

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JUNE 24, 2019
HADDONFIELD 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

ROLL CALL OF 2019 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
M. Neal Rochford	Haddonfield	Present
Edward Hill	CCBOSS	Present
Robert Maybury	Mount Holly MUA	Absent

APPOINTED PROFESSIONALS PRESENT:

Executive Director/Adm.	PERMA Risk Management Services Paul Laracy
Program Manager	Conner Strong & Buckelew Brandon Lodics
Attorney	J. Kenneth Harris, Esq.
Auditor	Jim Miles Dennis Skalkowski
Express Scripts	Kyle Colalillo
Aetna	Joe Rodrigues
AmeriHealth	Lane Hindman
Delta Dental	Luhra Ebarle
Deputy Treasurer	Lorraine Verrill

PRESENT FUND COMMISSIONERS AND PROFESSIONALS:

Shah Mapp, PERMA
Kim Porter, CHB Group
Georganna Marian, Hardenbergh Insurance
Lorraine Azzarano, Winslow Township Fire Distirct

WELCOME TO HADDONFIELD

APPROVAL OF MINUTES: May 20, 2019 Open

MOTION TO APPROVE OPEN MINUTES OF May 20, 2019:

Moved: Commissioner DiAngelo
Second: Commissioner Wolk
Vote: Unanimous

CORRESPONDENCE - None

EXECUTIVE DIRECTOR'S REPORT

FAST TRACK FINANCIAL REPORT - as of April 31, 2019

Executive Director said the financial fast track indicates the fund made a little over \$1 million through the end of April. He said the financials are performing very well.

AUDITOR AND ACTUARY YEAR-END REPORTS

Executive Director said the finance committee met to review the audit and a representative from Bowman and Company is present to review the Audit for the entire executive committee. Mr. Miles reviewed the 2018 Audit in some detail. He said there were no findings or recommendations.

MOTION TO APPROVE RESOLUTION 17-19 APPROVING THE 2018 SOUTHERN NJ REGIONAL EMPLOYEE BENEFITS FUND AUDIT AND FILE WITH THE STATE OF NJ:

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

CASH MANAGEMENT PLAN AMENDMENT - NEW BANK

Executive Director said the Fund Treasurers have requested adding an additional depository to our cash management plan. Deputy Treasurer said they were recently able to negotiate an aggressive investment rate at William Penn Bank.

MOTION TO APPROVE REVISED RESOLUTION 6-19 AMENDING THE 2019 CASH MANAGEMENT PLAN TO INCLUDE WILLIAM PENN BANK AS AN ADDITIONAL DEPOSITORY:

Moved: Commissioner Lipsett

Second:
Vote:

Commissioner DiAngelo
7 Ayes, 0 Nays

MRHIF MEETING

Executive Director said the MRHIF met on June 12. He said the committee unanimously approved a dividend in the amount of \$4,835,090. The share for each Fund was included in the Agenda. He said The Committee reviewed the 2018 Audit which came in clean with no comments or recommendations. In addition, PERMA announced the possibility of two new HIFs that could become MRHIF members in 2020. The Program Manager included the updated reinsurance agreement that includes the SHIF for 7/1/2019, which did not include aggregate reinsurance for 2019-2020, and may consider reviewing removing this coverage for all HIFs in a future year.

PROGRAM MANAGERS REPORT

NEW CONNER STRONG & BUCKELEW HQ OFFICIALLY OPEN AND OPERATIONAL

Program Manager said he is excited to announce that the new State of the Art, National Headquarters is open! On Monday, June 24, 2019 CSB merged the Philadelphia and Marlton offices to join forces under the same roof. Our new physical address is TRIAD1828 Center, 2 Cooper Street, 18th Floor, Camden, NJ 08102. Our contact phone numbers and email address will remain the same.

For More Information About Our New Building: <http://www.triad1828.com/>

Program Manager introduced their new team member Louis Moeller.

AETNA UPDATES

Program Manager said this is not technically an Aetna update however earlier in the Month Quest diagnostics had a data breach. The breach has potentially effected 11.9 million Quest patients and included certain member financial information, but not laboratory results. At this point Quest is working to investigate the AMCA data security incident and upon completion will work to ensure affected members are appropriately notified. At the moment this appears not to have impacted Aetna.

AMERIHEALTH ADMINISTRATORS (AHA) UPDATES

Program Manager said in order to better comply with New Jersey legislations regulating self-funded medical plans, AHA will be performing a re-card as of January 1, 2020, for all members. The only edit to the cards, will be that they will include the language "Self-Funded Group." There will be no impact to benefit levels, group numbers or ID numbers.

Express Scripts (ESI) UPDATES

Program Manager said effective June 7th, 2019, ESI will no longer cover the below list of medications, as an attempt to help control drug spend. The drug manufacturer Foxland Pharmaceuticals has egregiously priced their product portfolio, more than 25 times than the cost of therapeutically

equivalent alternative products. The SNJREBF has no members currently on one of these impacted medications.

Targeted Medications	Preferred Medications
lactulose 10 GM packet (Foxland Pharmaceuticals, Inc.)	generic lactulose solutions
dexchlorpheniramine 2 mg/5mL (Foxland Pharmaceuticals, Inc.)	generic loratadine, fexofenadine, cetirizine, or chlorpheniramine tablets and liquids
glycopyrrolate 1.5 mg tablet (Foxland Pharmaceuticals, Inc.)	generic glycopyrrolate 1 mg tablet or 2 mg tablet
brand/generic Amrix ER and Brand Fexmid (all manufacturers)	generic cyclobenzaprine 5 mg or 10mg

NEW FDA APPROVED MEDICATION: ZOLGENSMA

Program Manager said the FDA approved the gene therapy, Zolgensma, a new medication designed to treat spinal muscular atrophy in children under two years of age. SMA is a genetic disorder that affects the neurons responsible for motor skill development. He said there is currently no cure however Zolgensma is a one-time infusion drug that is currently priced at \$2.1 million and is seen as potentially curative. . Zolgensma can only be administered in an outpatient facility that is certified to administer the treatment.

ALTERNATIVES

Program Manager said a competing drug, Spinraza, was approved by the FDA in December 2016 and treats all types of SMA regardless of a patient’s age. The cost of this medication is an estimated \$750,000 for the first year and \$375,000 every year thereafter, or an estimated \$4.125 million over the course of a decade. In contrast, Zolgensma is a single-treatment drug that may be curative.

SNJREBF COVERAGE

Program Manager said because Zolgensma can only be administered by a medical professional, it will be considered a medical claim and will be covered under the medical plans with the appropriate prior authorizations in place. The Fund(s) will exclude this medication under the Prescription benefit plans.

We have reviewed historical claims up through 5/31/2019 and we do not have any records of members in the Fund filling Spinraza.

LEGISLATIVE UPDATES

Program Manager said Conner Strong & Buckelew annually reviews existing *HSA qualified* HDHPs with the medical and prescription Carriers to assure the HIF plans are in compliance. Deductibles and out of pocket amounts will only be adjusted by the Carriers in the instance that a plan falls below the required threshold. Any impacted groups will be contacted directly and will receive updated plan information.

PATIENT-CENTERED OUTCOMES RESEARCH INSTITUTE (PCORI) FEES

Program Manager said as a reminder for groups with medical enrollment in the Fund, the PCORI fee is collected in your premiums and paid to the IRS on your behalf by the Executive Director's Office.

THE ACA'S HEALTH INSURER FEE RETURNS FOR 2020

Program Manager said the annual fee on health insurers is one of the several funding mechanisms for the ACA's implementation. Referred to as the Health Insurer Fee ("HIF") or tax, it began at \$8 million in 2014 and climbed to reach \$14.3 billion in 2018. The HIF is a permeant tax embedded in the ACA and is intended to help pay for various aspects of the law. The HIF, which was temporarily suspended by Congress for CYs 2017 and 2019, only applies to fully insured business. Unfortunately, it seems increasingly unlikely that Congress will act to suspend or repeal the HIF for 2020.

Because our **AETNA Medicare Advantage Plans** are Fully Insured, unless suspended the Fund's 2020 renewal/increase will be impacted.

This will not impact any of our early retiree or active medical/prescription rates as those plans are all self-insured.

NJ UPDATES GUIDANCE FOR EMPLOYER REPORTING RELATED TO 2019 INDIVIDUAL MANDATE

As part of the Tax Cuts and Jobs Act of 2017, Congress essentially repealed the individual mandate of the Affordable Care Act (ACA) by reducing the penalty to \$0. In response, a few states, including New Jersey have enacted individual mandates. Beginning this year, taxpayers in New Jersey and the District of Columbia are required to maintain qualifying health coverage or pay a penalty on their state income tax forms.

New Jersey recently updated its reporting guidance indicating "employers will file health coverage forms through New Jersey's system for filing of W-2 forms and must file 2019 coverage information electronically by February 15, 2020." Further instructions are expected to be posted on the New Jersey state website in mid-2019.

ADMINISTRATIVE AUTHORIZATIONS

No Administrative Authorization at this time.

Commissioner Shannon said a local PCP office is becoming part of Jefferson Health and will no longer accept any insurance. She said members will pay \$125/mo to belong. In response to Commissioner Shannon, Fund Attorney said this is essentially modeled as a concierge service where you would pay a fixed monthly fee in order to access services. Commissioner Shannon said it stats

that this is not a concierge service. She wants to know the benefit of someone belonging to this. Program Manager said this could be beneficial for someone in an HDHP plan.

TREASURER'S REPORT - Deputy Treasurer reviewed the June 2019 Bills List.

Resolution #18-19 - June 2019 Bills List

FY2019	\$471,508.50
Total	\$471,508.50

MOTION TO APPROVE RESOLUTION #18-19 APPROVING THE JUNE 2019 BILLS LIST IN THE AMOUNT OF \$471,508.50

Moved: Commissioner Wolk
Second: Commissioner Di Angelo
Vote: 7 Ayes, 0 Nays

MOTION TO APPROVE THE REMAINDER OF THE TREASURERS REPORT:

Moved: Commissioner Di Angelo
Second: Commissioner Shannon
Vote: Unanimous

FUND ATTORNEY: Fund Attorney said in terms of the reporting for the NJ individual mandate it is the same forms used for the Federal Government. He said with respect to the HSA for 2019 there is a limit of \$3,500 for individuals and \$7,000 for a family. He said if over age 55 there is a catchup contribution of an additional \$1,000.

AETNA: Mr. Rodrigues said the total paid claims through April 2019 are \$7.3 million. He said there was 1 claim over \$50,000 in the month of April. He noted the paid amount is higher than the billed amount because this was a case rate.

AMERIHEALTH: Ms. Hindman reviewed the claims through May 2019.

EXPRESS SCRIPTS: Mr. Colalillo said the trend from January 2019 - May 2019 is 0.7%.

DENTAL ADMINISTRATOR: None

OLD BUSINESS: Chair Mevoli asked everyone to please sign the sign in sheet so we know who is present at the meetings. He also requested the Executive Committee receive the mailed copies of the Agenda at least 2-3 days prior to the meeting.

NEW BUSINESS: Chair Mevoli said there will be a change of venue for the August meeting. He said the meeting will be held in Mount Ephraim at 508 Lambert Ave.

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Moved:	Commissioner Wolk
Second:	Commissioner Lipsett
Vote:	Unanimous

**MEETING ADJOURNED:
NEXT MEETING: JULY 22, 2019**

Karen Kamprath, Assisting Secretary
for

JOSEPH WOLK, SECRETARY