

**SCHOOLS HEALTH INSURANCE FUND
OPEN MINUTES
MARCH 22, 2017
MOORESTOWN COMMUNITY HOUSE
12:00 PM**

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

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2016-2017 BOARD OF TRUSTEES:

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

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR:

PERMA Risk Management

Emily Koval
Karen Kamprath

PROGRAM MANAGER:

Conner Strong & Buckelew

Brandon Lodics

FUND ATTORNEY:

Ken Harris

FUND TREASURER:

Lorraine Verrill

FUND AUDITOR:

PRESCRIPTION ADMIN:

Jeff Basile

MEDICAL TPA AMERIHEALTH:

Lisa Didio

MEDICAL TPA AETNA:

Kim Ward

MEDICAL TPA HORIZON:

Michelle Witherspoon

ALSO PRESENT

Abbie Geletka, Allen Associates
Dina Murray, Allen Associates
Joe Madera, Hardenbergh Insurance Group
Chuck Grande, Integrity Consulting
Robert Maguire, Integrity Consulting
Michael Griggel, Deptford BOE
Ed Snyder, Brown & Brown
Susan Morris, The Lance Group
Scott Lance, The Lance Group
Kathleen Jackson-Hill, Kingsway
Mary Musacarella, Brown & Brown
Joanne D'Angelo, Moorestown BOE
John J. Cobb, JCobb Insurance Group
Rob Wachter, Mt. Laurel BOE
Kevin Kitchenman, Conner Strong & Buckelew
Gregory Grimaldi, Conner Strong & Buckelew

APPROVAL OF MINUTES: February 22, 2017 Open

MOTION TO APPROVE OPEN MINUTES OF FEBRUARY 22, 2017

Moved:	Trustee Colling
Second:	Secretary Domin
Vote:	Unanimous

CORRESPONDENCE - None

EXECUTIVE DIRECTORS REPORT

PRO FORMA REPORTS

- **Fast Track Financial Reports - SHIF - as of January 31, 2017**
 - **Indices and Ratios Report**
 - **Consolidated Balance Sheet**
 - **Budgetary Comparison**

Executive Director said the Financial Fast Track shows the Fund made almost \$1 million in surplus in January. She said there was a release of surplus to a former member based on the amendment to the risk management plan at the prior meeting. The SNJHIF Fast Track was distributed and reviewed. Executive Director said it shows a surplus of almost \$13 million to which the SHIF is due about \$7 million that will be released after the annual audit.

2017-2018 BUDGET ADOPTION - The 2017-2018 proposed budget and assessments for adoption were included in the agenda. Executive Director said there were no changes since introducing the budget at the February 22, 2017 meeting. She said rates were distributed and there are no changes at this time.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2017-2018 BUDGET:

Moved: Trustee Colling
Second: Trustee Bice
Vote: Unanimous

MOTION TO CLOSE THE PUBLIC HEARING ON THE 2017-2018 BUDGET:

Moved: Secretary Domin
Second: Trustee Giovanelli
Vote: Unanimous

MOTION TO APPROVE THE 2017-2018 SCHOOLS HEALTH INSURANCE FUND BUDGET IN THE AMOUNT OF \$162,058,563:

Moved: Trustee Colling
Second: Trustee Bice
Vote: Unanimous

SCHOOLS HEALTH INSURANCE FUND

2017/2018 Budget

Census:	Monthly Census	Annual Census
Medical - Aetna	5,874	70,488
Medical - AmeriHealth Admin	1,843	22,116
Medical - Horizon	2	24
Rx	3,790	45,480
Dental	3,533	42,396
Rx No Medical (Incl in Rx above)	12	144
Dental Only (Incl in Dental above)	328	3,936
DMO Only	2	24

LINE ITEMS	2016/2017 Annualized Budget	2017/2018 Proposed Budget	\$ Change	% Change
Claims				
1 Medical Claims	\$ 116,425,928	\$ 119,918,706	\$ 3,492,778	3.00%
2 Prescription Claims	\$ 18,745,406	\$ 19,214,041	\$ 468,635	2.50%
3 Dental Claims	\$ 2,916,845	\$ 2,983,215	\$ 66,370	2.28%
4 Subtotal	\$ 138,088,179	\$ 142,115,962	\$ 4,027,783	2.92%
5				
6 Rate Stabilization Reserve	\$ 87,597	\$ 500,000	\$ 412,403	470.80%
7 HMO Premiums	\$ 85,719	\$ 88,290	\$ 2,572	3.00%
8				
9 Reinsurance				
10 Specific	\$ 5,546,357	\$ 5,306,658	\$ (239,699)	-4.32%
11 Aggregate*	\$ 394,281	\$ 394,281	\$ -	0.00%
12 Subtotal Reinsurance	\$ 5,940,638	\$ 5,700,939	\$ (239,699)	-4.03%
13				
14 Total Loss Fund	\$ 144,202,133	\$ 148,405,192	\$ 4,203,059	2.91%
15				
16 Professional and Administrative Expenses				
17 Legal	\$ 34,057	\$ 34,738	\$ 681	2.00%
18 Treasurer	\$ 18,328	\$ 18,695	\$ 367	2.00%
19 Administrator	\$ 782,489	\$ 798,131	\$ 15,642	2.00%
20 Program Manager	2,092,093	\$ 2,133,935	\$ 41,842	2.00%
21 Brokerage	\$ 1,537,525	\$ 1,568,283	\$ 30,758	2.00%
22 Fund Coordinator	\$ 663,354	\$ 676,621	\$ 13,267	2.00%
23 TPA - Med Aetna	\$ 3,549,071	\$ 3,616,739	\$ 67,668	1.91%
24 TPA - Med AmeriHealth Admin	\$ 928,872	\$ 928,872	\$ -	0.00%
25 TPA - Med Horizon	1,200	\$ 1,200	\$ -	0.00%
26 TPA - Dental	\$ 129,308	\$ 131,428	\$ 2,120	1.64%
27 Actuary	\$ 25,250	\$ 25,500	\$ 250	0.99%
28 Auditor	\$ 14,125	\$ 14,250	\$ 125	0.88%
29 Subtotal Expenses	\$ 9,775,672	\$ 9,948,392	\$ 172,720	1.77%
30				
31 Misc/Contingent Expenses	\$ 57,336	\$ 63,316	\$ 5,980	10.43%
32 Data Analysis System	\$ 30,000	\$ 30,000	\$ -	0.00%
33 Internet Documentation			\$ -	0.00%
34 Wellness Program	\$ 400,000	\$ 400,000	\$ -	0.00%
35 Affordable Care Act Taxes	\$ 740,832	\$ 55,562	\$ (685,270)	-92.50%
36 A4 Retiree Surcharge	\$ 3,027,074	\$ 3,105,101	\$ 78,027	2.58%
38 Plan Documents	\$ 36,000	\$ 36,000	\$ -	0.00%
39 Enrollment Audits	\$ 15,000	\$ 15,000	\$ -	0.00%
40				
41 Total Expenses	\$ 14,081,914	\$ 13,653,371	\$ (428,543)	-3.04%
42				
43 Total Budget	\$ 158,284,047	\$ 162,058,563	\$ 3,774,516	2.38%
44 Total Billing	\$ 158,284,047	\$ 162,058,563	\$ 3,774,516	2.38%

FINANCIAL DISCLOSURE STATEMENTS - Executive Director said Trustees will need to complete a Financial Disclosure form as a Schools Health Insurance Fund Trustee as well as any municipal related position that requires filing. She said the Fund had 100% compliance last year.

COORDINATION OF BENEFITS WITH MEDICARE FOR DISABLED DEPENDENTS

Executive Director said the Fund Attorney will provide an update on this matter in his report.

MRHIF FUND COMMISSIONER AND ALTERNATE - Executive Director said Trustee Grubb served as the MRHIF Fund Commissioner prior to leaving the Fund. Ms. Koval said a resolution is included to appoint a new MRHIF Fund Commissioner, Alternate Commissioner and Special Alternate Commissioner. The Trustees voted to appoint Jim Sekelsky as Commissioner, Beth Ann Coleman as Alternate Commissioner and Christopher DeStratis as Special Alternate Commissioner.

MOTION TO APPROVE RESOLUTION 7-17 APPOINTING THE MRHIF COMMISSIONER, ALTERNATE COMMISSIONER AND SPECIALTERNATE COMMISSIONER AS DISCUSSED:

Moved:	Secretary Domin
Second:	Trustee Coleman
Vote:	Unanimous

MEMBERSHIP - Executive Director said the Fund is in the process of evaluating a number of applications. One entity that has been underwritten and wishes to join is Frelinghuysen BOE. Membership is contingent upon receiving a fully executed indemnity & trust agreement and resolution to join. She said Resolution 8-17 is included in the agenda approving membership. She said the Operations Committee will meet prior to the May meeting to review the new membership applications.

MOTION TO APPROVE RESOLUTION 8-17 OFFERING MEMBERSHIP TO FRELINGHUYSEN BOE PENDING A FULLY EXECUTED INDEMNITY & TRUST AGREEMENT AND RESOLUTUION TO JOIN:

Moved:	Secretary Domin
Second:	Trustee Coleman
Vote:	Unanimous

PROGRAM MANAGER'S REPORT

AETNA NETWORK UPDATE - Program Manager said Robert Wood Johnson (RWJ) and Barnabas Health located in NJ will terminate from our Northern New Jersey Aetna network effective April 22, 2017. He said this is a large network and will have the biggest impact on the Northern Funds. He said member letters were distributed to any member that went to RWJ or Barnabas twice within the last 12 months. He said retraction letter would be sent if and when an agreement is reached. He said this would affect about 50 members in the SHIF.

HIGHLIGHTS

- The health system is seeking a high rate increase which cannot be supported. The rate and demands are not consistent or competitive in the market.
- Letters to impacted members of Medicare and Commercial plans will be mailed at least 30 days prior to termination.
- If an agreement is reached after these notices have been mailed, retraction letters will be sent to all members who received the initial notification.

RWJ/BARNABAS FACILITIES

- RWJUH-New Brunswick
- RWJUH-Somerset
- RWJUH-Hamilton
- RWJUH-Rahway
- Jersey City Medical Center
- Community Medical Center
- Monmouth Medical Center
- Newark Beth Israel
- Clara Maass Medical Center
- Saint Barnabas Medical Center
- Monmouth Medical Center - Southern Campus

RWJ AND BARNABAS HEALTH WILL TERMINATE THE FOLLOWING PRODUCTS:

Open Choice® PPO	Managed Choice® POS
Aetna Open Access® Managed Choice® POS	Aetna Choice® POS II
Aetna Select sm	Aetna Open Access® Elect Choice® EPO
Elect Choice® EPO	Open Access Aetna Select sm
HMO	Quality Point-of-Service® (QPOS®)
Aetna Open Access® HMO	Aetna Choice® POS
Aetna Health Network Only sm (HNO)	Aetna Health Network Option sm (HNO)
Aetna Medicare sm Plan (HMO)	Aetna Medicare sm Plan (PPO)
Aetna Performance Network sm	Aetna Premier Care Network sm

LOURDES HEALTH SYSTEM - Program manager said there is confirmation from Aetna that they have reached a one year agreement with Lourdes Hospital and related facilities. He said Lourdes will remain in network under all HIF Aetna plans, including Medicare Advantage. He said this agreement was reached before member letters went out.

ANNUAL OPEN ENROLLMENT - Program manager said the Annual Open Enrollment is scheduled to begin Monday April 24th and run through Wednesday May 10th. As in previous years, open enrollment materials will be bulk shipped to each district for distribution. PERMA will also include an instruction guide for each group contact on how to process changes in the online enrollment system. We ask that any and all changes be inputted no later than Monday May 15th. He said any member that wishes to remain in their current plan will not need to take any action.

JULY 1ST PLAN ADDITIONS AND CHANGES - Program manager said plan modifications are normally accepted up to 60 days before the effective date, due to the volume of changes and additions already in our pipeline, we are requesting that any and all plan additions or changes be submitted no later than April 1st.

Any plan additions or changes submitted after April 1st may not be accommodated.

EXPRESS SCRIPTS FORMULARY UPDATE - Program Manager said Express Scripts periodically reviews their National Preferred Formulary. He said there have been some minor changes to the approved drug list. He said beginning July 1, 2017 2 medications will become non-preferred and will not need clinical authorization. He said there will be approximately 7 members impacted and they will receive letters notifying them of the change. He said if a member requires the non-formulary medication they can access with clinical approval.

ADMINISTRATIVE AUTHORIZATION - None

TREASURER - Fund Treasurer reviewed the March 2017 Bills List and the treasurers report.

RESOLUTION 9-17 MARCH 2017 BILLS LIST

FUND YEAR	AMOUNT
MARCH 2015/2016	1,108,644.00
MARCH 2016/2017	\$2,656,223.83
TOTAL ALL FUND YEARS	\$3,764,867.83

MOTION TO APPROVE THE MARCH 2017 BILLS LIST AND TREASURERS REPORT AS PRESENTED:

MOTION: Secretary Domin
SECOND: Trustee Bice
VOTE: All in Favor

FUND ATTORNEY- Fund Attorney reviewed the coordination of benefits with Medicare for Disabled Dependents issue. He said if there is a 65 plus active employee employed by a BOE with less than 100 employees, Medicare would be primary. If the member is part of a multiple employer plan and 1 employer has more than 100 employees, all of the employers would be considered to have more than 100 employees meaning the plan would become primary not Medicare. He said the HIF has such a wide range of plan offerings that are not necessarily offered to all participants. He said he believes the definition of a multiple employer plan should not apply to the HIF due to the diverse plan offerings. In response to Secretary Domin, Fund Attorney said they look at the number of people employed, not plan participants.

Fund Attorney said there is a hearing going on in regards to the ACA. He said the bill was initially introduced on March 6 and there have been 25 proposed amendments as of today. He said the information can be found at <https://housegop.leadpages.co/healthcare/#step-by-step> .

AMERIHEALTH – Ms. Didio said the claims are now all being reported under AmeriHealth Administrators. She said there is still some runout from the old system however it is minimal. She said there are 2 high level claimants for this reporting period totaling \$162,896.81. She reviewed the supplemental report which will be presented on an annual basis. The current report includes data from January 2017.

AETNA – Ms. Ward said RWJ is not very impactful in the South however it is a very big system with 11 hospitals in the state. She said it comes down to financials as this point. She said letters were distributed. She reviewed the January 2017 claims. She said there were 2 high level claimants over \$100,000. She reviewed the dashboard report which shows data as a rolling 12 months. She said Q4 guarantees will be available at the next meeting. Secretary Domin said he prefers to see the rolling average.

HORIZON- Ms. Witherspoon said there are no updates and she is available if anyone has questions.

EXPRESS SCRIPTS – Mr. Basile said the Fund saw 2.5% trend over last year and 50% population increase in the first 2 months. He said there was a 6% increase in specialty and a 3% increase in generic fill rate. He said there were 7 members affected by the formulary update in all of the Funds.

DELTA - None

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

MOTION:	Secretary Domin
SECOND:	Trustee Colling
VOTE:	All in Favor

MEETING ADJOURNED: 12:30 pm

NEXT MEETING: May 24, 2017
Moorestown Community House
12:00pm

Karen Kamprath, Assisting Secretary,
Date Prepared: March 24, 2017