORESTOWN COMMUNITY HOUSE
12:00 PM**

Meeting of Board of Trustees called to order by Executive Director

Open Public Meetings notice read into record.

Fund Attorney swore in the 2018-2019 Board of Trustees

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2018-2019 BOARD OF TRUSTEES:

Trustee	BOE		
Joseph Collins	Delsea Regional BOE	Chairman	Present
Beth Ann Coleman	Collingswood BOE	Secretary	Present
Lisa Giovanelli	Rancocas Valley BOE		Present
Michael Colling	Medford Lakes BOE		Present
Christopher Lessard	Frankford Township BOE		Present
Christopher Destratis	Swedesboro-Woolwich BOE		Absent
Evon Digangi	Mount Holly BOE		Present
Jim Sekelsky	Hardyston Township BOE		Present
Nicholas Bice	Burlington Township BOE		Present
Marie Goodwin	Medford Township BOE		Present
Christina Moskal	Ewing Township BOE		Present
Jason Schimpf	Kingway Regional School District		Present
Frank Deberardinis	Voorhees Township School District		Absent

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:

Lorraine Verrill

FUND ACTUARY: Absent
PRESCRIPTION ADMIN: Kyle Colalillo
MEDICAL TPA AMERIHEALTH: Mike Murphy
MEDICAL TPA AETNA: Joe Rodrigues
MEDICAL TPA HORIZON: Michelle Witherspoon

ALSO PRESENT

Chuck Grande, Integrity Consulting
Robert Maguire, Integrity Consulting
Jim Minkewicz, High Point High School
John Recchinti, Evesham Township School District
Joanne D'Angelo, Moorestown BOE
Rob Wachter, Mount Laurel BOE
Kim Porter, CHB Group
John J Cobb, J Cobb Insurance Group
Tim Stys, WHRHS BOE
Mary Muscarella, Brown & Brown
Ed O'Malley, Gallagher
Susan Morris, Conner Strong
Jodi Lennon, Riverside BOE
Lisa Sollenberger, Voorhees Township
Dina Murray, Allen Associates

APPROVAL OF MINUTES: May 23, 2018 Open

MOTION TO APPROVE OPEN MINUTES OF MAY 23, 2018

Moved:	Trustee Sekelsky
Second:	Trustee Giovanelli
Vote:	Unanimous

CORRESPONDENCE - None

PUBLIC COMMENT - None

EXECUTIVE DIRECTORS REPORT

FINANCIAL FAST TRACK - as of May 31, 2018

Executive Director said the Fund made \$1.8 million in May with a surplus of \$57 million for all years combined. He said the Fund received a dividend in the amount of \$1.5 million from the MRHIF.

RFP RESULTS

Executive Director said the RFPs for all Fund positions were received by PERMA on June 28, 2018. The Contracts Committee will meet prior to the September Meeting to evaluate the proposals and will have a recommendation at the next meeting.

REVISED BRM AGREEMENT

Executive Director said the incorrect Broker agreement was included in the agenda at the previous meeting. The correct version excluding the non-solicitation clause was distributed after the last meeting. This agreement has been sent to the brokers for 2018-2019.

MRHIF REPORT

Executive Director said the MRHIF Executive Committee met on June 13, 2018 to review the 2017 audit, which was accepted and filed with the State. . The Committee also approved a \$4,240,735 dividend, which is one of the largest dividends in Fund history. The Fund also approved the Medical and Dental TPA contracts to be negotiated for the 2019 renewal by the Administrator and Program Managers, rather than go out for RFP. It is believed that the Funds have the best arrangement with their current carriers and insurance carriers are exempt from the fair and open procurement laws. Although, since the contracts are written with the local funds, the SHIF can decide to send out for requests for proposals. Otherwise, negotiation outcomes will be discussed during budget season.

In response to Trustee Sekelsky, Executive Director said he hopes negotiations will be done in the next 6 weeks.

MOTION TO AUTHORIZE THE PROGRAM MANAGER AND ADMINISTRATOR TO NEGOTIATE THE 2019 MEDICAL AND DENTAL TPA CONTRACTS IN LIEU OF AND RFP PROCESS.

Moved:	Trustee Sekelsky
Second:	Trustee Digangi
Vote:	Unanimous

CLAIMS AUDITS

Executive Director said a statewide audit of Delta Dental by NIIS is in the final stages of completion and will be available by our next meeting. The annual audit of ESI's contract is also underway by Adler Associates.

2018-2019 WELLNESS GRANTS

Ms. Koval said the Wellness Committee reviewed the grant requests and about \$45,000 had to be cut due to an overwhelming response. She said the committee will meet around November to discuss the budget for next year and future guidelines for the program.

MOTION TO APPROVE RESOLUTION 22-18 APPROVING THE WELLNESS GRANTS FOR THE 2018/2019 FUND YEAR.

Moved: Trustee Giovanelli
Second: Trustee Colling
Vote: Unanimous

PROGRAM MANAGER'S REPORT

KENNEDY: CAMDEN - GLOUCESTER COUNTIES

Program Manager said Aetna and Kennedy Health have reached an agreement on a new contract and the facilities will remain in-network. Member disruption letters were not generated.

AMERIHEALTH SYSTEM MIGRATION

Program Manager said they have been working very closely with AmeriHealth to monitor any issues due to the system migration. He said there was a lag in claims processing and this seems to be fully corrected.

MARKETPLACE PROTECTION

Program Manager said the Fund will more tightly manage two medications effective on 6/15/2018. Both drugs are currently priced much higher than available clinical equivalents: **Treximet/Sumatriptan & Zavesca**. Both Treximet® 85mg/500mg and its generic Sumatriptan contain and naproxen in a single formulation costing roughly 10 times more than the individual components with no superior clinical efficacy. A new generic for **Zavesca, Miglustat** is now available at a significantly lower-cost than the brand, with the potential to save over \$100K annually per patient. Our records indicate there are currently 8 members in the SHIF who are taking this medication. These members have received notifications from Express Scripts (prior to June 15th) explaining the update and preferred alternatives in the chart below.

Targeted Medications	Preferred Medications
Treximet® 85mg/500mg sumatriptan/naproxen tablets 85mg/500mg (all mfgs)	sumatriptan AND naproxen sodium sumatriptan AND naproxen sodium
Zavesca®	miglustat

\$0 STATIN MEDICATIONS

Program Manager said effective January 1, 2018 the Fund updated coverage for certain low cost/generic statin medications to *no cost/\$0 copay* in compliance with the Affordable Care Act (ACA). To assure that all members were aware of this opportunity, we directed Express Scripts to mail notifications to brand statin utilizers informing them of the alternative generic opportunities, which would eliminate their out of pocket cost. The letters were mailed to impacted members on May 22.

SAVEONSP UPDATE

Program Manager said Saveon continues to monitor the specialty medication market to assure the Fund is taking advantage of copay manufacturer assistance programs as they become available. Effective 7/1/2018 the below medications will be added to the Saveon drug List. Currently, there four members in the SHIF impacted by these additions. SaveOn has been making outreach calls and mailings to

impacted members prior to 7/1 to educate and enroll.

Cabometyx	Kalydeco	Pulmozyme
Cometriq	Neupogen	Symdeko
Fasenra	Orenitram	Tobi Podhaler
Glatiramer	Orkambi	

Medications being removed from the SaveonSP Program:

- Olysio Removed from market: no SaveonSP members on drug
- Zinbryta Removed from market: 2 SaveonSP members have already changed medication

LEGISLATIVE - NJ S483/A2039 OUT-OF-NETWORK CONSUMER PROTECTION, TRANSPARENCY, COST CONTAINMENT AND ACCOUNTABILITY ACT

Program Manager said the NJ legislature recently passed a consumer protection bill intended to protect consumers from getting hit with unanticipated large medical bills from “hidden” out-of-network providers. The new law requires hospitals to post the names of all medical professionals they employ, their contact information and the insurance plans they accept. Hospitals must also provide the same information for specialists they do business with such as anesthesiologists and pathologists. Medical professionals are also required to disclose which health insurance plans they accept and an estimate of the cost for their services if they are out-of-network. A key provision of the law which may have ramifications for HIF plans requires insurance carriers and providers who cannot agree on an acceptable reimbursement to abide by the decision of a third party arbitrator who will choose between one of two offers. Each side may use whatever information they need to support their case. Self-funded plans are not obligated to adopt the mandate.

We are recommending the Schools Health Insurance Fund chose to not opt in, which is within our rights as a self-funded plan. We have consulted with the other Fund Professionals and are all in agreement.

2019 STATE EDUCATORS HEALTH BENEFIT PLAN (SEHBP) RENEWAL

Program Manager on Wednesday July 11, they attended the preliminary SEHBP renewal meeting in Trenton. He said the state was supposed to meet today to finalize the rates but the meeting was cancelled. Below is an executive summary of proposed renewal prepared by AON and other observations. Rate increases were introduced and are expected to be adopted at the next SEHBP Commission meeting on July 25th.

- SEHBP reported their enrollment dropped 20% in 2018 due to large school district defections..
- AON is projecting an additional enrollment drop of 10% for the 2019 budget year.
- There will be a 6.6% increase for Active Employees.
- CY 2019 is projected to result in a break-even result for all populations.
 - They expect the largest plan, Direct 15, to generate losses of (\$23) million
 - Surpluses in the other plans will result in the break-even result.
 - The plan is also expected to bring their reserves to 2.4 months cash on hand.

- The SEHBP is expected to have a total costs of \$2.5 billion for CY 2019. The 2018 year was projected to have a \$3 billion spend but the significant loss in enrollment has contributed to the smaller actual amount.
- There are no major plan changes for 2019

In response to Trustee Sekelsky, Executive Director said we compare to the SEHBP because they are the biggest player. He said we also look at the commercial market.

UPDATED NJSA 3753- NJ NEWBORN MANDATE ACT

Program manager said New Jersey updated the existing *NJ Newborn Mandate Act* that provides coverage for all newborns from the moment of birth for the first 31 days to **first 60 days**. Self-Insured plans can elect to participate- on first renewal after **January 16, 2018**.

NJSA 2793- 3-D MAMMOGRAPHY PREVENTIVE SERVICE MANDATE:

Program Manager said New Jersey legislature enacted 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, one per benefit year. Currently the Fund covers a 3-D Mammogram annually, but cost share is applied. Insured plans and the SEHBP must comply with the updated with first renewal on or after **August 1, 2018**.

NJSA 2297- EXTENDED CONTRACEPTIVE BENEFIT

Program Manager said 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 MANDATE 3753 EFFECTIVE JULY 1, 2018 AND MANDATES 2793 AND 2297 EFFECTIVE JANUARY 1, 2019.

Moved: Trustee Colling
Second: Trustee Sekelsky
Vote: Unanimous

ADMINISTRATIVE AUTHORIZATIONS:

Type	Reason/Description	Outcome
Prescription	Medical Necessity	Denial Overturned

Prescription	Medical Necessity	Denial Upheld
Prescription	Medical Necessity	Denial Upheld
Prescription	Medical Necessity	Denial Overturned
Prescription	Medical Necessity	Denial Upheld
Prescription	Medical Necessity	Denial Upheld
Medical	Medical Necessity	Denial Upheld

TREASURER - Fund Treasurer reviewed the June and July 2018 bills lists and treasurers report.

Confirmation of Payment - June 2018

FUND YEAR	AMOUNT
FUND YEAR 2017/2018	\$1,770,070.80
TOTAL ALL FUND YEARS	\$1,770,070.80

Confirmation of Payment - July 2018 Dividend

FUND YEAR	AMOUNT
FUND YEAR CLOSED	\$846,103.86
TOTAL ALL FUND YEARS	\$846,103.86

RESOLUTION #21-18 - July 2018 BILLS LIST

FUND YEAR	AMOUNT
FUND YEAR 2017/2018	\$65,852.12
FUND YEAR 2018/2019	\$1,624,882.23
TOTAL ALL FUND YEARS	\$1,690,734.35

MOTION TO APPROVE RESOLUTION 21-18 THE JUNE AND JULY 2018 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION:	Trustee Sekelsky
SECOND:	Trustee DiGangi
VOTE:	Unanimous

FUND ATTORNEY - Fund Attorney said Governor Murphy signed the NJ paid sick leave act which goes into effect on October 29, 2018. He said public employers are excluded where there is a regulation that requires paid sick leave.

AETNA - Mr. Rodrigues reviewed the paid claims through May 2018. He said the average pepm for the month was \$1,279. He said there were 15 large claims for the month of May. He also reviewed the dashboard report and noted that the network discounts continue to remain strong. He said year to date Teledoc had 667 registrations and 214 members utilized the service. He said all service center metrics are currently being met.

AMERIHEALTH - Mr. Murphy reviewed the claims through June 2018. He said the average pepm for the month is \$1,332. He provided an update on the system migration and noted that the claims inventory currently on hand is at a normal level. He said 99% of new claims should be processed in 30 days. He reviewed the dashboard and noted that the call metrics have room for improvement. He said the average speed of answer decreased from about 10 minutes to 6 minutes.

HORIZON- None

EXPRESS SCRIPTS - Mr. Colalillo said for the fiscal year the trend has gone down 5.2%. He said ESI is will be introducing a rare condition care value program in the next few months.

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: September 26, 2018
Moorestown Community House
12:00pm

Karen Kamprath, Assisting Secretary

Date Prepared: August 1, 2018