

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
SEPTEMBER 26, 2018
MOORESTOWN COMMUNITY HOUSE
12:00 PM**

Meeting of Board of Trustees called to order by Chair Collins

Open Public Meetings notice read into record.

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	Absent
Lisa Giovanelli	Rancocas Valley BOE		Present
Michael Colling	Medford Lakes BOE		Absent
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
Ken Rostkowski

MEDICAL TPA AMERIHEALTH: Mike Murphy

MEDICAL TPA AETNA: Joe Rodrigues

MEDICAL TPA HORIZON: Michelle Witherspoon

ALSO PRESENT

Joe Madera, Hardenbergh Insurance Group
Chuck Grande, Integrity Consulting Group
John DiMartino, Liberty Benefit Advisors
Susan Morris, Conner Strong & Buckelew
Rob Wachter, Mount Laurel BOE
John J. Cobb, JCobb Insurance Group
Deb Huber, Gallagher
Greg Grimaldi, Conner Strong & Buckelew
Thad Thompson, Alexandria
Frank Domin, Township of Franklin
Steve Figler, AmeriHeaalth
Tim Stys, Watchung Hills
Lisa Sollenberger, Voorhees Township
Carrie Specht, Assured Partners
Tracey Capecci, Assured Partners
Brooke Frapwell, BBBA
John Recchinti, Evesham Township School District
Dina Murray, Allen Associates

APPROVAL OF MINUTES: July 25, 2018 Open

MOTION TO APPROVE OPEN MINUTES OF JULY 25, 2018

Moved:	Trustee Sekelsky
Second:	Trustee Giovanelli
Vote:	Unanimous

CORRESPONDENCE - None

PUBLIC COMMENT - None

EXECUTIVE DIRECTORS REPORT

FINANCIAL FAST TRACK - as of July 31, 2018

Executive Director said the financial fast track shows a surplus of \$3.1 million for the month and \$61

million all years combined.

RFP RESULTS

Executive Director said the RFPs for all Fund positions were received by PERMA on June 28, 2018. The Contracts Committee met to review the responses. There were two positions with competing proposals - Attorney and Auditor. The Committee evaluated and are recommending staying with the incumbent professionals. In addition, the Committee reviewed a proposal to carve out case and disease management from the AHA and Aetna contracts and have these functions done by Conner Strong and Buckelew as part of the Program Manager contract. CSB will sub-contract with Guardian Nurses for this service and integrate the function. The cost of the subcontract, \$600,000, is covered by reduced fees to be paid to AHA and Aetna. At the request of the Contracts Committee, Mr. Harris reviewed the RFP process and he confirmed that this option developed consistent with public contracting laws and regulations.

MOTION TO APPROVE RESOLUTION 22-18 APPROVING THE EUS SERVICES:

Moved:	Trustee Sekelsky
Second:	Trustee Bice
Vote:	Unanimous

MOTION TO APPROVE RESOLUTION 23-18 APPROVING THE PROFESSIONAL SERVICES:

Moved:	Trustee Giovanelli
Second:	Trustee Sekelsky
Vote:	8 Ayes, 0 Nays, 1 Abstain (Trustee DiGangi)

MEMBERSHIP GROWTH STATUS

Executive Director said the Fund's growth limit of 20% per year represents 1,945 new employees and to date 6 members containing a total of 693 employees have joined. He said Pinelands BOE and Franklin Township BOE have adopted resolutions to join and have been approved by the Operations Committee. He said 2 of the larger groups that were in the underwriting process have voted not to join at this time.

The Operations Committee discussed but did not approve expanding the growth cap but could consider the matter again in the future. The Committee also re-emphasized the importance of serving existing members efficiently and does not want growth to overshadow service.

Entities that vote to join will be presented to the Operations Committee and Trustees for membership on a first come, first serve basis until the cap is reached or amended.

AUDITS

Executive Director said Bowman and Company is conducting the annual audit of the Fund's financial statements as of 6/30/2018. The report will be presented to the Finance Committee and the Trustees prior to the end of the year.

The MRHIF contracted with NIIS to undertake and audit of Delta Dental. Overall, the audit was very

positive:

- Claims turnaround time is better than industry standards.
- Average speed of answer and call abandonment rates are better than industry standards.
- Internal quality audits are undertaken on a regular basis.
- Financial and procedural accuracy for claims processing is over 99%, again above industry standards.
- Cost containment efforts are successful.

We are following up with Delta on recommendations to:

- Incorporate performance standards in the HIF contracts.
- Improve coordination of benefits procedures and documentation.
- Report at least annually on overpayments and recoveries.

MRHIF has also contracted with Adler Associates to complete an audit of ESI's performance against discount and rebate guaranties for 2017. This audit is expected to be completed by the end of this month.

MRHIF MEETING

Executive Director said the MRHIF Executive Committee met on September 12th to introduce the 2019 budget which had an overall decrease of almost 6.09%. Because of good loss experience, the SHIF is receiving a decrease of 10.96% effective July 1, 2019 (subject to review early in 2019). The budget is mostly predicated on a lengthy reinsurance RFP process that resulted in strong arrangement through US Fire/Starline Insurance Company.

MARKETING EFFORTS

Executive Director said through the MRHIF and paid by the fee concessions provided by our Fund TPA's, the Marketing firm, Princeton Group, was awarded a contract earlier this year to develop a logo, website and marketing campaigns. In response to Trustee Giovanelli, Mr. Grimaldi said the concept is to develop a brand identity and generate awareness for the 6 local regional Funds. He said this is a long term vision. He said marketing campaigns will include publications within the NJ School Board Association and NJ League of Municipalities, Advertisements on NJ.com, Email campaigns before, during and after the NJ League of Municipalities, New revised booth for School Board and Municipal conventions, Direct Mailings to Mayors and School Board Presidents, New marketing website (does not replace current local fund websites): HIFundNJ.com.

Chair Collins said the Fund has a good thing going and we do not want to sacrifice service by getting too big too quick. He said the Fund has a growth limit and should stick with it.

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 cs.mb.SHIFenrollments@permainc.com or by fax at 856-552-4945.

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 cs.mb.SHIFenrollments@permainc.com or by fax at 856-552-4945.

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.

SPECIAL OPEN ENROLLMENT

Program Manager said this fall we will be holding a special open enrollment for groups who joined the SHIF as effective January 1st 2018. Each entity will receive OE materials and instructions electronically from PERMA. 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:

- November 2 - group contacts will receive OE instructions and materials on or about 11/2
- November 5 - Open Enrollment begins.
- November 23 - Open Enrollment closes for members.
- November 30 - Deadline for changes to be entered into Benefit Express
- January 1 - effective date for anyone making plan changes. ID cards should be received by members who make a plan change on/before 1/1.

COBRA, Dependent to 31, and retired enrollees will receive OE information from PERMA at their residencies.

These groups will participate in the standard SHIF Open Enrollment beginning spring of 2019.

JANUARY 1ST IMPLEMENTATION DEADLINE

Program Manager said they are asking for additional lead time for January 1st implementations and plan changes. Given the increased volume for January 1st, all plan changes or additions need to be finalized with PERMA no later than Friday October 12th to ensure proper implementation for January 1st. Any plan additions or changes submitted to PERMA after Friday October 12th may not be accommodated.

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 members. There will be no change in status for Quest Diagnostics in the Aetna Network.

EXPRESS SCRIPTS - 2019 FORMULARY UPDATE

Program Manager said ESI has announced that the National Preferred Formulary Guide (NPF) which the SHIF utilizes will be updated. Beginning 1/1/2019 formulary changes will go into effect for SHIF 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. He said providers can always file a clinical exception.

ANNUAL NOTICE OF CREDITABLE COVERAGE (NOCC)

Program Manager said the SHIF in conjunction with ESI will be mailing an NOCC to all retirees enrolled in a SHIF Prescription Drug Plan. This notice is required (by CMS) to be sent annually to retirees on or before October 1st. A sample notice was included with the agenda. We only cover a very small population of retirees, so the impact of this communication is very minimal.

SEHBP RENEWAL

Program Manager said so far nothing has been made public regarding the SEHBP renewal. He said the budget was approved but they are keeping things quiet.

MEDICARE SCAM

Program Manager said 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.

AETNA ID CARD REISSUE

Program Manager said Aetna is making a system enhancement to the way they process OON claims and this will generate an ID card reissue. He said all numbers will remain the same.

ADMINISTRATIVE AUTHORIZATIONS:

Type	Reason/Description	Outcome
Medical	Medical Necessity	Denial Upheld
Prescription	Medical Necessity	Denial Upheld
Medical	Medical Necessity	Denial Upheld

TREASURER - Fund Treasurer reviewed the August and September 2018 bills lists and treasurers report. In response to Trustee Sekelsky, Executive Director said Brown & Connery provided litigation services.

CONFIRMATION OF PAYMENT - AUGUST 2018

FUND YEAR	AMOUNT
FUND YEAR CLOSED	-\$293,581.32
FUND YEAR 2017/2018	\$3,581.20
FUND YEAR 2018/2019	\$1,724,064.26
TOTAL ALL FUND YEARS	\$1,434,064.17

RESOLUTION #25-18 - SEPTEMBER 2018 BILLS LIST

FUND YEAR	AMOUNT
FUND YEAR 2017/2018	\$37,509.35
FUND YEAR 2018/2019	\$1,677,717.27
TOTAL ALL FUND YEARS	\$1,715,226.62

MOTION TO APPROVE RESOLUTION 25-18 THE AUGUST AND SEPTEMBER 2018 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION: Trustee Giovanelli
SECOND: Trustee DiGangi
VOTE: Unanimous

FUND ATTORNEY - Fund Attorney said under the new OON law the statute mandates arbitration for all health insurance carriers that are subject to the law. He said the statute exempts Erissa self-funded plans. He said HIF's are not funded by Erissa. He said the question is are we subject to the statute or as a self-insured plan do we have the ability to opt out.

AETNA - Mr. Rodrigues reviewed the performance guarantee summary for 2017. He said a total of 3 metrics were missed in 2017 and the Fund is due back \$167,403. He said Aetna is currently on track to meet all of the 2018 guarantees. He reviewed the claims from July 2017 - June 2018. He said there were 16 high claimants in June 2018 and 14 in July 2018.

AMERIHEALTH - Mr. Murphy reviewed the claims through August 2018. He said the average pepm is \$1,542. He said there are 2 large claimants for this reporting period. He reviewed the metrics and noted that the last area they are struggling with is the average speed of answer. He said they are also working on performance guarantees for 2019.

HORIZON- None

EXPRESS SCRIPTS - Mr. Colalillo said the Fund is trending at -7.7% at \$120 per member per month. He provided an update regarding the Cigna/ESI merger and said they passed the department of justice antitrust laws. He said there should be no disruptions to members currently in ESI.

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: November 28, 2018

Moorestown Community House

12:00pm

Karen Kamprath, Assisting Secretary

Date Prepared: October 9, 2018