

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND  
OPEN MINUTES  
JANUARY 28, 2019  
BERLIN MUNICIPAL HALL  
6:00 PM**

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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** – Chair Mevoli welcomed everyone to Berlin.

**ROLL CALL OF 2017 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
Robert Maybury	Mt. Holly MUA	Present

**APPOINTED PROFESSIONALS PRESENT:**

Executive Director/Adm.	PERMA Risk Management Services <b>Paul Laracy</b> <b>Emily Koval</b>
Program Manager	Conner Strong & Buckelew <b>Brandon Lodics</b> <b>Maggie Friel</b>
Attorney	<b>J. Kenneth Harris, Esq.</b>
Medical TPA – AmeriHealth	<b>Absent</b>
Medical TPA – Aetna	<b>Joseph Rodrigues</b>
Express Scripts	<b>Kyle Colalillo</b>
Treasurer	<b>Mike Zambito</b> <b>Lorraine Verrill</b>

**PRESENT FUND COMMISSIONERS AND PROFESSIONALS:**

Eleanor Kelly, Runnemedede Boro  
Robert Maybury, Mt. Holly MUA  
Robert Weil, Conner Strong & Buckelew  
Suzanne Wood, Model Consulting  
Mark Godfrey, Magnolia  
Kelly Santosusso, Borough of Haddon Heights  
Gary Pasanante, Borough of Somerdale  
Sherry Conklin, Hardenbuergh Insurance Group

**APPROVAL OF MINUTES:      November 26, 2018 Open**

**MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 26, 2018:**

Moved:	Commissioner DiAngelo
Second:	Commissioner Wolk
Vote:	Unanimous

**CORRESPONDENCE** – None

Executive Director said an election of officers will take place

Roll Call of 2019 Fund Commissioners

MEMBER ENTITY	COMMISSIONER/CONTACT	Attending Reorg?
Barrington	Terry Shannon	Present
Bellmawr	Louis DiAngelo	Present
Bordentown	Michael Theokas	ballot received
Brooklawn	Michael Mevoli	Present
CCBOSS	Edward Hill	Present
Chesilhurst	Michael Blunt	Absent
Franklin Township	Barbara Freijomil	Absent
Gibbsboro	Jack Flynn	Absent
Gloucester City	Jack Lipsett	Present
Haddon Heights	Kelly Santosusso	Present
Haddonfield	Neal Rochford	Absent
Lindenwold		Absent
Lumberton Township	Brandon Umba	ballot received
Magnolia	Mark Godfrey	Present
Medford Lakes	Robert Burton	Absent
Merchantville	Edward Brennan	ballot received
Mount Holly MUA	Robert Maybury	Present
Mt Ephraim	M. Joseph Wolk	Present
North Hanover Twp	Mary Picariello	Absent
Paulsboro	John Giovannitti	ballot received
Pennsauken		
Pine Hill	Pat Hendricks	ballot received
Pitman	Michael Razze	Absent
Runnemede	Elenenor Kelly	Present
Somerdale, Boro of	Gary Passanante	Present
Wenonah	Karen Sweeney	ballot received
Westville Borough	Ryan Giles	Absent
Willingboro		
Mantua	Jennica Bileci	ballot received
Maple Shade	Joseph Andl	Absent
Township of Berlin	Catherine Underwood	Absent
Township of Waterford	Susan Danson	Absent
Winslow Township Fire District	Marc Rigberg	ballot received
Borough of Lawnside	Angelique Rankins	Absent

Ms. Koval said there were 11 Commissioners in attendance, but said 8 ballots were received which allowed for a quorum. Executive Director said including the ballots received a quorum is present and said the committee can consider nominations or the current slate of officers. Chair Mevoli read the nominating committee recommendation:

### Nominating Committee Recommendation

#### Officers

Michael Mevoli-Chairman

Joseph Wolk -Secretary

Executive Committee

Terry Shannon  
Edward Hill  
Jack Lipsett  
Louis DiAngelo  
Neal Rochford

Alternates

Alternate #1 – Robert Maybury  
Alternate #2 – Open  
Alternate #3 – Open  
Alternate #4 - Open

**MOTION TO APPROVE THE SLATE OF OFFICERS AS PRESENTED:**

Moved: Commissioner Wolk  
Second: Commissioner Lipsett  
Vote: 11 Ayes, 0 Nays, 8 ballots received  
approving the full slate (listed above)

Fund Attorney swore in the Executive Committee.

Roll Call of 2019 Slate of Officers

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
Robert Maybury	Mt. Holly MUA	Present

**EXECUTIVE DIRECTOR’S REPORT**

**PRO FORMA REPORTS - Fast Track Financial Report** – 11/30/2018. Executive Director reviewed the Financial Fast track which showed at 13.5 million dollar surplus, all years combined. Although a \$3.6 million dividend was given, the Fund made \$5 million in surplus which made up for this large dividend.

**2019 REORGANIZATION** - Executive Director reviewed the reorganization resolutions are included in the consent agenda for approval. The following changes were noted for consent:

- #5-19 – This resolution will be sent to all members. Note there is no December meeting
- #7-19 – Current Signatories – Michael Mevoli, Joseph Wolk, Treasurer and Deputy Treasurer
- #8-19 – RMP – Note changes in specific and aggregate attachment points.

#9-19 – Current MRHIF representatives are Joseph Wolk and Terry Shannon. The Committee made no changes.

## **MUNICIPAL REINSURANCE HEALTH INSURANCE FUND**

MRHIF met in December, Mr. Wolk in attendance, and acted upon the following items.

1. MRHIF had contracted with Adler Associates to complete an audit of ESI's performance against discount and rebate guaranties for 2017. The audit was completed and verified that ESI met overall discount and pricing guaranties.
2. MRHIF also commissioned an audit of Delta Dental that confirmed accurate performance and recommended the implementation of contractual performance standards and improved procedures for coordination of benefits
3. The contract award to US Fire for reinsurance was ratified. This contract culminates a lengthy RFP process that was instituted due to the withdrawal of Munich Re. from the American health reinsurance market.
4. The 2019 budget was adopted with an overall reduction of 6.19%.
5. The Executive Committee requested a review of the marketing contract to assess its effectiveness and relevancy. Since then, the report was received and included for your review.

In addition, the current chairman and secretary of the MRHIF are both retiring thus presenting the need for new executive committee leadership for 2019 and thereafter.

In addition, Executive Director said that the ESI market check will begin soon, which is part of the consultants services. We may be able to gain better pricing.

## **CLAIMS AGENT CONTRACT RENEWALS**

We have completed negotiations with claims agents for the CJHIF and other HIFs with the following outcomes:

1. Aetna
  - o 1 year agreement
  - o Fees will remain at \$51.32 per employee per month
  - o \$1.25 per employee per month can be refunded for wellness and marketing expenses
2. Amerihealth
  - o 1 year agreement
  - o Fees will remain at \$42 per employee per month
  - o \$1.25 per employee per month is ceded for wellness and marketing expenses
  - o Contract will now include performance standards
3. Delta Dental
  - o 1 year agreement
  - o Fees will increase from \$3.10 to \$3.12 per employee per month.
  - o Performance guaranties will be added to the agreement.

For Express Scripts, we are finishing the first year of a 3 year agreement awarded by MRHIF. However, this agreement allows for a market check and possible renegotiation that will take place in the first half of 2019.

## COMMITTEE APPOINTMENTS

Each year the Fund Chair makes appointment to the Fund's standing committees. A report of the proposed 2019 committees is included below. Chair Mevoli asked Commissioners to reach out if interested in joining/

### Contracts

Lou DiAngelo, Chair  
Jack Lipsett  
Edward Hill

### Claims

Joseph Wolk, Chair  
Neal Rochford  
Terry Shannon

### Finance

Terry Shannon, Chair  
Jack Lipsett  
Lou DiAngelo

### Nominating

Joseph Wolk, Chair  
Lou DiAngelo  
Jack Lipsett

## PROGRAM MANAGERS REPORT

Ms. Friel thanked the Committee for the reappointment and reviewed the following items:

### **OPERATIONS UPDATES:**

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](mailto: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](mailto: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](mailto:brokerservices@permainc.com).

### **2019 OPEN ENROLLMENT UPDATE**

The 2019 Open Enrollment period concluded in the middle of November. All changes were processed timely, and new ID cards were sent out for January 1.

### **AETNA UPDATES**

- As previously reported Aetna issued new ID cards to the majority of their population due to an administrative update and language requirements. In Mid-December PERMA reached out to enrollment contacts for every entity with members impacted. The communication is included in your agenda packet.
- Reminder as of January 1, 2019, Lab Corp is In Network for Aetna members.
- As required by CMS, Aetna issued their Annual Notice of Change (ANOC) to all Medicare Advantage enrollees. The ANOC is a booklet that explains any changes in your plan's benefit coverage, costs or service area. There are no material changes to Medicare Coverage for 2019.
- **THE REGIONAL WOMEN'S HEALTH GROUP** - Aetna has signed a 4 year agreement with Regional Women's Health Group, effective January 15, 2019. There will be no disruption to the SNJREBF members.

## **AMERIHEALTH ADMINISTRATORS (AHA) UPDATES**

- As a result of an end of the year audit that was performed at AHA, they have identified an issue of ER visits being denied incorrectly due to a piece of their internal coding that was missing from their systems. Affected members will be notified and AHA is performing another check to ensure that there are no other members. We are waiting on the impact and will provide more information at our February meeting.

## **Express Scripts (ESI) UPDATES**

- At the September's SNJREBF meeting, ESI has announced that the National Preferred Formulary Guide (NPF) which the SNJREBF utilizes will be updated. Beginning 1/1/2019, the new Express Scripts formulary went into effect for SNJREBF members. Copies of the National Preferred Formulary and Exclusion list are included in this report. There are approximately 3 SNJREBF members who will be impacted by the Formulary updated. Member impact letters were mailed in early December 2018.
- SafeGuard Rx- Migraines Care Value - effective 1/1/2019 ESI implemented a new disease management program for migraine patients. The program is designed to ensure that patients are receiving the most appropriate and cost-effective treatment for their migraines. It is a pro-active response to a new class of medications, Calcitonin Gene-Related Peptide inhibitors (CGRP) that were recently approved by the FDA or are in the pipeline for approval in the near future. There are currently no members in SNJREBF utilizing the impacted medications
- SaveOn November 2018 Update - Effective January 1, 2018 the SNJREBF implemented the SaveOn Copay Assistance program. SaveOn works directly with members to enroll them in manufacturer based copay assistance program(s) allowing the member access to a \$0 copay on certain specialty medications. Our year to date savings for the SNJREBF is Also, the SaveOn Specialty Medication Product List for has been updated for 1/1/2019, there were no SNJREBF members effected.

## **INDUSTRY UPDATES/MERGERS**

**AETNA/CVS** - On 11/28/18, CVS Health completed its acquisition of Aetna. Aetna will be a subsidiary of CVS and we expect there to be no member impact.

**CIGNA/ESI** - On 12/18/18 Express Scripts and Cigna received regulatory approval, allowing them to move forward with their merger. The entities will continue to operate individually, and we expect there to be no member impact.

In response to Chair Mevoli, Ms. Friel said that there is no impact to members for either merger at this time.

## **ADMINISTRATIVE & LEGISLATIVE MANDATE UPDATES**

As a reminder of what was previously approved updates/legislative mandates, effective 1/01/2019:



- **Updated NJSA 3753 – NJ Newborn Mandate**

New Jersey legislature updated the NJ Newborn Mandate Act which initially provided coverage for all newborns for the first 30 days from birth. The law was amended to require coverage for newborns up to the 61st day following birth.

- **NJSA 2793- 3-D Mammography Preventive Service Mandate:**

The NJ legislature enacted a new benefits mandate that requires health insurance coverage without cost share for digital tom synthesis (3-D Mammography) to detect or screen for breast cancer in women over age 40, once per benefit year. Currently the Fund covers an annual 3-D Mammogram but cost share is applied. Insured plans and the SHBP must comply with the update upon first renewal on/after August 1, 2018.

- **Extended Contraceptive Benefit:**

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)

**ADMINISTRATIVE AUTHORIZATIONS**

No Administrative Authorization at this time.

**TREASURER'S REPORT** – Fund Treasurer reviewed the December 2018 and January 2019 Bills List, which was distributed. He also thanked the board for their reappointment.

**Confirmation of Payment: December 2018**

<b>FY2017</b>	<b>\$80,037.00</b>
<b>FY2018</b>	<b>\$586,490.73</b>
<b>Total</b>	<b>\$666,527.73</b>

**Resolution #13-19 – January 2018 Bills List**

<b>FY2018</b>	<b>\$22,832.33</b>
<b>FY2019</b>	<b>\$673,889.02</b>
<b>Total</b>	<b>\$696,721.35</b>

**FUND ATTORNEY:** Fund Attorney thanked the Fund for reappointment. He said there have been 36 NJ mandates that the Fund has had to comply with since health insurance mandates were required.

**AETNA:** Mr. Rodrigues reviewed the claim payments for the month of November, high claimants and the dashboard report which illustrated that the Performance Guarantees were on target through 3<sup>rd</sup> Quarter.

**AMERIHEALTH:** Ms. Koval said the reports were not included in the agenda, but can be distributed after the meeting.

**EXPRESS SCRIPTS:** Mr. Rostkowski said overall the Fund had a great year finishing at -12.5% trend. He said utilization was consistent with a few new cancer patients. He also reviewed the Saveon program in further detail which was discussed in the Program Manager's report.

**MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:**

Moved:	Commissioner DiAngelo
Second:	Commissioner Wolk
Vote:	7 Ayes, 0 Nays

**DENTAL ADMINISTRATOR:** None

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN:**

Moved:	Commissioner Wolk
Second:	Commissioner DiAngelo
Vote:	Unanimous

**MEETING ADJOURNED:**

**NEXT MEETING: FEBRUARY 25, 2019**

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Emily Koval , Assisting Secretary  
for

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**JOSEPH WOLK, SECRETARY**