

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
NOVEMBER 29, 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	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		Present
Nicholas Bice	Burlington Township BOE		Present
Marie Goodwin	Medford Township BOE		Present

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR:

PERMA Risk Management

Paul Laracy
Emily Koval
Karen Kamprath

PROGRAM MANAGER:

Conner Strong & Buckelew

Marybeth Visconti

FUND ATTORNEY:

Ken Harris - *12:15 pm

FUND TREASURER:

Lorraine Verrill

FUND AUDITOR:

Absent

PRESCRIPTION ADMIN:

Ken Rostkowski

MEDICAL TPA AMERIHEALTH:

Mike Murphy

MEDICAL TPA AETNA:

Kim Ward

MEDICAL TPA HORIZON:

Joe Ciampa
Michelle Witherspoon

ALSO PRESENT

Frank DeBerardinis, Voorhees BOE
Ed O'Malley, AJ Gallagher
Joe Madera, Hardenbergh Insurance Group
Chuck Grande, Integrity Consulting Group
Abbie Carr, Allen Associates
Susan Morris, Conner Strong
Robert Wachter, Mount Laurel BOE
Christina Moskal, Ewing BOE
Kim Porter, CHB Group
Peter DAquila, School District of the Chathams
Joanne DiAngelo, Moorestown
Susan Jornagin, AJ Gallagher
John Cobb, J. Cobb Insurance Group
Jim Finn, Brown & Brown

APPROVAL OF MINUTES: September 27, 2017 Open

MOTION TO APPROVE OPEN MINUTES OF SEPTEMBER 27, 2017

Moved: Trustee Giovanelli
Second: Trustee Sekelsky
Vote: 7 Ayes, 0 Nays, 3 Abstain (Secretary Coleman, Trustee Goodwin, Trustee Colling)

CORRESPONDENCE - None

EXECUTIVE DIRECTORS REPORT

OPERATIONS AND NOMINATION COMMITTEE

Ms. Koval said we received notice that the Board of Trustee member, David Pawlowski left Alexandria BOE and accepted a position at a non-HIF member school board. She said according to the Fund bylaws, the Board may replace any trustee that leaves mid-year. She said an email was sent out to all Commissioners to solicit interest as the replacement. Two responses were received from William Thompson and Christina Moskal. The Nomination Committee met prior to this meeting and voted in favor of Christina Moskal. Fund Attorney will swear in Trustee Moskal.

NEW MEMBER APPROVALS - 2017/2018 FUND YEAR

Executive Director said the Operations Committee met to review the final membership requests for January 1, 2018. The number of entities that have joined or wish to join the SHIF in 2017/2018 exceeds the 20% limit by 6% or 462 employees. Membership developed rapidly in the weeks after our last meeting and this precipitated an Operations Committee meeting on October 6th. Given the long cycle associated with these sales, we seek permission of the SHIF to exceed the 20% growth target for the above entities. All other applicants in process will be scheduled for a 7/1/2018 effective date. The Operations Committee approved the additional members subject to assurances from professionals and vendors that implementation efforts would not detract from service to existing members. These assurances were provided. The approval is also subject to ratification by the Trustees.

The additional members that would be approved under this extension are: Califon BOE, Lenape Valley BOE, Jamesburg BOE, and Voorhees BOE.

The complete list of new members for 2017/2018 are as follows:

Sold New Groups After 7/1/2017	Employee Count
Blairstown BOE*	51
Califon BOE	17
Chathams BOE	405
Eatontown BOE	133
Evesham BOE	520
Franklin BOE*	27
Freedon Twp BOE*	28
Frelinghuysen Twp BOE*	12
Jamesburg BOE	62
Lenape Valley BOE*	83
Pohatcong BOE	30
Stillwater BOE*	39
Voorhees Twp BOE	300
Washington Boro BOE	60
Watchung Hills	228
	1,995
*Already implemented	

NEW MEMBER APPROVALS - 2018/2019 FUND YEAR

Clayton BOE, formerly a member of the HIF, wishes to rejoin the HIF. Their membership is effective 7/1/2018 as their approval to join was received after the current year membership cut off.

Underwriting Factor	Clayton BOE	Fund Average or Standard	Relativity
Current Carrier or Arrangement	SEHBP	Aetna	
Age Sex Factor	1.129	1.23	91.80%
Enrollment	135	9,625	1.40%
Claims Pick (Per Employee Per Month)	\$ 1,963.51	\$ 1,787.00	109.88%
Trend Applied	8.00%	8.00%	100.00%
Risk Manager Fee Applied	3%		
Rate Effective Date			
From	7/1/2018		
To	6/30/2019		
Prior Fund Member?	Yes		
Lines of Coverage to Fund			
Medical	Yes		
Dental	No		
Rx	Yes		
Anticipated Commissioner Involvement	TBD		
Explanatory Notes or Contingencies	1. Contingent upon adoption of resolution to join and indemnity and trust agreement.		

In response to Trustee Colling, Executive Director said the Fund will be up to 10,000 employee's altogether. In response to Trustee Sekelsky, Clayton BOE was a member of the SNJHIF but left in 2012 after the claims spike. He said they still have a significant balance in the Fund. In response to Trustee Giovanelli, Executive Director said they left on their own free will. He said any entity that leaves has to wait 3 years before returning to the Fund.

MOTION TO APPROVE RESOLUTION 27-17 APPROVING NEW MEMBERSHIP AS DISCUSSED.

Moved:	Trustee Sekelsky
Second:	Trustee Digangi
Vote:	10 Ayes, 0 Nays

FAST TRACK FINANCIAL REPORTS – SHIF – As of September 30, 2017

Executive Director said the Fast Track shows a year to date loss of \$1.9 million due to the dividend release. He said in addition there was also an increase in AmeriHealth claims over the last 3 months. He said there was one large claim over \$1.5 million. Mr. Murphy from AmeriHealth said there were 2 large claims earlier in the year that didn't come through until August. He said the October claims have returned to a more normal level. Executive Director said Chair Collins requested the prior year ratio report also be included as a comparison. In response to Trustee Sekelsky, Executive Director said he can compare the SHIF ratios to the other Funds.

AUDITOR AND ACTUARY YEAR-END REPORTS

Executive Director said the Auditor is working on the report for 2016-2017 and we should have a completed copy in the next week. He said the IBNR was understated partially due to the 2 high claims. The finance committee will review with PERMA and the Auditors. We ask the Board to authorize the finance committee to conditionally approve for filing with the Department of Community Affairs. In January, the final report will be presented to the whole Board and ratification of the filing can take place.

MOTION TO AUTHROIZE THE SCHOOLS HEALTH INSURANCE FUND FINANCE COMMITTEE TO REVIEW AND APPROVE FILING OF THE 2016-2017 FUND YEAR AUDIT.

Moved:	Trustee Colling
Second:	Trustee Coleman
Vote:	All in Favor

CLAIMS ANALYSIS SYSTEM

Executive Director said the budget contains \$30,000 for a system to analyze claim trends and to identify areas of concern or corrective action. He said the Fund previously had a system in place in 2015 and 2016 but the contract was terminated for non-performance. He said this was approved by the Finance Committee in July but tabled until assurance that payment would be made only upon receipt and approval of accurate reporting. He said he is requesting an amendment to the Conner Strong and Buckelew contract in the amount of \$52,128 for this service.

MOTION TO AUTHROIZE AN AMENDMENT TO THE CONNER STRONG & BUCKELEW CONTRACT IN THE AMOUNT OF 52,128 FOR THE CLAIMS ANALYSIS SYSTEM.

Moved: Trustee Sekelsky
Second: Trustee Bice
Vote: All in Favor

DIVIDENDS

Executive Director said the dividend bills list for members receiving a check is included in the treasurer's report. Members who requested a credit will receive it on a future bill. Members who choose to keep their dividend in a separate account maintained by the Fund will have the option to request funds at any time by sending an email Emily at emilyk@permainc.com. Account status reports will be given annually, but available at any time.

Fund Attorney swore in Trustee Moskal.

PROGRAM MANAGER'S REPORT

Marybeth Visconti from Conner Strong & Buckelew introduced herself and said she will be providing the Program manager's report today.

NEW MEMBER UPDATE

Effective January 1, 2018 the SHIF will be adding the following districts to the fund; Califon BOE, Watchung Hills Regional High School, School District of the Chatham, Springfield Township BOE, Voorhees Township BOE, Eatontown BOE, Evesham BOE, Jamesburg BOE, Washington BOE, and Pohatcong BOE. PERMA has been working with each group and their respective broker and is on target for a successful January 1st implementation.

Ms. Visconti said she has been assigned to take the lead on some of the new SHIF members for 1/1. She said she previously worked in the public sector so she understands the mindset and intricacies.

VISION RFP UPDATE

Ms. Visconti said the MRHIF recently released an RFP for a stand-alone vision product which resulted in 3 proposals. The MRHIF has selected Aetna to be the vision provider. The vision plan is voluntary and there is no cost to the Fund or to members who do not implement the product. We are targeting a March 1st effective date and will provide additional details on plan design and pricing in 2018.

TELE-MEDICINE

Ms. Visconti said SHIF medical carriers are rolling out Telemedicine programs 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. Any member on an HDHP plan will have a copay unless they have satisfied their deductible requirement.

In response to Trustee Lessard, Ms. Ward said the deductible for Aetna for HDHP members is \$45.

Mr. Murphy said the deductible for AmeriHealth for HDHP members is \$40.

ESI 2018 FORMULARY

Ms. Visconti 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 should have received a mailing from Express Scripts notifying them of their impacted medication and the preferred alternatives. 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.

SAVEON UPDATE

Ms. Visconti said PERMA is continuing to work on the January 1, implementation of the SaveOn program with Express Scripts and SaveOn. She said there are about 40 members in the Fund that are eligible. On November 9th, the initial member communication was mailed to the 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.

Once the SaveOn program is fully implemented, SaveOn will work with Express Scripts to identify new member who become eligible for the program and will contact them as necessary.

As a reminder, due to compliance issues, members enrolled in high deductible health plans are not eligible for the SaveOn program.

AMERIHEALTH ID CARDS

Ms. Visconti said AmeriHealth Administrators will be going through a system migration for January 1, 2018. As a result, all SHIF members will receive new ID cards in December. In preparation for the system migration, PERMA has been meeting with AmeriHealth to ensure the process goes smooth for all members.

Member ID numbers will not be changing, but additional information for claims processing will be included on the new ID cards. We ask that members be sure to give the new ID card to all providers beginning January 1st.

ADMINSTRATIVE AUTHORIZATIONS

There were two appeals received since the last SHIF meeting.

Type	Reason	Outcome
Medical	Medical Necessity	Denial Overturned
Medical	Medical Necessity	Denial Upheld

TREASURER – Fund Treasurer handed out the September Treasurer’s Report. She said all the Accounts are currently at 1.15% which will equate to about \$3,800 in additional interest monthly.

In response to Trustee Giovanelli, Ms. Koval said the check for Burlington county animal shelter is a donation. Ms. Koval said we are also working on resolving where the dividend check for EIRC goes.

CONFIRMATION OF PAYMENT OCTOBER 2017

FUND YEAR	AMOUNT
FUND YEAR 2016/2017	\$7,312.65
FUND YEAR 2017/2018	\$1,365,845.89
TOTAL ALL FUND YEARS	\$1,373,158.54

CONFIRMATION OF DIVIDEND PAYMENT NOVEMBER 2017

FUND YEAR	AMOUNT
FUND YEAR CLOSED	\$1,417,886.00
TOTAL ALL FUND YEARS	\$1,417,886.00

RESOLUTION 28-17 NOVEMBER 2017 BILLS LIST

FUND YEAR	AMOUNT
FUND YEAR 2016/2017	\$14,046.88
FUND YEAR 2017/2018	\$1,349,797.81
TOTAL ALL FUND YEARS	\$1,363,844.69

MOTION TO APPROVE RESOLUTION 28-17 THE OCTOBER AND NOVEMBER 2017 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION: Trustee Lessard
SECOND: Trustee Sekelsky
VOTE: All in Favor

FUND ATTORNEY – Fund Attorney said the Republicans are still trying to pass the tax reform bill. One aspect would eliminate the individual health insurance mandate.

AETNA – Ms. Ward reviewed the August and September claims. She said the claims remain steady. She said the large claim report was updated to show diagnosis, however still needs a few updates. She said it will include the billed vs. paid amounts going forward.

Ms. Ward said Aetna has been working hard to prepare for the additional membership joining on 1/1. She said there is a whole team supporting Brandon and his team.

Ms. Ward said she was recently promoted and will be taking over State Health Benefits. She said she will be attending the January meeting with her replacement.

AMERIHEALTH – Mr. Murphy reviewed the October claims. He said there were 2 high claims for October.

HORIZON- Ms. Witherspoon said she would like to remind everyone of the Omnia offering. She said her team is available to come out for educational meetings.

EXPRESS SCRIPTS - Mr. Rostkowski said the Fund is trending flat for the first 10 months. He said the Fund is up about 2% due to new HEP C patients. He said they should drop off after their treatment is completed. He said his team is fully committed and staffed for the new member implementation on 1/1.

In response to Trustee Sekelsky, Mr. Rostkowski said the drop in September could be related to specialty meds.

DELTA - None

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: Mr. Finn thanked the carriers and professionals for their work with the onboarding of new clients and said they are doing a great job.

Mr. Debeardinis from Voorhees thanked everyone.

MOTION TO ADJOURN:

MOTION:	Trustee Giovanelli
SECOND:	Trustee Digangi
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: January 24, 2018
Moorestown Community House
12:00pm

Karen Kamprath, Assisting Secretary,
Date Prepared: December 8, 2017