

SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
SEPTEMBER 28, 2016
MOORESTOWN COMMUNITY HOUSE
12:00 PM

Meeting of Board of Trustees called to order by Executive Director
Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2016 BOARD OF TRUSTEES:

TRUSTEES	BOE	
David Pawlowski	Alexandria BOE	Present
Amy Capriotti	Bellmawr BOE	Absent
Frank Domin	Berlin Borough BOE	Present
Jean Grubb	Black Horse Pike Regional BOE	Absent
Mary Bell	Burlington Twp BOE	Absent
Alice Bresett	Byram BOE	Absent
Thomas Egan	Cinnaminson BOE	Absent
Raymond Coxe	City of Burlington BOE	Absent
Beth Ann Coleman	Collingswood BOE	Present
Joseph Collins	Delsea Regional BOE	Present
	EIRC	Absent
Melissa Livengood	Florence Township BOE	Absent
Christopher Lessard	Frankford Twp BOE	Absent
Donna Contrevo	Gateway Regional BOE	Absent
James Sekelsky	Hardyston Twp BOE	Absent
Manny Delgado	Leap Academy	Absent
Janine Wechter	Logan Township BOE	Absent
Shannon Dubois	Lower Alloways BOE	Absent
Denise Mennella	MANTUA TWP BOE	Absent
Chad Fires	Medford BOE	Absent
Michael Colling	Medford Lakes Board of Education	Absent
Paul Whitman	Moorestown Pulbic Schools	Absent
Evon Digangi	Mt. Holly BOE	Present
Robert Wachter	Mt. Laurel Twp Schools	Present
Lisa Giovanelli	Rancocas Valley BOE	Present
Jodi Lennon	Riverside Twp BOE	Absent
Janine Wechter	South Harrison Township School District	Absent

Barbara Godfrey	Southampton Township BOE	Absent
Christopher Destratis	Swedesboro-Woolwich BOE	Present
Judy Jackson	TABERNACLE BOE	Absent
Lisa Dinovi	Upper Pittsgrove BOE	Absent
William Thompson	West Deptford BOE	Absent
Christopher Rodia	Woodbury Heights BOE	Absent
Frank Rizzo	Woodstown-Piles Grove BOE	Absent
Dennis Nettleton	Ewing	Absent
Robert Scharle	Harrison BOE	Absent
Abigail Postma	Lebanon BOE	Absent
Jason Schimpf	Kingsway Regional School District	Present
Kristy McFarlane	Fredon Township BOE	Absent
Gregory Wilson	East Greenwich BOE	Present
Richard Rennie	Ogdensburg	Absent
Michael Griggel	Deptford	Absent
Christopher Russo	Delran	Absent

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR:

PERMA Risk Management

Paul Laracy
Emily Koval
Karen Kamprath

PROGRAM MANAGER:

Conner Strong & Buckelew

Brandon Lodics
Jozsef Pfeiffer

FUND ATTORNEY:

Ken Harris

FUND TREASURER:

Lorraine Verrill

PRESCRIPTION ADMIN:

Jeff Basile

MEDICAL TPA AMERIHEALTH:

Lisa Didio

MEDICAL TPA AETNA:

Kim Ward

ALSO PRESENT

Kelly Brazelton , Deptford Township BOE
Joe Ciampa, Horizon
Joe Madera, Hardenbergh Insurance Group
Michelle Witherspoon, Horizon
Mary Muscarella, Brown & Brown
Greg Grimaldi, Conner Strong & Buckelew
John J. Cobb, J Cobb Insurance Group
Kevin Kitchenman, Conner Strong & Buckelew

Robert Weil, Conner Strong & Buckelew
 Carol Nash, Conner Strong & Buckelew
 Alex Wade, Wellness Coaches USA
 Justin Thomas, Wellness Coaches USA

ELECTION OF OFFICERS, BOARD OF TRUSTEES & ALTERNATES

Executive Director said that a quorum was not present. In addition to the Commissioners present, nomination ballots were sent to all Commissioners. Ballots were received and counted as a vote.

The following slate was nominated:

Joseph Collins	Chairman	Delsea Regional BOE
Frank Domin	Secretary	Berlin Borough BOE
Lisa Giovanelli	Trustee	Rancocas Valley BOE
Michael Colling	Trustee	Medford Lakes BOE
Beth Ann Coleman	Trustee	Collingswood BOE
Jean Grubb	Trustee	Black Horse Pike Regional BOE
Christopher Lessard	Trustee	Frankford Township BOE
Christopher Destratis	Trustee	Swedesboro-Woodwich BOE
David Pawlowski	Trustee	Alexandria BOE
Evon Digangi	Trustee	Mt. Holly BOE

TRUSTEES	BOE	BALLOT RECEIVED
David Pawlowski	Alexandria BOE	Ballot Received
Amy Capriotti	Bellmawr BOE	Absent
Frank Domin	Berlin Borough BOE	Ballot Received
Jean Grubb	Black Horse Pike Regional BOE	Ballot Received
Mary Bell	Burlington Twp BOE	Absent
Alice Bresett	Byram BOE	Absent
Thomas Egan	Cinnaminson BOE	Ballot Received
Ray Coxe	City of Burlington BOE	Absent
Beth Ann Coleman	Collingswood BOE	Ballot Received
Joseph Collins	Delsea Regional BOE	Ballot Received
	EIRC	Absent
Melissa Livengood	Florence Township BOE	Absent
Christopher Lessard	Frankford Twp BOE	Ballot Received
Donna Contrevo	Gateway Regional BOE	Absent
James Sekelsky	Hardyston Twp BOE	Absent
Manny Delgado	Leap Academy	Absent
Janine Wechter	Logan Township BOE	Ballot Received
Shannon Dubois	Lower Alloways BOE	Ballot Received
Denise Mennella	MANTUA TWP BOE	Ballot Received
Chad Fires	Medford BOE	Ballot Received

Michael Colling	Medford Lakes Board of Education	Absent
Paul Whitman	Moorestown Pulbic Schools	Absent
Evon Digangi	Mt. Holly BOE	Ballot Received
Robert Wachter	Mt. Laurel Twp Schools	Ballot Received
Lisa Giovanelli	Rancocas Valley BOE	Present
Jodi Lennon	Riverside Twp BOE	Ballot Received
Janine Wechter	South Harrison Township School District	Ballot Received
Barbara Godfrey	Southampton Township BOE	Ballot Received
Christopher Destratis	Swedesboro-Woolwich BOE	Ballot Received
Judy Jackson	TABERNACLE BOE	Absent
Lisa Dinovi	Upper Pittsgrove BOE	Absent
William Thompson	West Deptford BOE	Ballot Received
Christopher Rodia	Woodbury Heights BOE	Absent
Frank Rizzo	Woodstown-Pilesgrove BOE	Absent
Dennis Nettleton	Ewing	Ballot Received
Robert Scharle	Harrison BOE	Ballot Received
Abigail Postma	Lebanon BOE	Absent
Jason Schimpf	Kingsway Regional School District	Yes
Kristy McFarlane	Fredon Township BOE	Ballot Received
Gregory Wilson	East Greenwich BOE	Yes
Richard Rennie	Ogdensburg	Ballot Received
Michael Griggel	Deptford	Absent
Christopher Russo	Delran	Ballot Received

Fund Attorney swore in the Board of Trustees.

APPROVAL OF MINUTES: July 27, 2016 Open

MOTION TO APPROVE OPEN MINUTES OF July 27, 2016

MOVED:	Secretary Domin
SECOND:	Trustee Pawlowski
VOTE:	Unanimous

CORRESPONDENCE - None

EXECUTIVE DIRECTORS REPORT

- **Fast Track Financial Reports - as of July 31, 2016**
 - **Historical Income Statement**
- **Fast Track Financial Reports - SNJHIF as of July 31, 2016**
 - **Consolidated Balance Sheet**

o **Indices and Ratios Report**

Executive Director said the Financial Fast Track shows a surplus of \$26.5 million which includes an additional \$1.6 million from the SNJHIF from the 2014 fund year. He said the Fund is doing very well, financially.

ORGANIZATIONAL RESOLUTIONS - A consent agenda has been included with the necessary resolutions for the Fund to operate for the year.

Executive Director said an updated Risk Management plan was distributed and the changes were outlined in yellow. He said most of the changes are intended to tighten up growth procedures, specifically no more than 5% growth per county.

Ms. Koval said Trustee Domin will remain as Secretary on resolution 28-16, Chair Collins, Secretary Domin and Trustee Grubb will remain as signatories on resolution 32-16 and Trustee Grubb will remain as Fund Commissioner, Secretary Domin will remain as the Alternate Fund Commissioner and Beth Ann Coleman will be the Special Alternate Commissioner for the MRHIF on resolution 36-16.

OPERATIONS COMMITTEE

TRANSITION FROM AMERIHEALTH NJ TO AMERIHEALTH ADMINISTRATORS

We currently have 384 employees enrolled in AmeriHealth NJ and 709 enrolled in AmeriHealth Administrators.

The programs operate on different platforms. Plans with primary care physicians are built on AmeriHealth NJ while all other plans are build on AmeriHealth Administrators.

Because there is conflicting judgment on the value of primary case physicians, and in an effort to streamline reporting and administration, the Operations Committee is recommending consolidating all services in AmeriHealth Administrators. The member with the largest enrollment in these plans is Black Horse Pike BOE which has begun the discussion of transition with the impacted employees.

Secretary Domin said this was discussed at the committee meeting and it would not affect the members directly.

MOTION TO APPROVE THE TRANSITION OF ALL AMERIHEALTH NJ PLANS TO AMERIHEALTH ADMINISTRATORS EFFECTIVE JANUARY 1, 2017 PENDING THE APPROVAL OF BLACKHORSE PIKE BOE:

MOVED:	Secretary Domin
SECOND:	Trustee Coleman
VOTE:	Unanimous

MEMBERSHIP GROWTH - The Fund approved growth of 25% this past year (5% more than the Risk Management Plan guideline of 20%). Sales producers have requested an additional allowance to add new members beginning on January 1, 2017 rather than on July 1, 2017. The Operations

Committee reviewed this request and is recommending that the Fund stay with July 1 as the target date for new members.

AETNA IN TOUCH CARE - We currently procure separate disease and case management services from Aetna for each HIF. Aetna has developed and begun to market an expanded and integrated disease and case management program. In addition to expanding outreach, communications, and intervention, the program comes with significant performance guaranties including “return on investment” assurances of up to 20:1. The additional cost of the program is \$1.11 per employee per month. We are continuing to research this program and will present our recommendation sometime in 2017 after sufficient data on the School HIFs own operation is in place.

ADMINISTRATION

MRHIF MEETING - The MRHIF met on September 14th to introduce its 2017 budget. The overall budget is decreasing by 4.24%, although the impact on the SHIF will not be realized until July. In addition, the Rx-only aggregate coverage is being taken over by the existing reinsurance company and will no longer be covered through a third party stop loss company.

The Committee also released an RFQ to retain a contract with a pharmacy benefit consultant to audit the ESI contract and to develop other strategic cost savings options. That appointment will be made at the MRHIF reorganizational meeting. A report was included in the agenda.

Schools Health Insurance Fund Program Manager’s Report September 28, 2016

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 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 SHIF enrollment team.

The Fund’s policy is to limit retro corrections, *including terminations*, to 60 days.

ID CARDS - As a reminder, during the Q1 of this year PERMA no longer has direct carrier system access to order ID cards for members. As we prepare for Open Enrollment, 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 NJ (referrals): 800-275-2583

- o AmeriHealth Admin (non referrals): 800-480-5031

OPEN ENROLLMENT - Ewing Township Board of Education, East Greenwich Board of Education and Medford Lakes Board of Education will be holding an off cycle open enrollment for January 1, 2017 elections, October 24th through November 18th.

- PERMA will be bulk shipping Open Enrollment packets to individual entities for active employees
- Retirees and COBRA enrollees will receive the information directly at their residencies
- Standard OE will remain in effect in the spring; only groups who have recently entered the fund will be participating in this special open enrollment.

MOTION TO APPROVE A SPECIAL OPEN ENROLLMENT FOR EWING TOWNSHIP BOE, EAST GREENWICH BOE AND MEDFORD LAKES BOE FROM OCTOBER 24, 2016 - NOVEMBER 18, 2016.

MOTION: Secretary Domin
SECOND: Trustee Destratis
VOTE: Unanimous

STATE HEALTH BENEFITS (SEHBP) UPDATE - As of September 14, 2016, The State Educators Health Benefits committee has not reached an agreement to move forward with a renewal or to make any plan changes. PERMA is closely monitoring the committee’s discussions and once a renewal and rate increases have been announced, PERMA will notify the SHIF as soon as possible.

Mr. Pfeiffer said the SHBP will be receiving a combined increase of 8.4% for active employees. He said there have been no plan design changes announced as of today.

PHARMACY CLINICAL NEWS FLASH - SEPTEMBER UPDATE

We will continue to provide updates regarding pharmacy trends and new drugs to the market.

Recent FDA Approvals: No new drugs to report for the month of September

Name of Medication	Approval Date	Release Date	Diagnosis	Type	Estimated Pricing
<i>Tecentriq</i>	5/18/2016	October	Metastatic urothelial carcinoma	Specialty	\$150,000 per year
<i>Zinbryta</i>	5/27/2016	July	Multiple Sclerosis	Specialty	Not Available
<i>Eplusa</i>	6/28/2016	July	Hepatitis C genotypes 1-6	Specialty	\$75K (wholesale) per 12-week regimen

EXPRESS SCRIPTS FORMULARY UPDATE - 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	

Claims reporting was run and analyzed, and less than 10 members will be affected throughout the Southern Fund. 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.

MEDICARE PART D NOTICES - Employers whose provide Rx drug benefits must notify Medicare-eligible employees and CMS.

Employers whose health care plans include prescription drug benefits for active employees (or retirees) who are Medicare-eligible must notify those covered individuals by **Oct. 15 of each year** whether their drug benefit is "creditable coverage," meaning that it is expected to cover, on average, as much as the standard Medicare Part D prescription drug plan. These plan sponsors must also report whether their drug benefit is creditable coverage to the federal Centers for Medicare & Medicaid Services (CMS) by **March 1** for calendar-year plans.

The disclosure obligation applies to all plan sponsors that provide prescription drug coverage, even those that do not offer prescription drug coverage to retirees. Medicare Part D, which became effective in 2006, is a federal program to subsidize the cost of private prescription drug plans.

If your group's prescription plan is in the Fund, Express Scripts will be sending these member notices by the October 15th due date.

SAME & OPPOSITE SEX PARTNER BENEFIT CLARITY - With the help of the Conner Strong & Buckelew compliance department, the comments below have been provided to answer the questions we are commonly asked to address around this topic.

High Level Items Related to Same and Opposite Sex Partner Benefits

- **Are all employers now obligated to cover same sex partners since same sex marriage is now legal (provided the employer covers spouses)?**

It depends on the plan's funding mechanism (that is, whether benefits are fully insured or self-insured). Fully insured contracts are required to recognize marriages of both same- and opposite-sex couples (if a particular definition of spouse is imposed by state insurance law, then insured plan sponsors will have no choice regarding the definition). Self-insured plan sponsors are not required to comply with state insurance laws and may continue to offer spousal benefits to only opposite-sex spouses. But employers that continue to offer spouse benefits, but limit benefits to only opposite sex spouses, may be at an increased risk of claims of discrimination.

- **Does the definition of a "spouse" need to be changed as a result of the recent court cases on this issue?**

It depends on the plan's funding mechanism and the current treatment of same sex spouses and domestic/civil union "partners" under the plan. While many employers who offer spousal coverage made changes to their plan's eligibility and benefit offerings after the Defense of Marriage Act (DOMA) court ruling, employers operating in states that historically did not permit same-sex marriages and self-insured employers not subject to state insurance laws, may have decided to retain the traditional definition of "spouse" under their plans as a person of the opposite sex. Many have also retained eligibility for "partner" benefits and still others have re-examined plan eligibility for "partners" based on the legalization of same-sex marriages.

Employers that offer coverage to spouses should review the plan's definition of "spouse" and "partners" and "common law" spouses. A plan's funding mechanism (that is, whether benefits are fully insured or self-insured), the state laws in place related to partnerships and common law spouses, as well as the current treatment of same-sex/common law spouses and partners under the employer's plan may impact an employer's analysis and decisions with regard to next steps.

- **Are there still state by state issues on this issue?**

No, not for same-sex couples. Same-sex couples have a constitutional right to marry in all states and same-sex marriages performed in one state must be recognized by other states. Same-sex married couples have the same rights, benefits and obligations awarded to opposite-sex married couples under both federal and state law. State by state issues may still exist for "partners".

- **Are the benefits for same-sex couples now no longer taxable?**

Yes, the tax favorability of benefits now applies to all legal spouses. Note that couples in partnerships that are not marriages under state law may still be subject to state and federal imputed income rules.

- **Are there any ACA requirements?**

There do not appear to be any issues in the ACA related to this issue.

- **Does an employer need to maintain all the effort related to same sex domestic partner validation, etc.?**

No, not if they are not covering partners.

One final note; since PERMA cannot give legal advice, remember that only a plan sponsor's legal counsel can offer legal advice as to whether eligibility definitions comply with the law and meet the employer's intent. While our aim is to help clients with these issues, we are unable to attest to the accuracy or appropriateness of any sponsor's eligibility definition; and to try and to do so would require us to work outside our legitimate practice scope for which we are not licensed. Please consult with your tax advisor and/or legal counsel to review any new eligibility definition for compliance.

Fund Attorney said civil unions should be treated the same as same sex unions as they are entitled to the same range of benefits

WELLNESS COACHES USA – Mr. Thomas said the pilot program is going into the second year and is building momentum. He said the number of one – on- one meetings with the coach, Mr. Wade doubled from last September.

Mr. Wade said the summer strides program was created to keep employees motivated during the summer, which was done in conjunction with a weekly email challenge. A raffle was also done at in-service as an incentive. Mr. Wade noted a success story of a participant was able to lose 15% of their body weight and reduce their prescription intake.

HORIZON OMNIA PLAN – Program Manager said pending approval in the consent agenda, the Horizon Omnia product will be available to the members. He said this is a tiered plan design where members will pay less out of pocket by going to a Tier 1 hospital or facility. He said this plan aims to deliver a lower premium while still providing a high level benefit. He said based off the direct 10 plan there should be a 13-18% savings.

Mr. Ciampa said his team is available and ready to help with education and enrollment. Program Manager said his team will reach out to members with high utilization at Tier 1 hospitals. He said Aenta recently entered into an accountable care organization agreement with Virtua. He said this is a tiered product where members would receive discounts by going to Virtua.

TREASURER- Fund Treasurer reviewed the bills list for August and September.

CONFIRMATION OF PAYMENT AUGUST 2016

FUND YEAR	AMOUNT
2016	\$1,620,264.07
TOTAL	\$1,620,264.07

RESOLUTION 37-16 SEPTEMBER 2016 BILLS LIST

FUND YEAR	AMOUNT
------------------	---------------

2015/2016	\$10,182.10
2016/2017	\$1,301,836.55
TOTAL	\$1,312,018.65

FUND ATTORNEY- Fund Attorney said there are new regulations regarding child support and medical support orders. He said if a National Medical Support Notice is received there is a mandatory obligation to enforce the order. If an employee is not currently enrolled in a medical plan they must be enrolled in the least expensive plan that offers dependent coverage.

AMERIHEALTH – Ms. Didio said there were no high level claimants for AHNJ. She said the AHA high level paid claims account for 31% of the total claims for this reporting period. She also reviewed the YTD summary included in the agenda.

AETNA – Ms. Ward reviewed the claims for June and July which shows 3 high level claimants for June and 6 high level claimants for July totaling \$612,000. She reviewed the dashboard report and said the Q2 metrics will be available for the next meeting.

EXPRESS SCRIPTS – Mr. Basile said the claims continue to run flat at 1.1% which is low compared to industry standards. He said there are 5 new exclusions to the formulary but there were 16 that went from excluded to preferred. He said 3 are biologicals and a total of 9 members will be affected. Any affected member will receive a 60 day notice.

DELTA - None

CONSENT AGENDA -

ORGANIZATIONAL RESOLUTIONS (26-16 - 35-16)

- Resolution 26-16: Appointment Fund Officials
- Resolution 27-16: Designation of Service of Process
- Resolution 28-16: Designation of Secretary as Custodian of Records
- Resolution 29-16: Designation of Official Newspaper
- Resolution 30-16: Designation of Regular Meeting Times and Place
- Resolution 31-16: Designation of Bank Depositories & CMP
- Resolution 32-16: Designation of Authorized Signatories
- Resolution 33-16: Approval of Risk Management Plan
- Resolution 34-16: Compensating Producers
- Resolution 35-16: Authorizing Treasurer to Process Contracted Payments and Expenses

MRHIF RESOLUTION (36-16)

- Resolution 36-16: Appointment of MRHIF Fund Commissioners

RESOLUTIONS (37-16)

- Resolution 37-16: Approval of the August and September 2016 Bills List

Ms. Koval noted that Jim Sekelsky will remain as the MRHIF alternate Commissioner , not Secretary Domin that was noted earlier.

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED:

Moved:	Trustee Domin
Second:	Trustee Coleman
Vote:	Unanimous

OLD BUSINESS: None

NEW BUSINESS: Chair Collins thanked everyone involved and hopes the positive trend continues.

MOTION TO ADJOURN:

MOTION:	Trustee Giovanelli
SECOND:	Trustee Colling
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: November 30, 2016
Moorestown Community House
12:00pm

Emily Koval, Assisting Secretary
Date Prepared: November 14, 2016