

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND**  
**OPEN MINUTES**  
**MARCH 28, 2016**  
**GLOUCESTER CITY, NJ 08030**  
**6:15 PM**

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Meeting of Executive Committee called to order by Michael Mevoli. Open Public Meetings notice read into record.

**PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

**ROLL CALL OF 2016 EXECUTIVE COMMITTEE:**

Michael Mevoli, Chairman	Borough of Brooklawn	Present
M. Joseph Wolk, Secretary	Borough of Mt. Ephraim	Present
Richard Michielli	Borough of Magnolia	Present
Louis Di Angelo	Borough of Bellmawr	Present
Terry Shannon	Borough of Barrington	Absent
Jack Lipsett	Gloucester City	Present
Neal Rochford	Haddonfield	Present
Edward Hill - Alternate 1	CCBOSS	Present

Mr. Keating welcomed everyone to Gloucester City.

**APPOINTED PROFESSIONALS PRESENT:**

Executive Director/Adm.	PERMA Risk Management Services <b>Paul Laracy</b> <b>Emily Koval</b> <b>Karen Kamprath</b>
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Program Manager	Conner Strong & Buckelew <b>Brandon Lodics</b> <b>Jeanne Frank</b>
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Attorney	<b>J. Kenneth Harris, Esq.</b>
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Medical TPA - Amerihealth	<b>Lisa DiDio</b> <b>Mike Murphy</b>
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Treasurer	<b>Ken Verrill</b>
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Express Scripts

Dental TPA - Delta Dental

**PRESENT FUND COMMISSIONERS:**

Robert Maybury, Mt. Holly MUA  
Eleanor Kelly, Runnemedede

**ALSO PRESENT**

Anthony Stagliano, Mount Holly MUA  
Suzanne Wood, CBIZ  
Kim Porter, CHB Group

**APPROVAL OF MINUTES: February 22, 2016**

**MOTION TO APPROVE OPEN MINUTES OF FEBRUARY 22, 2016:**

Moved:	Commissioner DiAngelo
Second:	Commissioner Michielli
Vote:	Unanimous

**CORRESPONDENCE – None**

**EXECUTIVE DIRECTOR’S REPORT**

**FINANCES**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports** – as of January 31, 2016(distributed at meeting)
  - **Historical Income Statement**
  - **Consolidated Balance Sheet**
  - **Indices and Ratios Report**

Ms. Koval said the Fund has completed the process of forming the new executive committee. The final vote received from Commissioner Blunt was for the full slate.

Fund Attorney swore in the Executive Committee.

Chair Mevoli welcomed Commissioner Hill to the Fund.

Executive Director said the Financial Fast track shows a reduction in surplus due to the transfers from the closed year accounts into the Coastal and SHIF Funds. The numbers are as expected.

**ADMINISTRATION**

**REORGANIZATION RESOLUTIONS** - After the last meeting, one more ballot was received voting for the full slate which will allow for the Executive Committee to be sworn in and approve all reorganization resolutions.

Executive Director said the consent agenda includes the reorg resolutions which can be voted on as a whole or individually.

## REGULATORY

**AMERIHEALTH AUDIT** - The Reinsurance HIF finances audits of claims agents for local HIFs on a three year cycle. In 2016, using 2015 data, AmeriHealth's operations for the SNJ HIF, including Coastal and School entities, will be audited. We will keep the Committee advised of this process, the report findings, and, if needed, corrective action plans.

Executive Director said MRHIF is in the process of auditing claims agents, one of them being AmeriHealth.

**HIF EXAMINATION BY NJ DEPARTMENT OF BANKING AND INSURANCE** - We have received a verbal indication from the DOBI that they will be examining all HIFs this year using financial statements and transactions from 2015. Generally, such examinations take place every 5 to 6 years. The last examination was completed as of 12/31/2009. The cost of the exams will be borne by the Reinsurance HIF. The examination normally includes an independent confirmation of financial statements and reviews for regulatory compliance. The examiners normally conduct their tests at PERMA's offices.

**FINANCIAL DISCLOSURE STATEMENTS** - As done in prior years and required by State law, each Fund Commissioner is required to complete a Financial Disclosure Statement through the Department of Community Affairs. The 2016 notice with instructions has been released and is included in agenda. The deadline is April 30, 2016. Fines will be issued for non compliance.

Executive Director said the Financial Disclosure statements are due by the end of April. Ms. Koval said she will be sending out notices along with pins for anyone who needs them. Chair Mevoli said they are issuing fines for non compliance.

**VERISK REPORT FINDINGS** - After the claims increase that occurred in 2012, the SNJ Fund invested in a claims analysis system that was intended to provide more rapid and in depth analysis of claims trends. The system was implemented in 2014 and most bugs in it were worked out in 2015. A synopsis of these reports through December 31, 2015 is attached.

Executive Director said the Fund is performing as expected. There was a claim surge at the end of Q3 last year but they came down in Q4. He said the first Financial Fast Track has been positive but he wants to not there are currently high RX claims for CCBOSS and a few other members. He said the data and claims experience is different than what the actuary projected.

**GASB 45** - Most entities obtained their 3 year GASB 45 report last year, but if a member is in need of an updated report for their annual audit, please reach out to Emily Koval ([emilyk@permainc.com](mailto:emilyk@permainc.com)) to gather data.

Executive Director said is any member needs an updated report to contact Ms. Koval.

## **2016 MEL & MR HIF EDUCATIONAL SEMINAR**

The 6<sup>th</sup> annual seminar is scheduled for Friday, April 15<sup>th</sup> beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs.

In response to Chair Mevoli, Executive Director said the SNJHIF is completely broken away from the other funds and the money that was transferred belonged to them. Executive Director said there are still claims incurred in 2014 being paid through the SNJHIF.

### **Program Manager's Report**

**ONLINE ENROLLMENT SYSTEM** -The Executive Committee voted and approved mandatory use of the online enrollment system by each member group. If you need additional training on the online enrollment system, please reach out to Karen Kidd at [kkidd@permainc.com](mailto:kkidd@permainc.com) of PERMA.

**BROKER EMAIL BOX** - The broker email box has been open for correspondence for the last few quarters. After reviewing current volume and efficiencies, it has been decided to restructure the current service model and utilizes more resource to better improve service delivery. We are planning for relaunch early in third quarter!

Program Manager said the Broker Email Box is in the process of being updated and should relaunch around May.

**DUPLICATE ID CARD REQUESTS** - Effective immediately, the SNJHIF no longer has the capability to request duplicate ID cards from the carrier systems. Going forward, the most efficient way for members to order additional ID cards is by calling the carrier directly or by registering online through the carrier's website. Most carriers also have mobile apps available where you can download their app to your mobile phone and you are able to view a copy of your ID card right from your phone.

Program Manager said PERMA can no longer request duplicate ID cards for members.

**LOW COST PRESCRIPTION PLANS** - The Executive Committee Members at tonight's meeting will receive their low cost options for their respective entities. Options for remaining entities will follow shortly. Again, these are optional for interested groups and are based on collective bargaining arrangements. Please review and if you are interested, contact Jeanne Frank at 856-552-4750 or [jfrank@permainc.com](mailto:jfrank@permainc.com), to discuss effective dates, special enrollment timelines and employee meetings.

Program Manager the low cost pricing options have been completed. If any entity is interested they can contact Program Manager. Program Manager said because of the intricacies of the plan a face to

face meeting or conference call would be best to go over all the discounts. Chair Mevoli said Program Manager and his team have been very helpful and are more than willing to come out and discuss pricing plans with anyone who is interested.

Plan 1		
Generic	Formulary Brand	Non Formulary Brand
Retail	\$7	50% up to \$200
Mail	\$14	50% up to \$200
Specialty	50% up to \$200	
Plan 2		
Retail	\$ 5.00	\$20.00
Mail Order	\$10.00	\$40.00
Specialty	\$100.00	

30 day supply  
90 day supply

30 day supply  
90 day supply

Low Cost Prescription Plan		
Program	Description	Intent/Purpose
Step Therapy Without Grandfathering	Step Therapy is a program that requires members to utilize medications in a certain order based on price and clinical efficacy. The Fund initially implemented with grandfathering, which allowed members on a drug that required a step, to bypass the step as long as they remained on that medication continuously every 130 day lookback period.	Removing grandfathering will require members to at least attempt to try the least costly/more clinically effective medication before moving on to the second tier drug.
Mandatory Mail Order	Maintenance medications would be required to be filled by Express Scripts Mail Order	Plan gets the advantage of Express Scripts low cost Mail Order medications, and eliminates dispensing fees.
Member Pay the Difference Mandatory Generics	If members would like a brand medication, when a generic equivalent is available, they are required to pay the generic copay <b>plus</b> the difference in plan cost of the generic and brand.	Encourages the use of generic medications when available. And if a brand is chosen the plan is only charged the cost of the generic.

The above low cost prescription plans are meant to be suggestive and may not be the best fit for all municipalities in the SNJRBEF. Savings vary based on current plan designs. Plan may be modified from original version to better fit the needs of each entity.

If an entity is interested in implemented this or any low cost plans similar, a special open enrollment can be held for the sole purposes of employees electing to move in to this model plan.

PERMA will be working on a standard communication piece for this plan that outlines the caveats and explains the benefits in more detail.

**ESTIMATED SAVINGS- 7% - 18%** (based on current plan designs).

*Savings estimate is illustrative only and is not a guarantee- individual entity implementation rates will*

*require actuarial approval and certification*

## **EXPRESS SCRIPTS CLINICAL NEWS & NOTES**

- Xeljanz XR, a medication formerly excluded under the Express Scripts formulary, has now been approved for Rheumatoid Arthritis. Xeljanz XR will now be added to the Express Scripts specialty drug list.
- Updated DrugWatch Available for Viewing: The Emerging Therapeutics department has updated this viewable document, which highlights the near-term pipeline of drugs as well as potential new generic opportunities. This updated list include new medications for various cancer, HIV and Parkinson's Disease. Important to note that the majority of the medications in the pipeline are high cost specialty medications. You can access the DrugWatch document [here](#).
- On 3/1/2016, the FDA approved *Odesfy*. Odesfy is an HIV-1 treatment for individuals with the virus over the age of 12. Odesfy is estimated to cost roughly \$30,000 per patient per year and treatment can last up to 6 months. The medication is primarily for new diagnoses with no history of like treatments.

Program Manager said they received notice in early march that xeljanz was added back to the ESI formulary. He said there are a lot of specialty medications being approved for 2016 and 2016 which is a big part of higher RX increases. Odesfy a treatment for HIV-1 was approved on March 1, 2016 and costs \$10,000 per treatment.

## **RECORDKEEPING AND REPORTING - IRS GRANTS AUTOMATIC EXTENSION**

- **Employee forms 1095B or 1095C are due to your employees no later than March 31, 2016.**
- **Employer forms 1094B or 1094C are due to the IRS no later than May 31, 2016; unless filing electronically then due no later than June 30, 2016**

Employers are advised to consult with their tax, HRIS/payroll, and legal advisors for assistance with specific issues/complexities regarding form preparation, appropriate eligibility and hours tracking rules, and the actual implementation of the data gathering, tracking, and reporting rules.

**All entities with medical coverage in the Fund are self-insured and therefore required to file and distribute these forms; even those employers with less than 50 employees.**

**Entities with less than 50 employees will need to complete the 1094 and 1095 B forms.**

**Entities with more than 50 employees will need to complete the 1094 and 1095 C forms.**

## **ACA AND 1095 FORMS GENERALLY / INDIVIDUAL TAX FILING ISSUES - MOST COMMONLY ASKED QUESTIONS:**

1. *What are the new health coverage forms required by the Affordable Care Act?*

The Affordable Care Act (ACA) is a law designed, in part, to extend access to affordable health care coverage to more Americans. As required by the ACA, you must receive 1095 forms reporting on certain offers of health coverage and actual health coverage received in the prior year (note that other benefits such as dental plans, life insurance, or disability benefits are not reported on 1095 forms). The 1095 forms are filed by the marketplace ([Form 1095-A](#)), other insurers or providers ([Form 1095-B](#)), and certain large employers ([Form 1095-C](#)). One copy is sent to the Internal Revenue Service (IRS) and one copy is sent to you. A 1095 form is a little bit like a W-2 form. A W-2 form reports your annual earnings. The 1095 forms will show that you and your family members either did or did not have an offer of health coverage and/or actual health coverage during each month of the past year. Because of the ACA, every person who is not otherwise exempt must obtain health insurance or pay a penalty to the IRS.

**2. *How many forms will I get and when should I receive the form(s)?***

Depending on the circumstances, some people may receive multiple forms and some people may receive no forms. You may receive multiple forms if you had coverage from more than one coverage provider, if you worked for more than one employer during 2015, or if you enrolled for coverage in the marketplace for a portion of the year and received coverage from another source for part of 2015. If you are due a form, you should receive it by March 31, 2016. (Starting in 2017, you should receive it each year by January 31, just like your W-2.)

**3. *What do I do with the form(s)?***

You should keep your forms with your tax records. You don't actually need the form(s) in order to file your taxes, but when you do file, you'll have to tell the IRS (by checking a box on your tax return) whether or not you had health insurance for each month of 2015. Since you don't actually need the form(s) to file your taxes, you don't have to wait to receive it if you already know what months you did or didn't have health insurance in 2015. When you do get the form, keep it with your other 2015 tax information in case you should need it in the future to help prove you had health insurance. In the meantime, if your accountant or tax preparer requests proof of coverage, the government suggests these forms of documentation as proof of insurance coverage: insurance cards, explanation of benefits, statement(s) from insurers, W-2 or payroll statement(s) reflecting health insurance deductions, record(s) of advance payments of the premium tax credit, and other statements indicating an individual or family member had coverage.

**4. *Where can I go for more information?***

You can go to the governmental websites and find more detailed information on the forms and the ACA requirements. See the IRS [Questions and Answers about Health Care Information Forms for Individuals \(Forms 1095-A, 1095-B, and 1095-C\)](https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals) at <https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals>. See also the [Department of Health and Human Services website](https://www.healthcare.gov/fees/) at <https://www.healthcare.gov/fees/> for detailed information on [how the penalty is calculated](#). Ask your tax preparer or advisor if you have specific questions while filing your personal tax return. Everyone's family structure and income situation is different, and coverage providers and employers are not able to give you personal income tax advice. For further assistance you can always call the [IRS helpline](#) at **800-829-1040**.

Program Manager said the 1095 B or C forms are due to employees by March 31. The 1094 B or C needs to be filed by May 31 or June 30 if filing electronically.

***N.J. Public Employee Unions Irked by Christie Call to Cut Health Benefits, February 29, 2016***

Governor Chris Christie stated in his state budget address a challenge to cut \$250M from state employees' health benefits. Nearly 10% of Christie's \$34.8 billion proposed budget pays for health benefits for active and retired state workers and retired teachers. The administration estimates that Healthcare costs will crack \$6 billion a year by 2024.

The average teacher enrolled in one School Employees' Health Benefits Program plan makes \$69,000 and pays \$6,193 a year for family coverage, 19 percent of the premium and 9 percent of their salary, said Wendell Steinhauer, president of the New Jersey Education Association and a member of the school employees' committee. They're motivated to save money because it also lowers the cost of employees' premiums, he added.

Labor leaders said the problem is much bigger than employee health benefits: New Jersey is one of the most expensive health care markets in the U.S.

To read the full article click here:

[http://www.nj.com/politics/index.ssf/2016/02/christie\\_health\\_care\\_cut.html?utm\\_source=Sailturu&utm\\_medium=email&utm\\_campaign=New%20Campaign&utm\\_term=Wake%20Up%20Call%20NJ#incart\\_most-comments](http://www.nj.com/politics/index.ssf/2016/02/christie_health_care_cut.html?utm_source=Sailturu&utm_medium=email&utm_campaign=New%20Campaign&utm_term=Wake%20Up%20Call%20NJ#incart_most-comments)

**NEW INTERACTIVE WELLNESS HUB:**

[www.healthylearn.com/connerstrong](http://www.healthylearn.com/connerstrong)

Conner Strong and Buckelew is pleased to announce we have launched a new, interactive wellness portal available to our customers called **HealthyLearn™**. This is a new, high-powered portal that includes the best, most interactive and source based data available on wellness and medical topics. This new site replaces our previous Healthier at Home site. *All of the content one would expect regarding wellness and population health is now delivered to you on a site so user friendly you may never go anywhere else for health information.*

**HealthyLearn™** is available to all Conner Strong & Buckelew clients at no additional cost, to make available to their employees and plan participants. HealthyLearn™ covers over a thousand health topics in a simple, straightforward manner. The data and information is laid out in an easy-to-follow format and includes an informational print-on-demand PDF. HealthyLearn™ includes the following interactive features and services:

- Ask the Coach
- Rotating Health Tip-of-the-Day
- Symptom Checker
- A to Z Encyclopedia
- Health News
- Medical Self-Care Guides for Adults, Children, Adolescents and Seniors
- Women and Men Guides



- Pain Management Guide
- Financial Wellness information
- Mental Health Guide
- Home Safety Guide
- Wellness and Disease Management
- Tobacco Cessation
- Stress Management
- Nutrition and Weight Loss
- Health Trackers
- Health Posters
- Health Videos
- Monthly Wellness Newsletter

Program manager said Conner Strong & Buckelew launched a new Wellness Portal that is available to all HIF members.

**TREASURER'S REPORT** - Fund Treasurer reviewed the March Bills list and reports included in the agenda.

**Resolution 13-16: Payment of March 2016 Bills**

<b>2015</b>	\$11,350.00
<b>2016</b>	\$439,988.59
<b>Total</b>	<b>\$451,338.59</b>

**MOTION TO APPROVE RESOLUTIONS 13-16, APPROVAL OF THE March 2016 BILLS LIST**

Motion: Commissioner Lipsett  
 Second: Commissioner Michielli  
 Vote: Ayes, 0 Nays

**MOTION TO APPROVE THE REMAINDER OF THE TREASURERS REPORT**

Motion: Commissioner Rochford  
 Second: Commissioner Wolk  
 Vote: Ayes, 0 Nays

**FUND ATTORNEY:** Fund Attorney said the 1095 is essentially a W-2 for health benefits and the 1094 is a form that goes to the IRS. It needs to be noted if the employee had coverage for the entire year or just an individual month.

**AETNA:** Ms. Ward said the claims from January are still showing the runout from SHIF and Coastal. She said the claims should start to level out around April. She said Aetna finalized their negotiations with Deborah Heart and Lung and no member letters went out. They are still in negotiations with

Cooper Hospital for the contract ending May 1, but received an extension and no member letters are being sent out at this time.

Ms. Ward gave an update on Quest Diagnostics pre-payment issue that was discussed at the previous meeting. She said the locations in question have been re-educated on the procedures. She said a flyer was put together but Quest requested that it not be distributed because it could cause more confusion. In response to Chair Mevoli, Ms. Ward said it seems to be a training issue, the card is not being charged there is a \$50 hold placed until the claim is adjudicated.

**AMERIHEALTH:** Ms. Didio said the runout of claims is not represented in the AmeriHealth NJ report. The Amerihealth Administrator report shows the runout claims from SHIF. Ms. Didio introduced Michael Murphy who will be attending meetings when she is not able to.

**EXPRESS SCRIPTS:** None

**DENTAL ADMINISTRATOR:** None

**CONSENT AGENDA:** The following Resolutions listed on the Consent Agenda will be enacted in one motion. Ms. Koval noted that resolution should read 9-16 should read Michael Zambito Treasurer and Kenneth and Lorraine Verrill Deputy Treasurer. The Committee agreed to keep Commissioner Wolk and Shannon to be MRHIF Commissioner and Alternate, respectively. Commissioner Lipsett will serve as the Special Rotating Commissioner. She said on Resolution 12-16 Mount Holly MUA requested to no longer have a broker so they were removed from the broker list and the rates will be reflected.

- Resolution 3-16 Appointment of Fund Professionals
- Resolution 4-16: Designation of Service of Process
- Resolution 5-16: Designation of Secretary as Custodian of Records
- Resolution 6-16: Designation of Official Newspaper
- Resolution 7-16: Designation of Regular Meeting Times and Place
- Resolution 8-16: Designation of Bank Depositories & CMP
- Resolution 9-16: Designation of Authorized Signatories
- Resolution 10-16: Approval of Risk Management Plan
- Resolution 11-16: Appointment of MRHIF Fund Commissioners
- Resolution 12-16: Compensating Producers
- Resolution 13-16: Approval of the March 2016 Bills List

**MOTION TO APPROVE RESOLUTIONS 3-16 THROUGH 12-16 IN THE CONSENT AGENDA, AS DISCUSSED:**

<b>MOTION:</b>	Commissioner DiAngelo
<b>SECOND:</b>	Commissioner Rochford
<b>ROLL CALL VOTE:</b>	7 Ayes, 0 Nays

**OLD BUSINESS:** none

**NEW BUSINESS:** Program Manager said he wants to add that Mount Holly MUA requested a special open enrollment for July 1, for chapter 78 reasons.

**PUBLIC COMMENT:** none

**MOTION TO ADJOURN:**

Moved:	Commissioner Michielli
Second:	Commissioner Lipsett
Vote:	Unanimous

**MEETING ADJOURNED:** 7:00 PM

**NEXT MEETING:** April 25, 2016, Cherry Hill Fire District

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Emily Koval , Assisting Secretary  
for

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**JOSEPH WOLK, SECRETARY**