

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JULY 24, 2017
PINE HILL BOROUGH
6:00 PM

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

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

WELCOME - Pat Hendricks welcomed everyone to Pine Hill Borough

ROLL CALL OF 2017 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	Present
Jack Lipsett	Gloucester City	Present
Neal Rochford	Haddonfield	Present
Edward Hill	CCBOSS	Present

APPOINTED PROFESSIONALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Paul Laracy Karen Kamprath
Program Manager	Conner Strong & Buckelew Brandon Lodics
Attorney	Ken Harris
Deputy Treasurer	Ken Verrill Lorraine Verrill
Aetna	Kim Ward
AmeriHealth	Absent
Express Scripts	Ken Rostkowski
Auditor	Absent

Also Present:

Steven Rodriguez, Conner Strong & Buckelew
Joe Madera, Hardenburgh Insurance Group
Pat Hendricks, Pine Hill
Robert Maybury, Mt. Holly MUA
Suzanne Wood, Cbiz
Robert Weil, Conner Strong & Buckelew

APPROVAL OF MINUTES: June 26, 2017 Open

MOTION TO APPROVE OPEN MINUTES OF JUNE 26, 2017:

Moved:	Commissioner Wolk
Second:	Commissioner DiAngelo
Vote:	Unanimous

CORRESPONDENCE – None

Fast Track Financial Reports – as of May 31, 2017

Executive Director said the Financial Fast Track shows the Fund made \$636,000 operationally in May. The Fund received the MRHIF dividend some of which is from 2015 and will be distributed to the Coastal and School Funds. Executive Director said a small amount will be left incase of any residual Coastal or School claims.

EXECUTIVE DIRECTOR’S REPORT

RISK MANAGEMENT CONSULTANT NON-SOLICITATION PROVISION

Executive Director said local entity risk managers contract with the Program Manager as “sub-producers” and their contract includes a non-solicitation clause that caused concerns about being in conflict with the public contracts law and limiting vendor selection options for member entities. He said Fund Attorney as well as Conner Strong & Buckelew are in agreement this wording should be removed from the contracts.

AUDIT PROCESSES AND OUTCOMES

Executive Director said the ESI audit was completed and is available upon request. He said it was found that they met all of their discounts and guarantees. He said Aetna is on a 3 year audit cycle and their audit will be underway in the near future.

PARTNERSHIP HEALTH CENTER

Executive Director said an investigation was done on this concept and due to geographic dispersion this would not be a fit for the fund at this time. In response to Commissioner Shannon, Executive Director said the benchmark would be at least 1,000 lives but in a more concentrated area.

PROGRAM MANAGER'S REPORT

VISION RFP UPDATE

Program Manager said an RFP for a standalone vision plan was issued by the MRHIF. He said 3 responses have been received and a recommendation will be provided at the next meeting.

3D MAMMOGRAMS

Program Manager said they have noticed a trend among some diagnostic imaging facilities to require patients to pay some amount up front for 3D mammograms. While Federal mandates require that all insurance plans pay 100% for an annual, routine mammogram for women over 40, 3D mammograms are not specifically addressed in the mandate. To date, the members who have had issues with this were enrolled in AmeriHealth Administrators and QualCare plans and the affected members were reimbursed for their upfront payment because their plans allowed the 3D mammogram when ordered by the provider and were not an initial baseline test. He said this is just a hold placed on the credit card and once the claim is processed the hold is released.

ESI FORMULARY ENHANCEMENTS

ESI has announced two upcoming enhancements to the National Preferred Formulary strategy, which the SNJREBF participates with:

- Exclude at launch – effective 7/1/2017 – select new medications may be excluded until final formulary status is determined after clinical and financial reviews are conducted. This initiative is an enhancement to the current process which automatically covers drugs while the review process is underway. The new strategy is being implemented as a cost-saving initiative as medications are coming to market faster than ever and the cost of many new to market drugs exceeds \$100,000 per patient per year.
- Brand-for-Generic Substitution – effective 8/1/2017 – select branded medications will be preferred and higher-net cost clinically equivalent generic alternatives will be excluded. Members will have the same generic copay and the dispensed brand medication will be included in the appropriate brand/generic guarantee in accordance with contracted pricing.

INITIAL SAVEON COMMUNICATIONS

PERMA, Express Scripts and SaveOn participated in a conference call on 6/22/17 to discuss the initial communication strategy and timeline. Below is the agreed upon timeline. We will provide an update of the next steps as well as samples of all communication pieces at the September 13th meeting. Also included with your agenda is an FAQ about the SaveOn Program.

- Mid-October - Accredo will provide a 'look back" file to PERMA and SaveOn to be used for the initial PERMA mailing and for SaveOn set up.
- 11/1/2017 - PERMA will send an initial letter to members who are currently on a SaveOn medication. Member letters will be sent on SNJREBF letterhead.
- 12/1/2017 – SaveOn will send a 2nd letter to targeted members that have not enrolled by that date.

LEGISLATIVE UPDATES

Assembly Panel has 2 **proposed** bills concerning the coverage and dispensing of Hearing Aids in NJ.

1. The first bill released, permits certain licensed audiologist to dispense and fit hearing aids. The purpose of this bill is to give residents more options when seeking professionals who can provide hearing aid services.
2. The second bill, requires hospital, medical and health services corporations commercial insurance, HMO, health benefits plans issued under the NJ Individual Health Coverage and Small Employer Health Benefits Programs and plans provided by SHBC and SEHBC to provide coverage for medically necessary expenses incurred in the purchase of a hearing aid. This bill directs the coverage to include the purchase of one analog or digital hearing aid for each ear at least every 48 months as prescribed or recommended by a state licensed audiologist or state licensed hearing aid dispenser.

Appeal Review:

No appeals to report at this time.

TREASURER'S REPORT - Deputy Treasurer reviewed the July Bills List and Treasurer's Report. He also distributed a report detailing the rate increases.

Resolution 20-17: Payment of July 2017 Bills List

FY 2017	\$583,851.72
TOTAL	\$583,851.72

MOTION TO APPROVE RESOLUTION 20-17, APPROVAL OF JULY 2017 BILLS LIST IN THE AMOUNT OF \$583,851.72.

Motion: Commissioner Lipsett
Second: Commissioner Wolk
Vote: 8 Ayes, 0 Nays

MOTION TO APPROVE THE REMAINDER OF THE TREASURER'S REPORT.

Motion: Commissioner Michielli
Second: Commissioner Wolk
Vote: 8 Ayes, 0 Nays

FUND ATTORNEY: Fund Attorney said the medical trend is going up 5% and the CPI adjustment factor for the Cadillac Tax premium is going up 2.4%. He said the tax is still set to go into effect in 2020.

AETNA: Ms. Ward reviewed the May claims. She said there are 2 claims over \$50,000. She said the Fund is opted out of the Quest program and if a hold is place on a credit card it is for \$50.00. She said the Q1 performance guarantees were received and the average answer time and abandonment rate were missed. She said this was due to an issue at the call center, however the Q2 metrics are on track.

AMERIHEALTH: The report was included in the Agenda.

EXPRESS SCRIPTS: Mr. Rostkowski said year to date the Fund is trending down 10%. He said each point equals about \$250,000 - \$300,000 in savings.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Moved:	Commissioner Michielli
Second:	Commissioner Wolk
Vote:	Unanimous

MEETING ADJOURNED:

NEXT MEETING: August 28th, 2017

BARRINGTON BOROUGH

Karen Kamprath , Assisting Secretary
for

JOSEPH WOLK, SECRETARY