

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
DECEMBER 4, 2019
MOORESTOWN COMMUNITY HOUSE
12:00 PM**

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

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2019-2020 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		Absent
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
Jason Schimpf	Kingsway Regional School District		Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Emily Koval
Paul Laracy

PROGRAM MANAGER: Conner Strong & Buckelew
Jozsef Pfeiffer

FUND ATTORNEY: Ken Harris

FUND TREASURER: Lorraine Verrill

FUND ACTUARY: Absent

FUND AUDITOR: Jim Miles
Dennis Skalkowski

MEDICAL TPA AMERIHEALTH: Kristina Strain

MEDICAL TPA AETNA: George Doyle

MEDICAL TPA HORIZON: Michelle Witherspoon

MEDICAL TPA EXPRESS SCRIPTS: Kyle Colalillo

ALSO PRESENT

Joe Madera, Hardenbergh Insurance Group
Mary Muscarella, Brown & Brown Benefit Advisors
Edward O'Malley, Gallagher
Greg Grimaldi, Conner Strong & Buckelew
Rob Wachter, Mt. Laurel BOE
Susan Morris, Conner Strong & Buckelew
Tim Stys, WHRHS
Anthony Tonzini, Integrity
Jodi Lennon, Riverside BOE
Tracey Capecci, Assured Partners
JulieAnn Kuczynski, AJG
John Recchinti, Evesham BOE
Lisa Sollenberger, Voorhees
Helen Haley, Voorhees
Joanne D'Angelo, Moorestown
John Cobb, J Cobb Insurance
Betty Long, Guardian Nurses

APPROVAL OF MINUTES: September 25, 2019 Open

MOTION TO APPROVE OPEN MINUTES OF SEPTEMBER 25, 2019

Moved:	Trustee Giovanelli
Second:	Trustee DiGangi
Vote:	Unanimous

CORRESPONDENCE -None

PUBLIC COMMENT - None

EXECUTIVE DIRECTORS REPORT

FINANCIAL FAST TRACK - as of September 30, 2019 - Executive Director said the surplus for all years combined is \$85.5 million with a year to date surplus of \$3.5 million. Executive Director said there are some signs of trend reappearing which is why the surplus is more or less break even. He said the Fund is operating as planned and continues to perform well.

AUDIT AND ACTUARY YEAR-END REPORTS - Mr. Skalkowski from Bowman and Company reviewed the audit for the period ending June 30, 2019. He said there are no findings or recommendations to report. He said the Net position was reduced by \$19,385,364 to \$88,437,915. He

said that change is represented by total operating revenues of \$237,048,340, total operating expenses of \$217,892,628 and the return of surplus of \$6.2 million. Executive Director said the Finance Committee did review the audit in depth. Trustee Bice said he wanted to note that the Finance Committee was pleased with the work the Fund Treasurer has done with investments.

MOTION TO ADOPT RESOLUTION 7-20 ACCEPTING THE 2018-2019 FUND YEAR AUDIT:

Moved:	Trustee Coleman
Second:	Trustee Giovanelli
Vote:	Unanimous

SURPLUS RETENTION AND DIVIDEND REVIEW - Ms. Koval said the Finance Committee reviewed the SHIF's financial status in depth and is recommending a dividend of \$9,600,000. Ms. Koval said we take the claims budget and increase it by 20% for growth and trend while retaining 2.5 months for claims.

MOTION TO ADOPT RESOLUTION 8-20 APPROVING A DIVIDEND IN THE AMOUNT OF \$9,600,000:

Moved:	Trustee DiGangi
Second:	Trustee Giovanelli
Vote:	Unanimous

RISK MANAGEMENT PLAN AMENDMENT - Ms. Koval the commercial market does not supply claims experience to public entities with less than 150 employees. We have underwritten a limited number of such entities with a conservative approach. We believe that some such members can benefit from membership in the SHIF and that they can contribute to healthy growth. This was reviewed by the Operations Committee and the Committee is recommending a change in the Risk Management plan to include a margin of 6%, but then making such new members subject to the +/-2.5% adjustment after one rather than three years. Also, we would reserve the right to make additional adjustments if a case had a chronic, on-going large claim. We are also seeking legislation to require the commercial market to release claims experience for these groups, as is now required for the HIFs and the SEHBP.

MOTION TO APPROVE REVISED RESOLUTION 12-19 AMENDING THE RISK MANAGEMENT PLAN TO INCLUDE AN UNDERWRITING PROCESS FOR GROUPS WITH NO CLAIMS EXPERIENCE.

Moved:	Trustee Bice
Second:	Trustee Giovanelli
Vote:	Unanimous

GUARDIAN NURSES CONTRACT AMENDMENT - Ms. Koval said with the July 1, 2019 growth of the Fund of roughly 1450 employees the Fund has the opportunity to add an additional nurse to the GN program using offset Aetna and AHA fees. Guardian Nurses has advised that their program runs best when there is one nurse for every 5,000 enrolled lives, currently we have exceeded that for the three nurses currently deployed. We believe that in the short period that GN has been servicing the SHIF the

program has provided an immeasurable value to our members and will soon pay off in claims experience. It is our recommendation to allow GN to recruit and bring on an additional nurse in the Northern part of the State, in which we've seen substantial growth in recent years. The new nurse would start January 1, 2020. Guardian Nurses MCC program is funded by transitioning the cost of care management and disease management fees that was charged by the medical administrators - Aetna and AmeriHealth. Guardian Nurses is now performing these services.

As of January 1, 2020		
	Aetna	AmeriHealth
CM/DM Fees Removed	\$6.39	\$2.00
Enrolled Lives	9957	3159
Annual Fees	\$763,503	\$75,816
Total Fees	\$839,319	
Per Nurse Cost	\$210,000	
Affordable Nurses as of 1/1/2020		4

The Guardian Nurses contract is under the Program Manager's contract and a resolution amending the contract is included.

MOTION TO ADOPT RESOLUTION 9-20 TO AMEND THE PROGRAM MANAGER'S CONTRACT TO INCLUDE THE COST OF 4 NURSES EFFECTIVE JANUARY 1, 2020.

Moved: Trustee Coleman
Second: Trustee Bice
Vote: Unanimous

MARKETING UPDATE - At the request of Chair Collins, Mr. Grimaldi from Conner Strong & Buckelew provided and update Marketing program. He said the marketing program applies to all the HIF's with an approximate 68,000 total belly buttons. He said the main driver is to create awareness, as there are still some schools and municipalities that do not know what a HIF is. He said the 2nd goal is to create a brand identity for all the Funds. He said the expenses are paid for via Aetna and AHA. He said Princeton Strategic Communications runs the marketing efforts.

MEMBERSHIP GROWTH STATUS - Ms. Koval said to date the Fund has grown 10% for this fiscal year. She said the Finance Committee met and are recommending approval for Bass River Township BOE, Chesterfield BOE and Lumberton BOE.

MOTION TO APPROVE RESOLUTION 10-20 AUTHORIZING NEW MEMBERSHIP FOR BASS RIVER TOWNSHIP BOE, CHESTERFIELD BOE AND LUMBERTON BOE.

Moved: Trustee DiGangi
Second: Trustee Giovanelli
Vote: Unanimous

PROGRAM MANAGER'S REPORT

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. We have noticed an increase in requests for enrollment changes, billing changes, terminations and additions well past the 60 day time frame. Moving forward, it is of the utmost importance to review bills for rate and enrollment accuracy on a monthly basis. If there is an error, please bring it to the enrollment team's attention.

2020 OPEN ENROLLMENT

Program Manager said all SHIF groups are now transitioned fully to the SHIF standard open enrollment timeframe. He said a request was received from the School District of the Chathams and Watchung Hills Regional High School to hold special open enrollments as a result of settled contract negotiations.

MOTION TO APPROVE SPECIAL OPEN ENROLLMENT AS REQUESTED

Moved:	Trustee Lessard
Second:	Trustee Coleman
Vote:	Unanimous

AETNA AND AMERIHEALTH JANUARY 1, 2020 RE-CARDING

Program Manager said as a reminder Aetna and AmeriHealth Administrators will be performing a re-card, for all members enrolled in the SHIF for January 1, 2020 because of new regulations from the department of banking and insurance. There will be no impact to benefit levels, group numbers or ID numbers.

END OF YEAR REPORTING:

Program Manager said Yearend W2 and ACA reporting will begin processing in December 2019. The SHIF enrollment team will provide to the group enrollment contacts prior to the end of the year. Dependent Age Out reports will be completed and available prior to the end of the year. Dependents aging out of will receive COBRA packets directly from the SHIFCOBRA administrator, Benefit Express. It is important to note COBRA offers are mailed to the dependent who is aging off the plan (26)- these offers are NOT addressed to the parent who carries coverage.

VERITAS UPDATE

Program Manager said the MRHIF has voted to move forward with the Veritas program as another layer of clinical protection. The Operations Committee reviewed the program and are recommending participation. As a reminder, Veritas is a clinical prior authorization review program for high cost specialty claims and will audit the Express Scripts prior authorization for clinical efficiency. This program will only impact a very small percentage of prescriptions. Target effective date is March 1, 2020.

**MOTION TO AUTHORIZE THE OPERATIONS COMMITTEE'S
RECOMMENDATION TO MOVE FORWARD WITH THE VERITAS
PRESCRIPTION PROGRAM EFFECTIVE MARCH 1, 2020.**

Moved: Trustee DiGangi
Second: Trustee Coleman
Vote: Unanimous

BENEFIT EXPRESS

Program Manager said Benefit Express has started accepting credit/debit card payments for direct bill members. As a reminder, there is a fee associated with credit/debit card payments. Benefit Express will still accept checks, money orders and ACH payments at no additional fee.

ADMINISTRATIVE AUTHORIZATIONS

There are no administrative authorization to report at this time.

GUARDIAN NURSES – Ms. Long they are excited about the work that has been done this year, with over 500 mobilizations. She said they have engaged 5 out of 10 high claimants and continue to work with them. She said their outreach efforts also continue. She also provided an update on 2 members they are currently working with.

TREASURER – Fund Treasurer reviewed the bills list, supplemental bills list and treasurers report.

CONFIRMATION OF PAYMENT - OCTOBER 2019

FUND YEAR	AMOUNT
FUND YEAR 2018/2019	\$12,983.89
FUND YEAR 2019/2020	\$2,068,016.46
TOTAL ALL FUND YEARS	\$2,081,000.35

RESOLUTION #11-20 - NOVEMBER 2019 BILLS LIST

FUND YEAR	AMOUNT
FUND YEAR CLOSED	\$3,231.44
FUND YEAR 2019/2020	\$2,030,192.14
TOTAL ALL FUND YEARS	\$2,033,423.58

**MOTION TO APPROVE RESOLUTION 11-20 THE OCTOBER AND NOVEMBER
2019 BILLS LIST AND SUPPLEMENTAL BILLS LIST AND TREASURERS REPORT
AS PRESENTED:**

MOTION: Trustee DiGangi
SECOND: Trustee Coleman
VOTE: Unanimous

FUND ATTORNEY - Fund Attorney said in August of 2018 NJ adopted a statute that requires transparency in out of network billing. He said CMS has issued new regulations for 2021 that requires all hospitals to provide the same type of transparency for over 300 shoppable services.

AETNA - Mr. Doyle reviewed the claims through September 2019. He said we do typically see higher utilization in July, August and September. He said there were 25 high claimants in August and 17 for September. He also reviewed the dashboard report and performance metrics through Q2. He noted that the average speed of answer is expected to go down through Q3 and Q4.

AMERIHEALTH - Ms. Strain reviewed the claims through October 2019. She said the average pepm is \$1,508. She said there were 7 high claimants for September 2019. She reviewed the dashboard and noted the average speed of answer did increase due to high call volume.

Ms. Koval suggested increasing the threshold for high claims reporting to \$100,000.

HORIZON- None

EXPRESS SCRIPTS - Mr. Colalillo said the pepm has increased by 9% from this time last year, which is mostly likely due to an increase in membership.

DELTA - None

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

MOTION:	Trustee Giovanelli
SECOND:	Trustee DiGangi
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: January 22, 2020
Moorestown Community House
12:00pm

Karen Kamprath, Assisting Secretary
Date Prepared: January 2, 2020