

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
SEPTEMBER 25, 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	Absent
Lisa Giovanelli	Rancocas Valley BOE		Present
Michael Colling	Medford Lakes BOE		Absent
Christopher Lessard	Frankford Township BOE		Absent
Christopher Destratis	Swedesboro-Woolwich 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		Present ** 12:35pm
Jason Schimpf	Kingsway Regional School District		Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Emily Koval
Paul Laracy
Karen Kamprath

PROGRAM MANAGER: Conner Strong & Buckelew
Jozsef Pfeiffer

FUND ATTORNEY: Ken Harris

FUND TREASURER: Lorraine Verrill

FUND ACTUARY: Absent

MEDICAL TPA AMERIHEALTH: Kristina Strain

MEDICAL TPA AETNA: Joe Rodrigues

MEDICAL TPA HORIZON: Absent

MEDICAL TPA EXPRESS SCRIPTS: Kyle Colalillo
Ken Rostkowski

ALSO PRESENT

Greg Grimaldi, Conner Strong & Buckelew
Chuck Grande, Integrity Consulting Group
Anthony Tonzini, Integrity Consulting Group
Nick Popovich, Gallagher
Scott Henry, Paulsboro
Kate McEntee, Kingsway
Susan Morris, Conner Strong & Buckelew
Sarah Bell, Logan Township
John J. Cobb, RMC
John Recchinti, Evesham Township
Rob Wachter, Mount Laurel BOE
Dina Murray, Allen Associates
Joe Madera, Hardenbergh Insurance Group
Joel Sand, Kistler Tiffany Benefits
Greg DOrazio, Assured Partners
Tracey Capecci, Assured Partners
Mary Muscarella, Brown & Brown
Lisa Sollenberger, Voorhees
Helen Haley, Voorhees

APPROVAL OF MINUTES: July 24, 2019 Open

MOTION TO APPROVE OPEN MINUTES OF JULY 24, 2019

Moved:	Trustee Giovanelli
Second:	Trustee DiGangi
Vote:	Unanimous

CORRESPONDENCE -None

PUBLIC COMMENT - None

EXECUTIVE DIRECTORS REPORT

FINANCIAL FAST TRACK - as of July 31, 2019 - Executive Director said the Fund earned \$3 million in July and the Fund has a combined surplus of \$85 million.

ACTUARIAL CERTIFICATION - Executive Director said the actuarial certification for IBNR as of 6/30/2019 is included and we are beginning to work with Bowman and Company on the audit for that year end period.

MRHIF ACTIONS AND OUTCOMES IMPACTING SHIF – Executive Director said the MRHIF met to introduce the 2020 budget with an overall reduction of 7.18%. He said other items of note are:

- We are at the mid-point of a 3 year agreement with Express Scripts and have completed a contractually allowed “market check” process. This process will result in an improvement in discounts of .5% and a significant increase in the formulary rebate guaranty.
- MRHIF will be issuing an RFP for Pharmacy Benefit Management Services for a 2021 through 2023 contract.
- Aetna has agreed to a reduction of 3.9% in its administrative fees for 2020.
- AHA and Delta Dental administrative fees will remain flat for 2020.
- The AHA claims audit is scheduled for this Fall.
- We are starting the process of lobbying the legislature to require the commercial market to release claims experience for groups under 150 employees. Currently, the HIFs and the SEHBP are required to release experience for all groups.

Ms. Koval said the State has been reviewing contract filings for contracts over \$2 million. She said because of differing opinions on RFP terms and other contractual items, the MRHIF will be establishing a subcommittee to review common contracts and to also review and establish best purchasing practices for the HIFs. Ms. Koval said 1 representative from each HIF preferably with a QPA would be ideal.

MEMBERSHIP – Executive Director said there are no new membership approvals today, however the operations committee will meet prior to the December meeting to review possible new members.

WELLNESS GRANT APPLICATIONS 2019-2020 – Ms. Koval said after Wellness Grants were approved at the last meeting, there were a few requests for additional funding, as well as a few oversights to be addressed. She said there is \$10,045 total in additional grant requests, for Franklin Township BOE (Hunterdon County), Fredon BOE, Lebanon BOE and Stillwater BOE. She said an updated resolution 4-20 is included in the agenda.

MOTION TO APPROVE REVISED RESOLUTION 4-20

Moved:	Trustee Sekelsky
Second:	Trustee DiGangi
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.

CONTACT INFORMATION -Please direct any eligibility, enrollment, billing or system related questions to our dedicated SHIF 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. 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.

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

VERITAS - Program Manager said the MRHIF is considering a potential new program called Veritas which is a clinical prior authorization review program. The Veritas program is essentially a real time audit for high cost claims. Veritas pharmacists will review prescriptions in real time before they are filled. After review pharmacist approve or modify the prescription either clinically or financially after reviewing with the prescribing doctor. He said the potential savings is about \$600,000 for 2020 however contracting details are still being worked out.

NEW ID CARDS - **NJ RESIDENTS ONLY- Program manager said as of January 2020 due to new legislation that requires specific benefit language on ID cards for self-funded medical plans Aetna will be updating ID cards to comply with the new regulations. ID cards requested by members after 7/1/2019 will reflect the new requirements. Effective 1/1/2020, new ID cards will be issued to all Commission members (excluding fully insured plan members such as Medicare Advantage). The legislation requires that the PCP, Specialist, Hospital, and ER copays be listed on the ID cards, even when there is no member cost share. Currently, the PCP, Specialist, Hospital, ER, and Urgent Care information appears on the Commission ID cards only when there is member responsibility. The ID cards must also include disclaimer that a deductible may apply to these benefits although the large majority of SHIF members do not have an in network deductible. He said AmeriHealth will also be issuing new ID cards as well.

HYPERTENSION AND CHOLESTEROL MANAGEMENT REMINDER- Between August 26, 2019 and August 30, 2019, Aetna distributed the annual *Numbers to Know* reminder via email or US mail, to targeted members between the ages of 18 and 85 who have been diagnosed with high blood pressure. The reminder is educational in nature and encourages members to work with their physician to develop a treatment plan. Members in the target population who have provided us with their email address and are not on an exclusion list will receive this communication by email. Members in the target population with no email address on file received this communication by standard United States Postal Service mail. A copy of the communication is included with your agenda packet.

COLGATE & ZDENTAL DISCOUNTS - Program Manager said Aetna members enrolled in Aetna medical products are eligible for discounts from Colgate and zDental. There are discounts on teeth whitening through Colgate as well as Colgate Smart Electric Toothbrush.

NATIONAL PREFERRED FORMULARY UPDATE – Program Manager said the ESI formulary will be updated as of January 1, 2020. The charts below show the New Single-Source Brand Exclusions and the list of medications that will be re-classified from Preferred to Non-preferred effective 1/1/2020. SHIF members will still have access to medications changing to non-preferred status but the “tier-three” copayment will apply effective January 1st. ESI has identified 86 members (out of 13,352) who have been filling scripts for one of the impacted medications. Personalized member communications that provide additional information about the preferred alternatives will be mailed to the affected members prior to January 1st.

New Single-source Brand Exclusions		
AKYNZEO CAPSULE	AUBAGIO	EMEND POWDER PACKET
EPANED	GRANIX	JADENU, JADENU SPRINKLE
MULPLETA	NUWIQ	ONZETRA XSAIL
ORFADIN	PENNSAID	QBRELIS
RELION NOVOLIN	RHOFADE	SITAVIG
STRIVERDI RESPIMAT	SUBSYS	TIVORBEX
TUDORZA PRESSAIR	VIVLODEX	XATMEP
ZIPSOR		
Preferred-to-Non-preferred		
ABSORICA	ADAGEN	AMITIZA
ARCAPTA NEOHALER	ARZERRA	ATROVENT HFA
BYVALSON	FIRDAPSE	FULPHILA
GRALISE	HEXALEN	LARTRUVO
MOXEZA	RELENZA	SANCUSO
TABLOID	VARUBI VIAL	XOFLUZA
ZONTIVITY		

2020 NOTICE OF CREDITABLE COVERAGE (NOCC) – Program Manager said ESI will be mailing the notice of credible coverage letters between September 16 and September 27th as required by CMS. CMS requires the letter to be sent to anyone over 65 actively working to notify them if their prescription drug coverage is considered credible in the eyes of Medicare.

FEDERAL INDIVIDUAL MANDATE – Since the ACA exchanges opened for business in fall of 2019, NJ has used the federally run exchange (HealthCare.gov), like a majority of states. For 2020 Open Enrollment, New Jersey will provide its own exchange coverage and open enrollment runs from 11/1/19 thru 12/20/19. Federal Individual Mandate has been eliminated.

NJ INDIVIDUAL MANDATE - Program Manager said the Federal mandate has been repealed for 2019 however NJ plans to begin running its own health insurance exchange intended to be operational by November 2020 in time for Open Enrollment for 2021 coverage. NJ intends to use its own enrollment platform instead of HealthCare.gov for the 2021 coverage. This will allow NJ greater control over its health insurance market and improves healthcare access for many NJ residents, it also allows NJ to set its own open enrollment period, which are just a few of the advantages. Employers will need to report to the state that they offer their employees credible group plans.

NJ INDIVIDUAL MANDATE PENALTY - Program Manager said this will be structured much the same as the ACA's individual mandate penalty. The penalty will be assessed on the state tax returns rather than federal returns starting early 2020 for 2019 returns. The revenue collected from the penalty will be used to provide state funding for reinsurance program.

NJ INDIVIDUAL MANDATE REPORTING - Reporting requirements vary depending on whether employers is fully insured, self-insured or a participant in a multiemployer plan; size of company also effects reporting requirements. You can visit the NJ website at <https://nj.gov/treasury/njhealthinsurancemandate/index.shtml> for guidance on the individual mandate and employer responsibility for reporting. NJ has also launched a new website, <https://nj.gov/governor/getcoverednj/>, to promote health insurance enrollment, coordinate public awareness about plan options and to provide contact information for navigators and enrollment assister who can help resident's access coverage.

TRANSPORTATION BENEFITS- Program Manager said NJ employers with 20 or more employees will soon be required to offer pre-tax transportation benefits to their employees. Covered employers must offer pre-tax commuter benefits to their collectively bargained employees when their CBAs that were in effective on March 1, 2019 expire. Pre-tax transportation benefits allow employees deduct certain commuter transportation costs-including commuter rail costs- from their gross income on a pre-tax basis. We recommend the subject of commuter benefit should be included in negotiation of any new or renewal CBA that takes effect after 3/1/19.

ADMINISTRATIVE AUTHORIZATIONS

Program Manager said there was one medical appeal which was approved by external review.

GUARDIAN NURSES - Ms. Long provided an update on the Guardian Nurses program. She said engagements are up after a little bit of a slow August. She said there are 2 new engagements from members who originally resisted. She said visits were made to 3 schools including Paulsboro and the School District of the Chathams. She shared a success story from the program.

TREASURER - Fund Treasurer reviewed the bills lists and treasurers report. She said a substantial amount of money was moved from Ocean First to NJ Cash Management due to a better rate. In response to Trustee Sekelsky, Executive Director said the Horizon payments are for administration of the Omnia plan.

CONFIRMATION OF PAYMENT - AUGUST 2019

FUND YEAR	AMOUNT
FUND YEAR CLOSED	-\$49,122.00

FUND YEAR 2018/2019	\$10,460.30
FUND YEAR 2019/2020	\$2,005,454.09
TOTAL ALL FUND YEARS	\$1,966,792.39

RESOLUTION #6-20 - SEPTEMBER 2019 BILLS LIST

FUND YEAR	AMOUNT
FUND YEAR CLOSED	\$178,083.57
FUND YEAR 2018/2019	\$14,927.36
FUND YEAR 2019/2020	\$2,022,551.69
TOTAL ALL FUND YEARS	\$2,215,562.62

MOTION TO APPROVE RESOLUTION 6-20 THE AUGUST AND SEPTEMBER 2019 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION:	Trustee Giovanelli
SECOND:	Trustee Bice
VOTE:	Unanimous

FUND ATTORNEY - Fund Attorney noted the correct link for the mandate reporting is <https://nj.gov/treasury/njhealthinsurancemandate/index.shtml>. Fund Attorney noted in the summary of plan documents in the case of divorce the spouse is no longer eligible to be covered. He said there is a type of divorce in NJ called divorce from bed and board, which is not a final divorce but severs all financial responsibilities. He said language is included in our documents that this is the same as divorce and the spouse would no longer be eligible for coverage. He said there is current legislation introduced to have the state adopt this as a rule for all state health benefit plans.

AETNA - Mr. Rodrigues said the plan continues to perform well from a financial perspective. He said there were 17 large claimants for June and July 2019. He reviewed the dashboard and noted that he received updated info on the average speed of answer metric and it is currently going down however it still above their target and the financial accuracy metric is hitting the target for Q2.

AMERIHEALTH - Ms. Strain said the paid claims for July and August 2019 total \$7.3 million. She said there was an increase in membership as of July 2019. She reviewed the dashboard report and noted that the metrics continue to decrease through August of this year.

HORIZON- None

EXPRESS SCRIPTS - Mr. Colalillo he received updated numbers and the trend is at 5% however continues to perform well. He said they continue to monitor specialty claims and there is 1 new Hep C patient and 9 new cancer patients. He said of the 86 members affected by the formulary update, 22 are copay changes and 64 are covered to excluded products.

DELTA - Not present.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

MOTION:

Trustee Giovanelli

SECOND:

Trustee Di Gangi

VOTE:

Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: December 4, 2019

Moorestown Community House

12:00pm

Karen Kamprath, Assisting Secretary

Date Prepared: November 1, 2019