

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND**  
**OPEN MINUTES**  
**JANUARY 23, 2017**  
**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**

**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	Present
Jack Lipsett	Gloucester City	Present
Neal Rochford	Haddonfield	Present
Edward Hill	CCBOSS	Present

**APPOINTED PROFESSIONALS PRESENT:**

Executive Director/Adm. PERMA Risk Management Services

**Paul Laracy**  
**Emily Koval**  
**Karen Kamprath**

Program Manager Conner Strong & Buckelew  
**Brandon Lodics**  
**Maggie Friel**

Attorney **J. Kenneth Harris, Esq.**

Medical TPA – AmeriHealth **Lisa DiDio**

Treasurer **Mike Zambito**

**PRESENT FUND COMMISSIONERS AND PROFESSIONALS:**

Eleanor Kelly, Borough of Runnemede  
Robert Maybury, Mt. Holly MUA  
Robert Weil, Conner Strong & Buckelew  
Tom Kirner, Glenn Insurance  
Greg Grimaldi, Conner Strong & Buckelew  
Joe Madera, Hardenbergh Insurance Group

**APPROVAL OF MINUTES: November 28, 2016 Open and Closed**

**MOTION TO APPROVE OPEN AND CLOSED MINUTES OF NOVEMBER 28, 2016:**

Moved: Commissioner Michielli  
Second: Commissioner Wolk  
Vote: Unanimous

Chair Mevoli asked Executive Director to run the meeting. Executive Director asked for a roll call of all Fund Commissioners.

<b>MEMBER ENTITY</b>	<b>COMMISSIONER/CONTACT</b>	<b>Column1</b>
Barrington	Terry Shannon	Present
Bellmawr	Louis DiAngelo	Present
Bordentown	Frank Nucera	Absent
Brooklawn	Michael Mevoli	Present
CCBOSS	Edward Hill	Present
Chesilhurst	Michael Blunt	Absent
Franklin Township	Barbara Freijomil	Absent
Gibbsboro	ann levy	Absent
Gloucester City	Jack Lipsett	Present
Haddon Heights	Kelly Santosusso	Absent
Haddonfield	Neal Rochford	Present
Lindenwold		Absent
Lumberton Township	Brandon Umba	ballot received
Magnolia	Richard Michielli	Present
Medford Lakes	Julie Keizer	Absent
Merchantville	Edward Brennan	Absent
Mount Holly MUA	Robert Maybury	Present
Mt Ephraim	M. Joseph Wolk	Present
North Hanover Twp	Mary Picariello	ballot received
Paulsboro	John Giovannitti	Absent
Pennsauken	Ronald Crane	Absent
Pine Hill	Pat Hendricks	ballot received
Pitman	Michael Raze	Absent
Runnemede	Elenenor Kelly	Present
Somerdale, Boro of	Gary Passanante	Absent
Wenonah	Karen Sweeney	ballot received
Westville Borough	William Bittner	Absent
Willingboro		Absent
Winslow Fire District	Mark Rigberg	Absent
Mantua	Jennica Bileci	Absent

Commissioner Michielli read the current slate of Commissioners. Ms. Kamprath said 4 ballots were received. It was determined that a quorum of commissioners was not present. Fund Attorney said the Committee can continue with the Executive Committee from 2016 and conduct normal business but not the reorganizational resolutions.

**CORRESPONDENCE** – None

**MOTION TO SET AND ADVERTISE AN OPEN PUBLIC MEETING ON FEBRUARY 27, 2017  
AT HADDON TOWNSHIP:**

Moved:	Commissioner Lipsett
Second:	Commissioner Michielli
Vote:	Unanimous

**EXECUTIVE DIRECTOR’S REPORT**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports** - as of October 31, 2016
  - **Historical Income Statement**
  - **Consolidated Balance Sheet**
  - **Indices and Ratios Report**

Executive Director said the Financial Fast Track shows a slight lost in October but a gain in November, but continues to perform well. He said a dividend is normally declared in June; however the surplus is larger than normal so a dividend can be distributed earlier if the committee agrees. The Commissioners agreed to make this option available but leave it up to the town to decide when they want to receive their dividend.

**ADMINISTRATION**

**MUNICIPAL REINSURANCE HEALTH INSURANCE FUND** - The Municipal Reinsurance Health Insurance Fund has met on December 14, 2016 to adopt the 2017 budget in the amount of \$13,153,856, which was passed unanimously. The Southern New Jersey Regional Employee Fund assessment to the MRHIF is \$1,122,236. In addition, results from the RFQ for PBM Consultant were received and will be awarded to Adler Consulting in January.

**COMMITTEE APPOINTMENTS** - Chair Mevoli said there are no changes to the Committee’s.

<b><u>Contracts</u></b>	<b><u>Claims</u></b>	<b><u>Finance</u></b>	<b><u>Nominating</u></b>
Lou DiAngelo	Joseph Wolk	Richard Michielli	Richard Michielli
Jack Lipsett	Ed Hill	Terry Shannon	Lou DiAngelo
Richard Michielli	Terry Shannon	Lou DiAngelo	Joseph Wolk

**PHARMACY PROGRAM ASSOCIATED WITH MEDICARE ADVANTAGE** - At our budget workshop meeting, we indicated that we were working with Aetna on a proposal to expand Medicare Advantage to include Rx coverage. We have a successful pilot for this program operating for CCBOS.

Unfortunately, Aetna is unable to provide a cost saving solution for the rest of the Fund members for 2017. However, we will work with Aetna, United Healthcare, and ESI on cost savings options for implementation on 1/1/2018.

**VERISK CLAIMS ANALYSIS SYSTEM** - This system was implemented for the Fund after the 2012 claims surge in order to improve our ability to analyze the causes of unusual claims activity. The system worked as expected until Q1 of 2016. Since then, the vendor has not successfully uploaded our claims and provided us with access to their portal. We have suspended the project while we look at alternatives and have stopped paying them as of 3/31/2016. We will update the Executive Committee as alternatives are developed.

**NEW MEMBER APPLICATION - MOUNT LAUREL TOWNSHIP** - Mount Laurel Township is applying for membership in the Fund. The entity has attractive demographics and claims making it a favorably fit for the SNJ HIF. They are currently in the State Health Benefits Program and took advantage of their 2 month payment deferral. Therefore, if they leave the SHBP, they will need to pay 2 months of premium back to the State.

The SNJ HIF currently provides an option for a 1 month deferral for all members. Mount Laurel is requesting an exception allowing them a 2 month deferral. If this is approved, we suggest adding a stipulation that future dividends would be used to offset the deferral until it is liquidated.

Executive Director said this is not something the Fund has done in the past, but financially the Fund may handle a deferral of this side. In response to Commissioner Shannon, Mr. Grimaldi said it would be about \$250,000. In response to Commissioner Shannon, Fund Attorney said the Commissioners can act in the normal course of business. Commissioner said she would like to see how this would be paid back over time. The Commissioners agreed to approve membership without the 2 month deferral and review further.

**MOTION TO APPROVE MEMBERSHIP FOR MOUNT LAUREL TOWNSHIP WITHOUT THE DEFERAL:**

Moved:	Commissioner DiAngelo
Second:	Commissioner Shannon
Vote:	8 Ayes, 0 Nays

In response to Commissioner DiAngelo, Executive Director said the Finance Committee can come up with a schedule for the deferral to be repaid sooner and bring back to the Executive Committee for review.

# PROGRAM MANAGER'S REPORT

## ADMINISTRATIVE 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.

**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.

**ID CARDS** - As a reminder, PERMA no longer has direct carrier system access to order ID cards for members. We wanted you to be aware of the following carrier contact numbers members can call to request additional ID cards if needed.

- Aetna ID cards: 800-370-4526
- Express Scripts ID cards: 800-305-1834
- Delta Dental: 800-452-9310
- AmeriHealth Admin (non referrals): 800-480-5031

**2017 OPEN ENROLLMENT** - 2017 Open Enrollment has run fairly smooth with no outstanding open items. If there is an item that you would like to discuss, please reach out to Maggie Friel.

**AFFORDABLE CARE ACT UPDATE** - A sample letter is provided per your request for a reminder to be sent to all for 1094/1095 filings. Please refer to the letter.

- **Additional - ACA Guidance Update 1/09/17**

The IRS extended the 2017 due date for employers and coverage providers to furnish information statements to individuals. The due dates to file those returns with the IRS are not extended. This chart can help you understand the upcoming deadlines.

Action	2017 Reporting Due Dates for...		
	Applicable Large Employers - Including Those That Are Self-Insured	Self-insured Employers That Are <u>Not</u> Applicable Large Employers	Coverage Providers - other than Self-Insured Applicable Large Employers*
Provide 1095-B to responsible individuals	Not Applicable**	Mar. 2	Mar. 2
File 1094-B and 1095-B with the IRS	Not Applicable**	Paper: Feb. 28 E-file: Mar. 31*	Paper: Feb. 28 E-file: Mar. 31*

<b>Provide 1095-C to full-time employees</b>	Mar. 2	Not Applicable	Not Applicable
<b>File 1095-C and 1094-C with the IRS</b>	Paper: Feb. 28 E-file: Mar. 31*	Not Applicable	Not Applicable

\*If you file 250 or more Forms 1095-B or Forms 1095-C, you must electronically file them with the IRS. Electronically filing ACA information returns requires an application process separate from other electronic filing systems. Additional information about electronic filing of ACA Information Returns is on the Affordable Care Act Information Reporting (AIR) Program page on IRS.gov and in Publications 5164 and 5165.

\*\*Applicable large employers that provide employer-sponsored self-insured health coverage to non-employees may use either Forms 1095-B or Form 1095-C to report coverage for those individuals and other family members.

This chart applies only for reporting in 2017 for coverage in 2016.

**ACA Section 1557 – Nondiscrimination in Health Programs & Activities**

Section 1557 is the civil rights provision of the ACA of 2010. Section 1557 prohibits discrimination on the grounds of race, color, national origin, sex, age or disability in certain health programs and activities. Section 1557 final rule applies to any health program or activity, any part of which receives funding from HHS, such as hospitals that accept Medicare or doctors who receive Medicaid payments; the Health Insurance Marketplaces and issuers that participate in those Marketplaces; and any health program that the HHS itself administers.

The rule makes clear that sex discrimination prohibited under Section 1557 includes discrimination based on the following.

- An individual’s sex
- Pregnancy, childbirth and related medical conditions
- Gender identity
- Sex Stereotyping
- Disabled Individuals
- Individuals with limited English proficiency.

Below are the links to the Health and Human Services website.

- [www.hhs.gov/civil-rights/for-individuals/section-1557](http://www.hhs.gov/civil-rights/for-individuals/section-1557)

The Health Insurance Fund (HIF) complies with Section 1557. Both Aetna and Amerihealth have been notified according. If you have specific questions, please contact Maggie Friel.

**ADDITIONAL MENTAL HEALTH PARITY GUIDANCE ISSUED** - Generally, under the Mental

Health Parity Act and the Mental Health Parity and Addiction Equity Act, to the extent that the health plan offers mental health or substance abuse disorder benefits, the plan must provide parity between the medical/surgical benefits and the MHSA disorder benefits. For health plans subject to the MHSA parity rules (small employer and retiree-only health plans are generally exempt) and with limited exceptions, parity should exist between the plan's medical/surgical and MHSA benefits with respect to annual and lifetime limits, financial requirements (ex. deductibles, copays), quantitative treatment limitations (ex. number of visits, days of treatment) and non-quantitative treatment limitations (ex. formulary design for prescription drugs).

The Health Insurance fund complies with all Mental Health Parity rules.

**SECURITY BREACH - QUEST DIAGNOSTICS - Aetna** - Quest Diagnostics Incorporated (Quest) announced it is investigating an unauthorized third-party intrusion that might have compromised the protected health information of approximately 34,000 individuals. Quest addressed the vulnerability, took steps to prevent further incidents, and sent written notice to affected individuals.

Data from biometric screening programs is not a part of this breach because the systems are completely isolated and separate.

We are working with Quest to determine if any of the patients impacted were Aetna members. There is no indication that the compromised information has been misused in any way, but we will continue working with them to make sure they take every reasonable step to protect sensitive information and reestablish confidence in their system.

We encourage anyone with additional questions to read the announcement on the Quest website and review the attachments below for more information. Anyone with concerns can call the dedicated toll-free number Quest established for this incident. The number is (888) 320-9970, and can be reached Monday through Friday between 9:00 a.m. and 7:00 p.m. Eastern Time.

**AMERIHEALTH ADMINISTRATORS TRANSITION** - Effective January 1, 2017, all AmeriHealth New Jersey members have been transitioned to the AmeriHealth Administrators platform. Members have received their new ID cards and plans are up and running without issue. This transition will increase claims accuracy and ensure all SNJRHBF members are operating on the same claims systems with the same account team.

**PHARMACY CLINICAL NEWS FLASH** - We will continue to provide updates regarding pharmacy trends and new drugs to the market.

Express Scripts recently completed its annual formulary review, and the following drug list exclusions will go into effect for your member population on January 1, 2017.

New Exclusions		
COLCHICINE	KINERET	ORENCIA
TALTZ	ZYCLARA	

Express Scripts will send a letter to the affected members advising of this change and

include the suitable alternatives for them to discuss with their physician. Clinical exceptions can also be reviewed if requested by the physician.

The complete communication notice from Express Scripts has been included in this packet for your review.

**COMPOUND MANAGEMENT UPDATE- EXPRESS SCRIPTS** -On December 1, 2016, Express Scripts will add all non-hormonal topical creams to the compound exclusion list. The vast majority of these compounds appear to be prescribed for unproven uses.

Below is a list of top 20 non-hormonal topical utilized in compounds.

Top 20	
diclofenac sodium	levocetirizine dihydrochloride
lidocaine-prilocaine	fluticasone propionate
Gabapentin (excluded Q1 2016)	ketoprofen
meloxicam	urea
duloxetine Hcl	EnovaRX-Baclofen™
lidocaine	fluocinonide
topiramate	mupirocin
amitriptyline Hcl	Voltaren®
lamotrigine	livixil pak
imiquimod	baclofen

**ADMINISTRATIVE AUTHORIZATION:**

<i>Appeal #</i>	<i>Appeal Reason</i>	<i>Appeal Determination</i>
2016071300043	Non Emergent use of ER	IRO Approved
31816170925	Rx Appeal	IRO Approved

Program Manager said starting in 2017 if an IRO approves or denies an appeal, a report will be provided to the Executive Committee.

**TREASURER'S REPORT** - Fund Treasurer reviewed the December 2016 and January 2017 Bills List.

**Confirmation of Payment -**

<b>December</b>	
<b>FY 2015</b>	<b>\$414,441.68</b>
<b>FY 2016</b>	<b>\$743,678.09</b>
<b>TOTAL</b>	<b>\$1,158,119.75</b>

**Resolution 1-17: Payment of January 2017 Bills**

<b>FY CLOSED</b>	<b>\$278,746.75</b>
<b>FY 2016</b>	<b>\$8,297.21</b>
<b>FY 2017</b>	<b>\$543,402.58</b>
<b>TOTAL</b>	<b>\$830,446.54</b>

**Supplemental Bills List January 2017**

<b>FY CLOSED</b>	<b>-\$15,037.75</b>
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**MOTION TO APPROVE RESOLUTIONS 1-17, APPROVAL OF THE DECEMBER 2016 AND JANUARY 2017 BILLS LIST AND SUPPLEMENTAL BILLS LIST .**

Motion: Commissioner Shannon  
 Second: Commissioner DiAngelo  
 Vote: 8 Ayes, 0 Nays

**MOTION TO APPROVE THE REMAINDER OF THE TREASURER’S REPORT**

Motion: Commissioner Wolk  
 Second: Commissioner Shannon  
 Vote: Unanimous

**FUND ATTORNEY:** Fund Attorney said in terms of any type of surgery there can not be discrimination based on sex.

**AETNA:** Report included in Agenda

**AMERIHEALTH:** Ms. Didio said the AHNJ population is moving to AHA. The here were no high level claimants for AHNJ for this reporting period. There was one high level claimant for AHA in October.

**EXPRESS SCIRPTS:** Report included in Agenda. In response to Commissioner Shannon, Executive Director said ESI underperformed with their discounts, they over performed with their rebates. He said the consultant was paid \$15,000 for the analysis. Executive Director said the ACA contributions should drop dramatically in 2017.

**DENTAL ADMINISTRATOR:** None

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN:**

Moved: Commissioner Michielli  
 Second: Commissioner DiAngelo

Vote:

Unanimous

**MEETING ADJOURNED:  
NEXT MEETING: FEBRUARY 27, 2017**

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Karen Kamprath , Assisting Secretary  
for

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**JOSEPH WOLK, SECRETARY**