

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
JANUARY 23, 2019
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 2018-2019 BOARD OF TRUSTEES:

Trustee	BOE		
Joseph Collins	Delsea Regional BOE	Chairman	Present
Beth Ann Coleman	Collingswood BOE	Secretary	Present
Lisa Giovanelli	Rancocas Valley BOE		Present
Michael Colling	Medford Lakes BOE		Present
Christopher Lessard	Frankford Township BOE		Present
Christopher Destratis	Swedesboro-Woolwich BOE		Present
Evon Digangi	Mount Holly BOE		Present
Jim Sekelsky	Hardyston Township BOE		Absent
Nicholas Bice	Burlington Township BOE		Present
Marie Goodwin	Medford Township BOE		Present
Christina Moskal	Ewing Township BOE		Present
Jason Schimpf	Kingsway Regional School District		Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: **PERMA Risk Management**
Paul Laracy
Emily Koval

PROGRAM MANAGER: **Conner Strong & Buckelew**
Brandon Lodics
Jozsef Pfeiffer

FUND ATTORNEY: Ken Harris

FUND TREASURER: Lorraine Verrill

FUND AUDITOR: Absent

FUND ACTUARY: Absent

PRESCRIPTION ADMIN: Absent
MEDICAL TPA AMERIHEALTH: Mike Murphy
Kristina Strain
MEDICAL TPA AETNA: Joe Rodrigues
MEDICAL TPA HORIZON: Michelle Witherspoon

ALSO PRESENT

Joe Madera, Hardenbergh
Chuck Grande, Integrity Consulting
Susan Jarnagin, Gallagher
Jim Finn, Brown & Brown
Tom Tafuri, Brown & Brown
Dina Murray, Allen Associates
Kim Porter, CHB Group
Susan Morris, Conner Strong & Buckelew
Greg D’Orazio, Assured Partners
John Recchinti, Evesham Township BOE
Jodi Lennon, Riverside BOE
Lisa Sollenberger, Voorhees
Anthony Tonzini, Integrity Consulting
Peter D’quila, District of the Chathams
Derek Meal, Delran BOE
Greg Grimaldi, PERMA
Nick Popovich, AJ Gallagher
Ashley Stoffel, Integrity
Robert Maguire, Integrity
Ken Duffy,
Mary Muscarella, Brown and Brown
Joel Sand, Joel Sand
Julie Ann Kuczynski, AJ Gallagher
Tim Stys, Warren Hills Regional BOE
Brooke Frapwell, Brown and Brown
Nick Mackres, Jamesburg BOE
Helen Haley, Voorhees BOE
Jim Rollo, Mendham BOE
John Cobb, J Cobb Insurance

APPROVAL OF MINUTES: November 28, 2018 Open

MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 28, 2018

Moved: Trustee Sekelsky

Second: Trustee Bice
Vote: 11 Ayes, 0 Nays

CORRESPONDENCE - None

PUBLIC COMMENT - None

EXECUTIVE DIRECTORS REPORT

FINANCIAL FAST TRACK - as of November 30, 2018

Executive Director reviewed the Financial Fast Track and said that the financials are robust showing a significant surplus to date. He also reviewed the Aetna and AHA monthly trend claim report which shows a trend below industry trend.

AUDITOR YEAR-END REPORTS - Executive Director said there was a copy of the Annual Financial Audit for the period ending June 30, 2018 is attached as a separate document. Fund Auditor presented the audit in draft to the Trustees at our last meeting. Since then, the report was finalized, then reviewed and approved by the Finance Committee. Attached is Resolution 1-19 (page 6) and the Affidavit of Certification (page 8) to approve the June 30, 2018 audit.

MOTION TO ADOPT RESOLUTION 1-19 ACCEPTING THE 2017-2018 FUND YEAR AUDIT

Moved: Trustee Coleman
Second: Trustee Collins
Vote: 11 Ayes, 0 Nays

A4 SURCHARGE - Executive Director said that in 2019, the A4 Retiree Surcharge, imposed by the State, will drop to 2% of medical claims from the prior level of 2.3%.

SURPLUS RETENTION AND DIVIDEND REVIEW - The Finance Committee reviewed the SHIF's financial status and is recommending a dividend of \$7 million. Executive Director said that the actual amount proposed is \$7,082,481 - which was slightly more than discussed at the Finance Committee meeting due to the re-incorporation of Clayton BOE into the closed year account. He explained that Clayton BOE had left the SHIF but recently returned and their balance was not initially incorporated. Minutes from this meeting were included in Appendix II.

The SHIF has the capacity to declare a dividend of \$21 million+ based upon the surplus retention guideline of 2.5 months.

Surplus Objective	2.5 Months Target
Annual Claims Budget	\$ 213,251,532
Trended for Growth @ 20%	\$ 255,901,838
Surplus Target	\$ 53,312,883
Surplus as of 10/31/2018	\$ 74,940,742
Available for Dividend	\$ 21,627,859

However, the Finance Committee, after careful consideration, is recommending distributing 1/3rd of the available amount in order to allow for sustainability.

MOTION TO ADOPT RESOLUTION 2-19 AUTHORIZING REFUND OR DIVIDEND OF \$7,082,481.

Moved: Trustee Collings
Second: Trustee Coleman
Vote: 11 Ayes, 0 Nays

RETAINED DIVIDENDS

Below is a listing of member balances for those entities that have chosen to retain their prior dividends with the Fund.

Black Horse Pike Regional BOE	\$	197,872
Delsea Regional BOE	\$	154,460
EIRC	\$	15,363
Frankford Twp BOE	\$	32,545
Gateway Regional BOE	\$	70,033
Hardyston Twp BOE	\$	31,963
Logan Twp BOE	\$	32,834
Medford Lakes BOE	\$	20,960
Medford Twp BOE	\$	102,253
Moorestown Twp Public Sch.	\$	47,678
Mt. Holly Twp BOE	\$	48,329
Mt. Laurel Twp Sch	\$	38,699
Rancocas Valley Regional BOE	\$	60,538
Riverside Twp BOE	\$	59,554
Upper Pittsgrove BOE	\$	12,118
Woodbury Heights BOE	\$	7,763
Total	\$	<u>932,962</u>

2019-2020 BUDGET UPDATE

We are working with the actuary on the renewal process and propose the following time frame for the budget:

- February 15 - Finance Committee conference call (date to be confirmed)
- February 27 - Budget introduction
- March 6 - All groups to receive draft rates
- March 27 - Public hearing and budget adoption
- April 1 - Final rates to membership and file with State/advertise

PROGRAM MANAGER'S REPORT

Mr. Pfieffer reviewed the following Program Manager's report:

ELIGIBILITY/ENROLLMENT: Please direct any eligibility, enrollment, or system related questions to our dedicated CJHIF enrollment team. The team can be reached by email at cs.mb.SHIFenrollments@permainc.com or by fax at 856-552-4945.

MONTHLY BILLING: As a reminder, please be sure to check your monthly invoice for accuracy. *Please confirm the invoice detail as retro adjustments are limited to two months by Fund policy.* If you find a discrepancy, please report it to the SHIF eligibility/enrollment team cs.mb.SHIFenrollments@permainc.com or by fax at 856-552-4945.

BROKER CONTACT INFORMATION - Please direct any escalated claims, benefit coverages, prescription coverage, Medicare advantage or appeal related questions to our dedicated CJHIF Client Servicing Team. The team can be reached by email at brokerservices@permainc.com.

END OF YEAR REPORTING UPDATE - As a courtesy to Fund members, PERMA has provided the below reports to the designated enrollment representatives:

- **Dependent Age Out Reports** - for the entities with dependent children terminating coverage at the year of the year in which they turn 26. .
- **Affordable Care Act Reporting:**
 - **W2 Reporting** - report of "billed premium," per individual enrolled in plan in CY 2018.
 - **1095 A/B**- Benefits Express Extract of employees and dependents enrolled in the plan throughout CY 2018.

SPECIAL OPEN ENROLLMENT: Black Horse Pike Regional School District is requesting a special open enrollment with a March 1st effective date. The district would like to allow members the opportunity to move from AmeriHealth to Aetna.

LEGISLATIVE UPDATES - As a reminder, the following State mandates were approved in 2018 and were implemented effective January 1, 2019.

- **NJSA 2793- 3-D Mammography Preventive Service Mandate:**
- **NJSA 2297- Extended Contraceptive Benefit**
- **Updated NJSA 3753 - NJ Newborn Mandate**

NEW GROUP ACTIVITY

Hope Twp BOE - joined the SHIF effective January 1st, all members received ID cards and plans are operating without issue.

Woodland Twp BOE - Approximately 20 members, joining February 1st, 2019. Group implementation on schedule

Sandyston - Walpack BOE - Approximately 20 members leaving SEHBP joining February 1st, 2019. Implementation on schedule.

CARRIER UPDATES:

AETNA - As previously reported Aetna issued new ID cards to the majority of their population due to

an administrative update. In Mid-December PERMA reached out to enrollment contacts for every entity with members impacted. The communication is included in your agenda packet. All members received new ID cards as anticipated.

As a reminder, effective January 1, 2019 Labcorp is now a participating lab.

AMERIHEALTH - As mentioned at the last SHIF meeting, the formal complaint against AmeriHealth was fully investigated and an agreeable solution was reached. AmeriHealth determined a line of coding in their claims system was not listed correctly. This was resolved and impacted claims were reprocessed for the districted which noticed the error. AmeriHealth is working to identify impact on the entirety of the SHIF and will report back in the next SHIF meeting. Any impacted members will be notified directly and claims will be adjusted. Mr. Pfeiffer said that Amerihealth will address this further in their report.

Express Scripts - Safeguard Rx- Migraines Care Value – effective 1/1/2019 ESI implemented a new disease management program for migraine patients. The program is designed to ensure that patients are receiving the most appropriate and cost-effective treatment for their migraines. It is a pro-active response to a new class of medications, Calcitonin Gene-Related Peptide inhibitors (CGRP) that were recently approved by the FDA or are in the pipeline for approval in the near future. There are currently eleven members in SHIF utilizing the impacted medications

On 12/18/18 Express Scripts and Cigna received regulatory approval, allowing them to move forward with their merger. The entities will continue to operate individually, and we expect there to be no member impact.

Guardian Nurses Program - Program is up and running, Guardian Nurses have already been engaging members and feedback thus far has been extremely positive. A sample communication was provided in December for distribution to membership, we ask that all our BA's and broker partners to ensure the communications were distributed to the appropriate HR and Union heads to ensure faculty and staff are aware. Guardian Nurses would also like to come out to districts and meet teachers. If you have an upcoming faculty Health Fair, in service, or Health Fair scheduled and would like Guardian Nurses to attend, please contact the Program Manager's office for scheduling.

ADMINISTRATIVE AUTHORIZATIONS:

Flu Shot Clinic - A district who transitioned from SEHBP in 2018 held a flu shot clinic on site. The provider who has been administering the flu shots on site for the past several years did not realize the group had transitioned from Horizon to Aetna was out of network with Aetna. As a transitional courtesy we authorized the claims be paid at the Aetna in-network rate which the provider accepted. There were 21 claims reprocessed for a total payment of \$420.84. The district was instructed to use a participating provider in the future.

Prior Authorization - As to not disrupt services during a group's transition to the SHIF, we accepted a prior carrier's authorization for ongoing treatment. Member was advised new authorization must be obtained for services received beginning the January 1st.

Appeals:

Type	Reason/Description	Outcome
Medical	Benefit Application	Benefit Application
Medical	Benefit Application	Benefit Application
Medical	Medical Necessity	Denial Upheld
Medical	Medical Necessity	Denial Upheld
Prescription	Medical Necessity	Denial Overturned
Prescription	Medical Necessity	Denial Overturned

Program Manager said one of the above mentioned approvals was for a new group that came from Horizon that held a flu shot event with a provider not in the Aetna network. This was approved at a one-time exception.

TREASURER - Fund Treasurer reviewed the Bills Lists for December and January and the Treasurers report for December 2018. Fund Treasurer said some of the investment accounts are now receiving 2.5%.

RESOLUTION 3-19- DECEMBER 2018

FUND YEAR	AMOUNT
CLOSED YEAR	-\$32,331.00
FUND YEAR 2018/2019	\$1,766,123.63
TOTAL ALL FUND YEARS	\$1,733,792.63

RESOLUTION #3-19 - JANUARY 2019 BILLS LIST

FUND YEAR	AMOUNT
FUND YEAR 2017/2018	\$12,500
FUND YEAR 2018/2019	\$1,725,403.97
TOTAL ALL FUND YEARS	\$1,737,903.97

MOTION TO APPROVE RESOLUTION 3-19 THE DECEMBER 2018 AND JANUARY 2019 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION: Trustee Bice
SECOND: Trustee Coleman
VOTE: Unanimous

FUND ATTORNEY - Fund Attorney reviewed the personal tax return changes.

AETNA - Mr. Rodrigues reviewed the claims through November 2018, including the new Teladoc reporting which showed positive reviews and strong utilization.

AMERIHEALTH - Mr. Murphy introduced Kristina Strain who will serve as the new account manager for the SHIF. He said that the new Performance Guarantees in the new contract will begin

to be reported on next month. He said there was an issue with ER admissions that were being billed as an observation rather than an admission which was issuing a copay. This issue has been resolved.

HORIZON- Ms. Witherspoon said that Quest and LabCorp are both in the network.

EXPRESS SCRIPTS - Executive Director said that the reports showed a positive trend.

DELTA - Ms. White said that Delta is very busy negotiating with doctors and added that there are wellness tools online available to all members.

MRHIF RENEWAL - Executive Director said that the MRHIF Indemnity and Trust must be approved for another 3 years.

MOTION TO APPROVE THE INDEMNITY AND TRUST AGREEMENT TO THE MRHIF EFFECTIVE JANUARY 1, 2019 THROUGH DECEMBER 31, 2021

MOTION:	Trustee Bice
SECOND:	Trustee Coleman
VOTE:	Unanimous

GUARDIAN NURSES - Ms. Long introduced herself and her team from Guardian Nurses which started seeing cases on January 1. She said in 3 weeks, her team has engaged 47 cases. She said there were a few issues with the membership not knowing who they were and how their employer is involved. She said there are 15 diabetes cases which a specialist nurse is engaging and trying to keep them at home rather than at the hospital. There are 2 claimants that have been in the monthly high claimant list.

Mr. Finn said that members might not know what the SHIF is and if the nurses are introducing themselves as an affiliate of the SHIF, there may be confusion. He suggested more communication or a better way of presenting the SHIF on the ID cards.

Commissioner Collings said the nurses have been to his district and had great response. Commissioner Coleman said she did not receive flyers. Program Manager will address the communication.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ENTER EXECUTIVE SESSION TO DISCUSS PROFESSIONAL CONTRACTS

MOTION:	Trustee Sekelsky
SECOND:	Trustee DiGangi
VOTE:	Unanimous

MOTION TO ADJOURN:

MOTION:

Trustee Giovanelli

SECOND:

Trustee Coleman

VOTE:

Unanimous

MEETING ADJOURNED: 1:25 pm

NEXT MEETING: February 27, 2019

Moorestown Community

12:00pm

Emily Koval, Assisting Secretary

Date Prepared: February 20, 2019