

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
MARCH 26, 2018
ELIZABETH'S CATERING - GLOUCESTER CITY
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 Lipsett welcomed everyone to Gloucester City

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

APPOINTED PROFESSIONALS PRESENT:

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

Robert Weil, Conner Strong & Buckelew
Robert Maybury, Mt. Holly MUA
Joe Madera, Hardenbergh Insurance Group
Tom Kirner, Glenn Insurance

APPROVAL OF MINUTES: February 26, 2018 Open

MOTION TO APPROVE OPEN MINUTES OF FEBRUARY 26, 2018:

Moved:	Commissioner DiAngelo
Second:	Commissioner Wolk
Vote:	Unanimous

CORRESPONDENCE – None

EXECUTIVE DIRECTOR’S REPORT

FAST TRACK FINANCIAL REPORT – as of January 31, 2018

Executive Director said the Financial Fast Track shows a loss of \$321k for the month. He said there are few things operationally that are effecting that. Aetna had a claims lag at the end of 2017 and there was catch up in January. He said AmeriHealth has also had some claims payments delays due to their system migration.

REQUEST FOR QUALIFICATIONS

Executive Director said all professional service contracts are up for RFQ for 2019. We will be updating the RFQ formats to conform to State regulations and updating the Scope of Services sections for each contract. We will present these changes to the contracts committee in early May.

SENATE BILLS 1877/1878

Executive Director said Senate Bill 1877 would re-impose the individual mandate for NJ residents and 1878 would create a subsidy program to support that market. 1878 proposes to tax all insured and self-insured programs, including those operated by HIFs and the State Health Benefits Program, in order to fund the subsidies. While stabilizing the individual market, the bill could increase state and local taxes significantly, and increase already exorbitant unfunded liabilities for retiree coverage.

We are working with the MRHIF lobbyist and the League of Municipalities to exempt HIFs from this tax. We will keep you informed of our progress and of any help that may be needed to influence decision makers.

AETNA CLAIMS AUDIT

Executive Director said Aetna has provided all responses on recommendations made by the MRHIF claims auditor, Northshore International. Northshore and PERMA are reviewing the responses and we expect to finalize the report shortly. As part of the process, we are reviewing coordination of benefits options with Aetna. If any changes in this area are to be made, we will present options and a recommendation to the Executive Committee.

AUDIT ENGAGEMENT LETTER

Executive Director said a copy of the annual audit engagement letter from Bowman and Company was included with the agenda.

FINANCIAL DISCLOSURE STATEMENTS

Executive Director said Commissioners should anticipate the online filing of the Financial Disclosure forms as both a Southern New Jersey Regional Employee Benefits Fund Commissioner, as well as any municipal related position that requires filing. It is expected the Division of Local Government Services will distribute a notice in March and forms will need to be filed by April 30th.

PROGRAM MANAGERS REPORT

AETNA

Program Manager said Aetna has reached a new 3 year agreement with Inspira Medical Centers effective 03/01/2018. As a result of this successful negotiation process, Inspira Medical Centers will continue to participate in Aetna's Southern New Jersey network for the following products:

- Open Choice® PPO
- Aetna Open Access® Managed Choice® POS
- Aetna SelectSM
- Elect Choice® EPO
- HMO
- Aetna Open Access® HMO
- Aetna Health Network OnlySM (HNO)
- Aetna HMO HRA
- Aetna MedicareSM Plan (PPO)
- Aetna Premier Care NetworkSM
- National AdvantageTM Program
- Workers' Compensation
- First Health Rental
- Aetna Choice® POS II
- Managed Choice® POS
- Open Access Aetna SelectSM
- Aetna Open Access® Elect Choice® EPO
- Quality Point-of-Service® (QPOS®)
- Aetna Choice® POS
- Aetna Health Network OptionSM (HNO)
- Aetna MedicareSM Plan (HMO)
- Aetna Performance NetworkSM
- Aetna Savings Plus
- Aetna Healthfund®
- Auto

There has been no interruption to member access because an agreement was reached before the contract's termination date. Member letters were never released, therefore, retraction member letters are not necessary.

CIGNA PURCHASING EXPRESS SCRIPTS

Program manager said Cigna recently announced that it has entered into a definitive agreement to acquire Express Scripts for \$67 billion. The Program Manager's team had a call with the Express Scripts SNJREBF Account Team to discuss this. At this time there is limited information available, but they do not anticipate there to be much impact on current Express Scripts clients, such as the HIFs.

MEDICARE PART D INITIAL COVERAGE LIMIT/DONUT HOLE

Program Manager said Aetna member communications on Medicare Part D plans outlines the *Initial Coverage Limit* (ICL). Medicare Part D's ICL, also referred to as the "donut hole," is a component of Medicare Part D, which states that when a member reaches \$3,750 in covered medication costs, Medicare Part D temporarily stops paying and requires the member to self-pay *a discounted amount of the cost of medications* until the member reaches \$5,000 of covered drug spending. The SNJREBF EGWP is offered as a single integrated product designed to cover the ICL. The enhanced Part D consists of

two components: basic Medicare Part D benefits and AETNA supplemental benefits. Supplemental benefits are non-Medicare benefits that provide enhanced coverage beyond basic Part D, and are designed to protect members from traditional Part D exposure, such as the *Initial Coverage Limit* described above. Should a member enter the “donut hole”, the AETNA supplemental coverage kicks in and covers prescription costs that would have fallen into the “donut hole”. Exposure for SNJREBF members is limited to their applicable copay.

RITE AID - WALGREENS MERGER

Program Manager said there are no Rite Aides in Burlington, Camden, Gloucester or Salem County that are affected by the merger with Walgreens.

IRS - NEW 2018 HSA CONTRIBUTION LIMIT

Program Manager said the IRS made an announcement this week changing the maximum HSA contribution for family coverage to \$6,850 a decrease of \$50 (down from \$6,900) for 2018. The change poses operational and other issues for employer-sponsored HSA-qualified health plans as there was no warning and 2018 contributions began 2 months ago. Contributions collected over the new maximum may be subject to taxes and penalties. It seems likely that this increase was an unintended result of a provision in the new federal tax law. We will keep you apprised of any further updates on this new development.

ADMINISTRATIVE AUTHORIZATIONS

There are no administrative authorizations

TREASURER'S REPORT - Deputy Treasurer reviewed the March 2018 Bills List.

Resolution #15-18 - March 2018 Bills List

FY2018	\$496,614.21
Total	\$496,614.21

MOTION TO APPROVE RESOLUTION #15-18 APPROVING THE MARCH 2018 BILLS LIST IN THE AMOUNT OF \$496,614.21 AND ALSO APPROVE A SUPPLEMENTAL BILLS LIST FOR THE COMMISSIONER FEES FOR Q1 2018 :

Moved: Commissioner Lipsett
Second: Commissioner DiAngelo
Vote: 6 Ayes, 0 Nays

MOTION TO APPROVE THE REMAINDER OF THE TREASURERS REPORT:

Moved: Commissioner Wolk
Second: Commissioner Lipsett
Vote: Unanimous

FUND ATTORNEY: Fund Attorney said the HSA contribution amount was reduced by \$50 because when the reconciliation bill was passed in February the index for inflation was changed.

AETNA: Mr. Rodrigues said the total paid claims for January 2018 was \$2.8 million. He said there were 6 large claimants for January. He reviewed the dashboard report and noted the average speed of answer metric was missed for 2017. He said Aetna is currently working with PERMA to determine what if any funds are due back to the Fund.

AMERIHEALTH: Mr. Murphy reviewed the February 2018 claims. He said they expect the claims to normalize over the next few months as they come out of the system migration.

EXPRESS SCRIPTS: Mr. Colalillo said they will continue to provide updates on the Rite-Aide and Walgreens merger. He said they do not expect most local stores to change over. He said the Fund saw a negative trend for the month. He said they do not expect to have any disruptions due to the Cigna/ESI integration and expects to continue with the current platform.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: None

NEW BUSINESS: In response to Commissioner Shannon, Program Manager said all retirees must have Medicare Part A and B. She said Barrington is getting sued for not reimbursing part B, however there is no stipulation that they should reimburse.

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Moved:	Commissioner Lipsett
Second:	Commissioner DiAngelo
Vote:	Unanimous

MEETING ADJOURNED:

NEXT MEETING: APRIL 23, 2018

Karen Kamprath , Assisting Secretary
for

JOSEPH WOLK, SECRETARY