

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
SEPTEMBER 24, 2018
BELLMAWR 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 - Commissioner DiAngelo welcomed everyone to Bellmawr Borough.

ROLL CALL OF 2018 EXECUTIVE COMMITTEE:

Michael Mevoli, Chairman	Borough of Brooklawn	Present
M. Joseph Wolk, Secretary	Borough of Mt. Ephraim	Present
Louis Di Angelo	Borough of Bellmawr	Present
Terry Shannon	Borough of Barrington	Present
Jack Lipsett	Gloucester City	Present
Neal Rochford	Haddonfield	Absent
Edward Hill	CCBOSS	Present
Alternates		
Robert Maybury	Mount Holly MUA	Absent

APPOINTED PROFESSIONALS PRESENT:

Executive Director/Adm.	PERMA Risk Management Services Emily Koval
Program Manager	Conner Strong & Buckelew Brandon Lodics
Attorney	J. Kenneth Harris, Esq.
Medical TPA - AmeriHealth	Mike Murphy
Medical TPA - Aetna	Joe Rodrigues
Express Scripts	Kyle Colalillo
Deputy Treasurer	Ken Verrill

PRESENT FUND COMMISSIONERS AND PROFESSIONALS:

Tom Kirner, Glenn Insurance
Kim Porter, CHB Group

Suzanne Wood, CBIZ
Sarah Scala, Hardenbergh Insurance
Robert Weil, Conner Strong & Buckelew

APPROVAL OF MINUTES: August 27, 2018 Open

MOTION TO APPROVE OPEN MINUTES OF AUGUST 27, 2018:

Moved:	Commissioner Lipsett
Second:	Commissioner Shannon
Vote:	Unanimous

CORRESPONDENCE - None

EXECUTIVE DIRECTOR'S REPORT

FINANCIAL FAST TRACK - Ms. Koval reviewed the financial fast track through August 2018 which showed a significant increase for the month, adding to the fund's surplus.

INTRODUCTION OF 2019 BUDGET

Ms. Koval reviewed the 2019 budget as recommended for introduction by the Finance Committee. She said Medical claims are decreasing by 1.92%, Prescription claims are dropping by .48% and Dental claims are dropping by 5%. She said the budget reflects a credit for Rx claims due to the application of formulary rebates.

Ms. Koval said the reinsurance line is decreasing by 8.46%. This change assumes that the HIF specific retention will rise from \$325,000 to \$350,000. The increase reflects very good overall experience at the MRHIF layer, and excellent loss experience for the SNJ HIF. She said the MRHIF received a competitive quote from US Fire for the reinsurance which is also helping this line item.

The Medicare Advantage renewal is dropping by .05% for CCBOSS and by 4.06% for all other members. These reductions are in part due to the elimination of the "Health Insurer Fee", an ACA related tax that has been repealed for 2019. We will continue to have discussions with Aetna on these rates for 2019.

Ms. Koval said the Loss Fund Contingency line item can be adjusted at the discretion of the Executive Committee. Because of very favorable results, an appropriation to this line item can be considered as a buffer for future year increases. Ms. Koval said the budget includes \$400,000 for this item as recommended by the Finance Committee.

Ms. Koval said contract expenses are consistent with RFP processes recently completed. However, we have requested that the audit fee increase be spread over 2 years. In addition, we are in the process of negotiating fees with Aetna, AHA, and Delta Dental.

Ms. Koval said the assessments are prepared using Fund policy developed over the last several years:

- Medical rates are + .05%
- Rx rates are +1%
- Dental rates -5%

- In addition, loss ratio adjustment factors of +/-2.5% are applied at the entity level except that CCBOSS is rated on its own experience.

MOTION TO INTRODUCE THE SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND BUDGET FOR 2019 AND ADVERTISE A PUBLIC HEARING FOR OCTOBER 22, 2018 AT 6:00 PM AT BERLIN TOWNSHIP TO ADOPT THE BUDGET.

Moved: Commissioner Shannon
 Second: Commissioner Di Angelo
 Vote: 6 Ayes, 0 Nays

2019 DIVIDEND - Ms. Koval said in addition to the budget, the Finance Committee reviewed the status of the Fund surplus and is recommending a \$3,650,000 dividend for 2019. A formal resolution will be included in the January agenda with checks/credits being issued in February. The Committee requested dividend choice letters to be sent as soon as possible.

MRHIF MEETING - Ms. Koval said the MRHIF Executive Committee met on September 12th. At the meeting, the Committee introduced the 2019 budget which had an overall decrease of almost 7%. Because of good loss experience, the SNJHIF is receiving a decrease of 7%. The budget is mostly predicated on a lengthy reinsurance RFP process that resulted in strong arrangement through US Fire/Starline Insurance Company.

MARKETING EFFORTS - Ms. Koval 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. Below is a logo that the firm has developed with PERMA. This is strictly for marketing efforts - the local Fund logos and regulatory websites will remain.



**New Jersey
 Health Insurance Fund**

Schools | Municipalities | Public Entities

Marketing campaigns:

- 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

DELTA DENTAL AUDIT

Ms. Koval said NIIS has completed the audit of Delta Dental. Overall, the report is 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.

We will provide a follow up report at our next meeting, and likely at local HIF meetings, and the improvement efforts are perfected.

PROGRAM MANAGERS REPORT

ONLINE ENROLLMENT SYSTEM TRAINING

The Executive Committee voted and approved mandatory use of the online enrollment system by each member group. If you need training or would like a refresher course on the online enrollment system, please reach out to Karen Kidd at kkidd@permainc.com of PERMA.

CONTACT INFORMATION

Please direct any eligibility, enrollment, billing or system related questions to our dedicated SNJREBF Team. The team can be reached by email at southernnj_enrollments@permainc.com or by fax at 856-685-2249.

MONTHLY BILLING

As a reminder, please be sure to check your monthly invoice for accuracy. If you find a discrepancy, please report it to the SNJREBF enrollment team. The Fund's policy is to limit retro corrections, *including terminations*, to 60 days. We have noticed an increase in requests for enrollment changes, billing changes, terminations and additions well past the 60 day time frame. Moving forward, it is of the utmost importance to review bills for rate and enrollment accuracy on a monthly basis. If there is an error, please bring it to the enrollment team's attention.

BROKER CONTACT INFORMATION

Please direct any escalated claims, benefit coverages, prescription coverage, Medicare advantage or appeal related questions to our dedicated SNJREBF Client Servicing Team. The team can be reached by email at brokerservices@permainc.com.

2019 OPEN ENROLLMENT

Program Manager said the 2019 annual Open Enrollment (OE) period for SNJREBF members will begin on 10/15/2019. As occurred last year, each entity will receive OE materials and instructions electronically from PERMA. As in the past, 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:

- 10/26/2018 – group contacts will receive OE instructions and materials
- 11/5/2018 – OE begins for members
- 11/23/2018 - suggested deadline for members to submit plan change requests to the entity
- 11/30/2018 - the deadline for all entities to enter all OE changes into the Benefit Express system.
- 1/1/2019 – effective date for anyone making plan changes. ID cards should be received by members who make a plan change on/before 1/1.

Non Medicare Retirees and COBRA enrollees will receive OE information from PERMA at their residencies.

AETNA NEW ID CARDS - 1/1/2019

Program Manager said all *Non-Medicare* AETNA members in the SNJREBF will be receiving new ID Cards effective January 1, 2019. This is the result of an AETNA system update. Member ID#s, group #s and benefits will not be impacted. PERMA will work with AETNA to assure that the ID cards are released after open enrollment, to assure any members that made plan changes receive the correct ID Card. We have highlighted this in your Open Enrollment guides, and will also continue to provide communications to you and your members.

Chair Mevoli said the open enrollment guides should specifically note that there are no changes to the card or ID numbers, it should also note when old cards will no longer work.

EXPRESS SCRIPTS - 2019 Formulary Update

ESI has announced that the National Preferred Formulary Guide (NPF) which the SNJREBF plans follow will be updated. Beginning 1/1/2019, the below formulary changes will go into effect for SNJREBF 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. We will present more information on SNJREBF member impact in November. A copy of the 2019 Formulary will be distributed to all entities with Prescription coverage as a part of Open Enrollment materials.

ANNUAL NOTICE OF CREDITABLE COVERAGE (NOCC)

As a courtesy, the SNJREBF in conjunction with ESI will be mailing an NOCC to all retirees enrolled in a SNJREBF Prescription Drug Plan. This notice is required (by CMS) to be sent to annually to retirees on or before October 1st. A sample notice is included with your agenda.

MEDICARE SCAM

Program manager said as previously reported, 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.

TREASURER'S REPORT - Deputy Treasurer reviewed the September Bills List and Treasurers report.

Resolution #25-18 September 2018 Bills

FY2018	\$473,572.64
Total	\$473,572.64

MOTION TO APPROVE RESOLUTION 25-18 APPROVING THE SEPTEMBER 2018 BILLS LIST:

Moved: Commissioner Di Angelo
Second: Commissioner Wolk
Vote: 6 Ayes, 0 Nays

MOTION TO APPROVE THE REMAINDER OF THE TREASURERS REPORT:

Moved: Commissioner Hill
Second: Commissioner Wolk
Vote: Unanimous

FUND ATTORNEY: Fund Attorney said he is working on getting clarification if the Fund can opt in or out of the OON Transparency Act. He reviewed the details of the Act and how it would impact the Fund. He said possible new ID cards could be sent, but awaiting confirmation.

AETNA: Mr. Rodrigues reviewed the claims through July 2018. He said there were 3 high claims for this reporting period. He also noted that the Fund will be receiving \$45,699 back due to performance guarantees missed in 2017.

AMERIHEALTH: Mr. Murphy reviewed the August claims.

EXPRESS SCRIPTS: Mr. Colalillo said ESI and Cigna passed the antitrust portion of the merger.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Moved: Commissioner Wolk
Second: Commissioner Shannon
Vote: Unanimous

MEETING ADJOURNED:

NEXT MEETING: OCTOBER 22, 2018

Karen Kamprath , Assisting Secretary
for

JOSEPH WOLK, SECRETARY