

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
SEPTEMBER 27, 2017
MOORESTOWN COMMUNITY HOUSE
12:00 PM**

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

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2017-2018 BOARD OF TRUSTEES:

Trustee	BOE		
Joseph Collins	Delsea Regional BOE	Chairman	Present
Beth Ann Coleman	Collingswood BOE	Secretary	Absent
Lisa Giovanelli	Rancocas Valley BOE		Present
Michael Colling	Medford Lakes BOE		Absent
Marie Goodwin	Medford Township BOE		Present
Christopher Lessard	Frankford Township BOE		Present
Christopher Destratis	Swedesboro-Woolwich BOE		Present
David Pawlowski	Alexandria BOE		Absent
Evon Digangi	Mount Holly BOE		Present
Jim Sekelsky	Hardyston Township BOE		Present
Nicholas Bice	Burlington Township BOE		Present
Marie Goodwin	Medford Township BOE		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

FUND AUDITOR:

Absent

PRESCRIPTION ADMIN:

Jeff Basile
Ken Rostkowski

MEDICAL TPA AMERIHEALTH:

Lisa Didio
Mike Murphy

MEDICAL TPA AETNA: Kim Ward

MEDICAL TPA HORIZON: Joe Ciampa

ALSO PRESENT

Greg Grimaldi, Conner Strong & Buckelew
Mary Muscarella, Brown & Brown
Chuck Grande, Integrity Consulting
Georganna Marian, Hardenbergh Insurance
Rob Wachter, Mount Laurel BOE
Susan Morris, Conner Strong & Buckelew
John DiMartino, Liberty Benefit Advisors
Anthony Tonzini, Integrity Consulting
John Cobb, J Cobb

APPROVAL OF MINUTES: July 26, 2017 Open

MOTION TO APPROVE OPEN MINUTES OF JULY 26, 2017

Moved:	Trustee Sekelsky
Second:	Trustee DeStratis
Vote:	Unanimous

CORRESPONDENCE - None

EXECUTIVE DIRECTORS REPORT

MRHIF MEETING

Executive Director said the MRHIF Executive Committee met on September 13th and the minutes are included in Appendix II. At the meeting, the Committee introduced the 2018 budget which had an overall decrease of almost 10%. The Committee approved a new 3 year renegotiated contract term with Express Scripts which will produce an 8% savings for the local Funds. The Committee also approved Aetna for a voluntary vision provider.

FAST TRACK FINANCIAL REPORTS - SHIF - as of July 31, 2017

Executive Director said the Financial Fast Track shows a surplus of \$54 million. He said the SNJHIF Fast Track will no longer be included in the Agenda since the transfers from 2015 have been complete.

CLAIMS ANALYSIS SYSTEM

Executive Director said the Finance Committee reviewed the option of implementing a new claims analysis system. He said he is waiting for additional contract guarantees from the vendor before moving forward. He said he does not want to pay for a vendor until satisfactory reports are received.

DIVIDEND DECLARATION

Executive Director said the Fund has the ability to declare a dividend while following surplus retention guidelines:

Schools Health Insurance Fund	
Surplus Objective	2.5 Months Target
Annual Loss Fund	\$ 142,091,581
Trended for Growth @ 20%	\$ 170,509,897
Surplus Target	\$ 35,522,895
Surplus as of 6/30/2017	\$ 53,157,560
Less Shares of Former Members	\$ (2,588,935)
Surplus Available to Current Members	\$ 50,568,626
Available for Dividend	\$ 15,045,730

He said the Finance Committee met and reviewed this option taking into consideration the relative needs of the Fund and its members, sustainability, the potential for future adverse claims development, and regulatory uncertainty. The Committee is recommending a dividend to \$2 million. Entities will have the choice of receiving a check, receiving a credit on a monthly bill, or deferring receipt of dividend until a future date of its choosing. The Fund will establish an account from which their earned dividend can be withdrawn when requested. Resolution 22-17 formalizing this decision was included in the Agenda. In response to Mr. Grande, Executive Director said the Funds are from the closed year account, and the Fund would be released once the entity files the voucher. He said this would be set up as a separate payable account.

MOTION TO APPROVE RESOLUTION 22-17 AUTHORIZING A DIVIDEND IN THE AMOUNT OF \$2,000,000.

Moved: Trustee Sekelsky
 Second: Trustee Lessard
 Vote: Unanimous

OUT OF NETWORK FEE SCHEDULE

Executive Director said the Fund currently pays for out of network claims at 150% of Medicare for service providers, and 175% of Medicare for facilities. To incrementally control costs (.14% of medical claims, \$172,000 per year), we can adopt a schedule that pays both service providers and facilities at 150% of Medicare. The Finance Committee reviewed and recommended this action.

MOTION TO APPROVE THE FEE SCHEDULE CHANGE TO 150% FOR PROVIDERS AND 150% FOR FACILITIES EFFECTIVE JANUARY 1, 2018.

Moved: Trustee Sekelsky
 Second: Trustee Lessard
 Vote: Unanimous

ASSIGNMENT OF CONTRACT FOR FUND COORDINATOR

Executive Director said Conner Strong and Buckelew has acquired from Lance Associates the HIF related business for all of its accounts except for Ewing Township BOE. Lance Associates is both the local broker and fund coordinator for the entities listed below. CSB has hired the Lance staff and has retained the principal, Scott Lance, as a consultant.

All of the listed entities have designated Conner Strong and Buckelew as its broker. However, the Fund Coordinator contract is awarded by the Fund and represents 50% of Lance’s compensation. Lance’s contract with the HIF requires approval for it to be assigned. As such we seek approval from the Fund to assign the Lance Fund Coordinator contract to Conner Strong and Buckelew.

MONTHLY FEES						
FUND MEMBER	ENROLLMENT	PEPM BROKER	PEPM FUND COORDINATOR	BROKER FEE PEPM	FUND COORDINATOR FEE	TOTAL FEES
BURLINGTON TWP. BOE	394	\$ 20.96	\$ 20.96	\$ 8,258	\$ 8,258	\$ 16,516
CINNAMINSON TWP BOE	310	\$ 20.96	\$ 20.96	\$ 6,498	\$ 6,498	\$ 12,995
MEDFORD LAKES BOE	42	\$ 20.96	\$ 20.96	\$ 880	\$ 880	\$ 1,761
MOORESTOWN TOWNSHIP PUBLIC SCH	603	\$ 20.96	\$ 20.96	\$ 12,639	\$ 12,639	\$ 25,278
MT. LAUREL TOWNSHIP SCHOOLS	510	\$ 20.96	\$ 20.96	\$ 10,690	\$ 10,690	\$ 21,379
RIVERSIDE TOWNSHIP BOE	156	\$ 20.96	\$ 20.96	\$ 3,270	\$ 3,270	\$ 6,540
SOUTHAMPTON TWP BOE	75	\$ 20.96	\$ 20.96	\$ 1,572	\$ 1,572	\$ 3,144
EAST GREENWICH BOE	130	\$ 20.96	\$ 20.96	\$ 2,725	\$ 2,725	\$ 5,450
TOTALS	2,220	\$ 20.96	\$ 20.96	\$ 46,531	\$ 46,531	\$ 93,063

MOTION TO APPROVE RESOLUTION 23-17 AMENDING THE 2016-2018 PROFESSIONAL SERVICE AGREEMENT WITH CONNER STRONG AND BUCKELEW.

Moved: Trustee Sekelsky
 Second: Trustee Bice
 Vote: 7 Ayes, 1 Nay (Trustee Giovanelli)

NEW MEMBERSHIP

Ms. Koval said in light of the State Health Benefit’s increase for July 1, the Administrators office has received many new member applications. The Operations and Nominations Committee reviewed the applications that are committed or strongly interested in entering. If all interested groups enter, the Fund would be at its pre-set 20% growth cap through July 1. She said the Committee agreed to allow new membership at a first come first serve basis while capping the growth at 20%. She said anything over the 20% would be reviewed and allowed to enter on July 1, 2018. She said Chatham BOE will stay flat until 7/1/2018 and then they will receive a renewal of 6.07% as well as the average medical increase. In response to Trustee Sekelsky, Ms. Koval said the 20% is the Census.

MOTION TO APPROVE RESOLUTION 24-17 OFFERING NEW MEMBERSHIP AS PRESENTED.

Moved: Trustee Digangi
 Second: Trustee Giovanelli
 Vote: Unanimous

GRANT APPLICATIONS

Ms. Koval said the Wellness Committee met to review the grant applications. She said they are recommending the grant amounts included in Resolution 25-17. In response to Trustee Sekelsky, Ms. Koval said the Lance Groups would still utilize the Virgin Pulse program. Chair Collins said in the future the Committee is going to compile information from each district and share information and ideas. In response to Trustee Giovanelli, Ms. Koval said that Ms. Nash compiles the reports for the Conner Strong groups.

MOTION TO APPROVE RESOLUTION 26-17 APPROVING THE WELLNESS GRANTS AS PRESENTED .

Moved:	Trustee Lessard
Second:	Trustee Giovanelli
Vote:	Unanimous

PROGRAM MANAGER’S REPORT

NEW PLAN IMPLEMENTATION

Program Manager said PERMA will need at least 60 days notification for new plan implementation or edits to existing plans. This is required by our carrier partners to ensure plan implementation is done correctly and new ID cards will be received by the effective date. Due to volume, we are requesting any plan changes for January 1, 2018 be submitted no later than Monday October 16th.

SPECIAL OPEN ENROLLMENT

Program Manager said Frankford Township BOE and Blirstown BOE are requesting a special open enrollment to allow members to elect lower cost or HDHP plan options. We are authorizing an open enrollment from October 23 – November 17. If any other groups wish to allow a special fall open enrollment outside the standard SHIF open enrollment, please notify our office so we may coordinate.

VISION RFP UPDATE

Program Manager said The MRHIF recently released an RFP for a stand-alone vision product which resulted in 3 proposals. Aetna’s response provided the strongest plan design at the lowest administration fee. This will be a voluntary option for members starting January 1, 2018.

TELE-MEDICINE

Program Manger said Aetna and AmeriHealth will both be offering Tele-Medicine at no additional administrative costs to the SHIF. Aetna members will have access to Teledoc and AmeriHealth members will have access to MD Live. Members and their dependents can utilize the service for a \$0 copay. He said members in an HDHP plan can not utilize the \$0 copay.

Mr. Ciampa said that this offering is built into the Omnia plan as well.

ESI 2018 FORMULARY

Program Manager said ESI has announced changes to the National Preferred Formulary (NPF) guide which will take effect on January 1, 2018. ESI has informed us (based on claim data for the last 130 days) there will be 103 members impacted by the changes. Impacted members will receive a mailing from Express Scripts notifying them of their impacted medication and the preferred alternatives at least 45 days in advance of January 1st. Though medications will be excluded, the National Preferred Formulary allows for members who prove a clinical reason for not being able to take a covered alternative to continue to fill the non-formulary medication through an authorization process. In previous years, formulary updates have caused little member disruption, however we will work with groups who have affected members to assist with the transition.

The updated guide excludes 46 multi-source brands including Benicar/Benicar HCT, Strattera and Vytorin. A summary list of changes is included with this agenda.

SAVEON UPDATE

Program Manager said their team continues to work on the January 1, implementation of the SaveOn program with Express Scripts and SaveOn. Included with the agenda was a draft of the initial member communication we will be mailing on or about November 1, 2017 to approximately 51 SHIF members who have been identified as eligible for the SaveOn program. SaveOn will send a second letter to those members who do not respond to the initial communication followed by 3 phone call attempts to reach non-responsive members. Due to compliance issues, members enrolled in high deductible health plans are not eligible for the SaveOn program.

In response to Trustee Lessard, Program manager said HDHP plans do not qualify because of federal regulations.

SEHBP RENEWAL

Program Manager said on August 8, 2017 AON released its recommendation to the SEHBP for the 2018 plan year. The SEHBP will increase premiums 13% for active employees. This increase will include a 2% margin to build up the target claim reserve level to 2 months. Current reserve is somewhere near nine days. With the renewal all active and retired members will be transitioned to a prescription drug program administered by Optum Rx.

Aon also pointed out that trend will continue to be poor as the SEHBP has not enacted cost containment options on both medical and prescription drug programs and noted that groups with good loss ratios continue to defect from the program.

SHIF VITAL STATISTICS

Program Manager said during the last meeting of the finance committee, the SHIF Vital Statistics report was reviewed. An executive summary was included in the Agenda. We will be providing these reports on a quarterly basis to keep the finance committee current on the day to day claims operations of the fund.

ADMINISTRATIVE AUTHORIZATIONS:

There was one appeal received since the last meeting.

Type	Reason	Outcome
Medical	Medical Necessity	Denial Upheld

TREASURER – Fund Treasurer reviewed the August and September 2017 Bills List and Treasurer’s Report. She said two different institutions are offering cd’s at 18 and 24 months at 1.5%.

CONFIRMATION OF PAYMENT AUGUST 2017

FUND YEAR	AMOUNT
FUND YEAR 2016/2017	\$849,446.35
FUND YEAR 2017/2018	\$1,324,196.59
TOTAL ALL FUND YEARS	\$2,173,642.94

RESOLUTION 26-17 SEPTEMBER 2017 BILLS LIST

FUND YEAR	AMOUNT
FUND YEAR 2015/2016	\$409,090.49
FUND YEAR 2016/2017	\$409,090.48
FUND YEAR 2017/2018	\$1,349,055.72
TOTAL ALL FUND YEARS	\$2,167,236.69

MOTION TO APPROVE RESOLUTION 26-17 THE AUGUST AND SEPTEMBER 2017 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION:	Trustee Lessard
SECOND:	Trustee Sekelsky
VOTE:	Unanimous

FUND ATTORNEY – Fund Attorney said the Graham-Cassidy bill will not move forward. He said the Cadillac Tax is still set to go into effect on 1/1/2020.

AETNA – Ms. Ward said the reports have been adjusted to show the Fiscal year beginning in July. She said there were 5 high level claimants for July 2017. She said the dashboard report was revised to begin in July as well. She said looking at the incurred claims is a better way to review data. She said the only missed metric was the speed of answer which she hopes will be resolved by the hiring of additional staff at the service center.

Ms. Ward said one thing that came up during their service calls was making sure Aetna has enough staff to support growth in the Fund. She said Aetna has recently added another support staff team member to assist Program Manager’s team. She said they recently issued 4,000 id cards in July without issued. In response to Mr. Grande, Ms. Ward said they can add the 2016/2017 average to the reports for comparison.

AMERIHEALTH – Ms. Didio said they are now reporting on the fiscal year as well. She said there were 3 high level claimants in July 2017. She said starting October 1, 2017 Quest will be out of network and Labcorp will be the preferred lab. She said communications have gone out to the membership. She also introduced Mike Murphy who will be taking over her role at AmeriHealth and attending future meetings.

HORIZON- Mr. Ciampa said the new members entering the Fund are in strong areas geographically for Omnia.

EXPRESS SCRIPTS - Mr. Rostkowski thanked the Fund for their continued partnership. He said there was an increase in membership due to the members that moved over from Aetna. He said the generic utilization is down slightly.

DELTA - None

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

MOTION:	Trustee Giovanelli
SECOND:	Trustee Bice
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: November 29, 2017
Moorestown Community House
12:00pm

Karen Kamprath, Assisting Secretary,
Date Prepared: October 2, 2017