

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
FEBRUARY 27, 2017
COLLINGSWOOD SENIOR COMMUNITY CENTER
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

LOCATION CHANGE: Fund Attorney reviewed the reason for the change of location from Berlin Borough to Collingswood and asked for a roll call of Executive Committee members. Their presence suggests that they received adequate notification of the change of location.

WELCOME - Mr. Mevoli thanked Mayor Maley and Mr. Stokes for coordinating the location change.

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
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Program Manager	Conner Strong & Buckelew Brandon Lodics Maggie Friel
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Attorney	J. Kenneth Harris, Esq.
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Medical TPA - AmeriHealth	Lisa DiDio
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Medical TPA - Aetna	Kim Ward
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Express Scripts	Ken Rostkowski
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Treasurer	Mike Zambito
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PRESENT FUND COMMISSIONERS AND PROFESSIONALS:

Kim Porter, CHB Group
Robert Weil, Conner Strong & Buckelew
Tom Kirner, Glenn Insurance Inc.

APPROVAL OF MINUTES: January 23, 2017 Open

MOTION TO APPROVE OPEN MINUTES OF JANUARY 23, 2017 :

Moved: Commissioner DiAngelo
Second: Commissioner Michielli
Vote: Unanimous

CORRESPONDENCE – None

Executive Director said at the last meeting, there was not enough present Commissioners or ballots received to result in a quorum of Fund Commissioners. Since then, one more ballot had been received to equal a quorum of Fund Commissioners which unanimously voted for the presented slate of officers.

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

Fund Attorney swore in the Executive Committee.

EXECUTIVE DIRECTOR’S REPORT

PRO FORMA REPORTS

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

Executive Director said the Fund has a \$9.5 million year end operating surplus. The Financial Fast Track showed a \$10 million payable to the Coastal and Schools Funds which will be released after the audit is performed in July.

FINANCE COMMITTEE - The Finance Committee met prior to the Executive Committee meeting to discuss dividend options. Executive Director said that the Fund has accumulated more than needed for retention purposes and the transition of the new two funds has been smooth. He reviewed the amounts that are on reserve, which leaves \$7.2 million available for release:

SNJ Municipal and County Members	
Surplus Objective	2 Month Target
Surplus Target	\$ 6,344,017
Surplus	\$ 16,311,987
Less Shares of Former Members	\$ 2,669,220
Available	\$ 7,298,751
Paid in 2015	\$ 750,000
Paid in 2016	\$ 1,500,000
Option 1: Pay Entire Amount Available	\$ 7,298,751
Option 2: Pay 1/2 of Amount Available	\$ 3,649,375
Option 3: Pay 1/3 of Amount Available	\$ 2,432,917

The Committee's recommendation is to release Option 2, \$3,649,375 to its membership. Commissioner Michielli said that committee agreed that since they do not know the impact of the ACA appeal, a lesser amount would be prudent and allow for a dividend of the same amount next year. Executive Director said the finance committee will re-evaluate the financials this time next year.

MOTION TO APPROVE AND FILE WITH THE STATE A DIVIDEND OF CLOSED YEAR SURPLUS FUNDS IN THE AMOUNT OF \$3,649,375.

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

ADMINISTRATION

REORGANIZATION RESOLUTIONS - At the previous meeting, we did not obtain a quorum. If obtained at this meeting, the reorganization resolutions are included in the consent that will need to be passed by the Executive Committee.

Executive Director said the only major change in the Risk Management Plan is the retention level from \$300,000 to \$325,000. In addition, there is no longer a separate stop loss coverage for prescription only members.

MRHIF MEETING - February - The Municipal Reinsurance Health Insurance Fund met on February 8 to reorganize for 2017. The Committee reviewed the new reinsurance policies which are available for all Commissioners' review. Commissioner Wolk's report of the meeting can be found in Appendix II.

STATE EXAMINATION - The examination by the Department of Banking and Insurance of the SNJ HIF is completed and they are working with the Controllers to finalize the audit. No adverse findings or

recommendations are expected and the exam verified Fund financial statements as of 12/31/2015. We expect to have the final report and an affidavit for the Commissioners to sign at the next meeting.

2017 MEL & MR HIF EDUCATIONAL SEMINAR - The 7th annual seminar is scheduled for Friday, April 21st 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. The registration form can be found on page 6.

PROGRAM MANAGER'S REPORT

ADMINISTRATIVE UPDATES

1095 FORMS FOR AETNA MEDICARE ADVANTAGE

1095-B notices

The Affordable Care Act includes a mandate for most individuals to have health insurance or potentially pay a penalty for noncompliance. Individuals will be required to maintain minimum essential coverage for themselves.

In late December through January, CMS will be mailing 1095-B notices to the following beneficiary populations for 2016 tax purposes:

- All individuals under the age of 65 with Medicare Part A;
- Those who enrolled in Medicare Part A for the first time in 2016; and
- Those who had Medicare Part A coverage for part of 2016.

The notices will consist of a cover note from CMS and IRS Form 1095-B. If a Medicare member contacts Aetna with questions about minimum essential coverage, including the Form 1095-B **mailed by CMS**, they should be referred to 1-800-MEDICARE (TTY: 1-877-486-2048) or Medicare.gov

NETWORK UPDATE -LOURDES HEALTH SYSTEM - The Lourdes Health System contract with Aetna has a hard term date of April 1, 2017. The Aetna contract renewal negotiations are ongoing but a settlement has yet to be reached.

Highlights

- For Self-Insured HMO/PPO, Fully Insured PPO, and all Medicare members, beginning on April 1, 2017, Lourdes will be out-of-network.
- Letters to impacted members of Medicare and self-insured plans will be mailed on 02/25/2017. Sample letter is included in the agenda.
- We will send letters to subscribers based on the following criteria:

- Members/covered dependents who have utilized the hospital at least twice in the past 12 months.

Hospital Locations

Our Lady of Lourdes Medical Center

1600 Haddon Avenue
Camden, NJ 08103

Lourdes Medical Center of Burlington County

218A Sunset Road
Willingboro, NJ 08046

St. Francis Medical Center

601 Hamilton Avenue
Trenton, NJ 08629

Alternate Hospitals

A listing of alternate participating hospitals is included below.

Deborah Heart and Lung Medical Center	Virtua Health System- Marlton
Cooper Hospital University Medical Center	Virtua Health System- Voorhees
Kennedy Health System- Stratford	Virtua Health System- Mt. Holly
Kennedy Health System- Washington Twp.	Capital Health System
Kennedy Health System- Cherry Hill	Capital Health System

ADMINISTRATIVE AUTHORIZATION:

<i>Appeal #</i>	<i>Appeal Reason</i>	<i>Appeal Determination</i>
2016110201535	Benefits for DME -Aetna provider -not covered	Denial Upheld -Not medically necessary
CRS00579-17	Rx Appeal	Denial Upheld-Not medically necessary
CRS00639-17	Rx Appeal	Denial Upheld -Not medically necessary
CRS00203-17	Rx Appeal	Approved
2016102802388	ER Visit -Not medically necessary	Approved
31816046566	ER Visit -Not medically necessary	Approved

Ms. Friel said that a 10 day extension of negotiations was granted before letters are to be sent. Mr. Lodics said there is the potential of a large disruption if negotiations do not pan out, but he is confident that an agreement will be reached.

WELLNESS PLANS –COMPLIANCE OVERVIEW - While HIPAA nondiscrimination rules have historically been the major compliance focus for many wellness plan sponsors, final rules published by the Equal Employment Opportunity Commission (EEOC) addressing how wellness programs must comply with American Disabilities Act (ADA) and Genetic Information Nondiscrimination Act (GINA), has focused even more attention on these laws and further added compliance complexities. To assist with understanding the implications of the EEOC’s final rules related to the ADA, GINA, and wellness programs, Conner, Strong & Buckelew has published updates to help guide you through the intricate compliance rules. If you or your risk manager have questions or would like to discuss, please reach out to Maggie Friel.

CONNER STRONG & BUCKELEW'S NEW MOBILE WELLNESS APP - Conner Strong & Buckelew is pleased to announce the launch of its new mobile wellness app, *HealthyLife*, our mobile application that is compatible with our award winning member wellness portal, HealthyLearn.com/connerstrong

Our new mobile wellness app is a powerful addition to our portfolio of wellness tools and services to help clients further promote contemporary wellness approaches. Powered by the American Institute for Preventive Medicine, the web site and mobile app are unique solutions for Conner Strong & Buckelew clients and their benefit plan participants. The mobile app provides access to a host of wellness tools including a wellness tip of the day, information on health conditions, healthy living, financial wellness, healthcare consumerism, safety, first aid and a host of other source based tools and features.

Our wellness mobile app can be easily downloaded from the iTunes or Android app stores. The name of the app is *HealthyLife Mobile*. For apples users, here is a link to the app: <https://appsto.re/us/R1Ey8.i> Once you download the app, the code to use it is CSB (all caps).

We hope you will enjoy our new mobile wellness app. We’d like to work with you on more targeted educational campaigns.

Commissioner Shannon said she was surprised that the Fund plans do not offer hearing aids. She said she feels it is as much medically necessary as glasses. Ms. Ward said there is a discount program. Mr. Lodics said he will get a factor for member’s plans if they are interested in adding this coverage to all employees, not just under the age of 16.

TREASURER'S REPORT -

Resolution 13-17: Payment of February 2017 Bills

FY 2016	\$5,537.72
FY 2017	\$561,301.17
TOTAL	\$566,838.89

MOTION TO APPROVE RESOLUTIONS 13-17, APPROVAL OF FEBRUARY 2017 BILLS LIST.

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

Deputy Fund Treasurer said the TD Bank account has been closed. Investments are making .8%.

MOTION TO APPROVE THE REMAINDER OF THE TREASURER'S REPORT

Motion: Commissioner Shannon
Second: Commissioner Wolk
Vote: Unanimous

FUND ATTORNEY: Fund Attorney said at the November meeting, the Fund approved a settlement amount to a suit for one of our members in the amount of \$2500. The settlement was reached at \$2000 and will be paid next week.

AETNA: Ms. Ward said December's claims were high. She said there was one claim from the Schools Fund that was paid a year later, but occurred in 2015. She said she will research why the payment was made so late. In addition, Ms. Ward reviewed the dashboard report which should great network discounts and case management engagement. She said the Performance Guarantee for claim accuracy was missed again in the third quarter, but the claim was not HIF related. Ms. Ward explained the negotiations between Lourdes and Aetna and that notices must be sent 30 days prior to the end of contract.

AMERIHEALTH: Ms. Didio reviewed the Amerihealth NJ and Amerihealth Administrators reports. She said both reports showed run in in the beginning of the year so the average is not true to other years.

EXPRESS SCRIPTS: Mr. Rostkowski said that trend continues to decrease and generic has gone up showing a savings of \$400,000. In addition, the mail order pharmacy in Florence is available for tours.

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: MARCH 27, 2017

Emily Koval , Assisting Secretary
for

JOSEPH WOLK, SECRETARY