

**SCHOOLS HEALTH INSURANCE FUND  
OPEN MINUTES  
NOVEMBER 28, 2018  
MOORESTOWN COMMUNITY HOUSE  
12:00 PM**

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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:**

<b>Trustee</b>	<b>BOE</b>		
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		Absent
Evon Digangi	Mount Holly BOE		Absent
Jim Sekelsky	Hardyston Township BOE		Present
Nicholas Bice	Burlington Township BOE		Present
Marie Goodwin	Medford Township BOE		Absent
Christina Moskal	Ewing Township BOE		Present
Jason Schimpf	Kingway Regional School District		Present
Frank Deberardinis	Voorhees Township School District		Absent

**PRESENT FUND PROFESSIONALS:**

**FUND ADMINISTRATOR:**

**PERMA Risk Management**

Paul Laracy  
Emily Koval  
Karen Kamprath

**PROGRAM MANAGER:**

**Conner Strong & Buckelew**

Brandon Lodics  
Jozsef Pfeiffer

**FUND ATTORNEY:**

Ken Harris

**FUND TREASURER:**

Lorraine Verrill

**FUND AUDITOR:**

Jim Miles

**FUND ACTUARY:** Absent

**PRESCRIPTION ADMIN:** Kyle Colalillo  
Ken Rostkowski

**MEDICAL TPA AMERIHEALTH:** Mike Murphy

**MEDICAL TPA AETNA:** Joe Rodrigues

**MEDICAL TPA HORIZON:** Michelle Witherspoon

**ALSO PRESENT**

Dennis Skalkowski, Bowman & Company  
Joe Madera, Hardenbergh  
Ed OMalley, Gallagher  
Chuck Grande, Integrity Consulting  
Susan Jarnagin, Gallagher  
Trish Birmingham, Franklin Township BOE  
Jim Finn, Brown & Brown  
Tom Tafuri, Brown & Brown  
Rob Wachter, Mount Laurel BOE  
Sally Schufreider, AmeriHealth  
Dina Murray, Allen Associates  
Kim Porter, CHB Group  
Susan Morris, Conner Strong & Buckelew  
Greg D’Orazio, Assured Partners  
John Recchinti, Evesham Township BOE  
Joanne D’Angelo, Moorestown BOE  
Jodi Lennon, Riverside BOE  
Lisa Sollenberger, Voorhees  
Anthony Tonzini, Integrity Consulting

**APPROVAL OF MINUTES: September 26, 2018 Open**

**MOTION TO APPROVE OPEN MINUTES OF SEPTEMBER 26, 2018**

**Moved:** Trustee Sekelsky  
**Second:** Trustee Bice  
**Vote:** 8 Ayes, 0 Nays, 1 Abstain (Trustee Colling)

**CORRESPONDENCE** - None

**PUBLIC COMMENT** - None

## **EXECUTIVE DIRECTORS REPORT**

### **FINANCIAL FAST TRACK – as of September 30, 2018**

Executive Director said the Fund made a surplus of \$8.7 million through the end of September. He said the Actuary reduced the IBRN as of 6/30/2018 by about \$5-7 million due to the strong financial position.

### **AUDITOR AND ACTUARY YEAR-END REPORTS**

Executive Director said a draft Audit of the 2017-2018 has been completed and was distributed with the Agenda. He said Mr. Miles from Bowman & Company is in attendance to provide an overview of the draft. He said the finance committee will review with PERMA and the Auditors. He said we are requesting authorization from the Board to allow 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.

Mr. Miles said he does not anticipate any changes to the Draft report. He said there were no findings or recommendations. He reviewed the statement of net position and noted that the Fund has total assets in the amount of \$18 million, with a total net position of \$69,052,551.

Executive Director noted that the Financial Fast Track does not show the investment in joint venture which is the Funds share of the MRHIF.

### **MOTION TO AUTHORIZE THE FINANCE COMMITTEE TO REVIEW AND APPROVE THE FULING OF THE 2017-2018 FUND YEAR AUDIT.**

<b>Moved:</b>	Trustee Coleman
<b>Second:</b>	Trustee Bice
<b>Vote:</b>	All in Favor

### **SURPLUS RETENTION AND DIVIDEND REVIEW**

Executive Director said with the acceptance of the audit, the Finance Committee can also develop a dividend recommendation for the January meeting.

### **CLAIMS AGENT CONTRACT RENEWALS**

Ms. Koval said we have completed negotiations with the claims agents for the SHIF with the following outcomes:

- Aetna
  - 1 year agreement
  - Fees will drop from \$51.32 per employee per month to \$44.93 reflecting the substitution of Aetna disease and case management services for those provided by Guardian Nurses.
  - \$1.25 per employee per month can be refunded against wellness and marketing expenses of the SHIF.
- AHA
  - 1 year agreement

- Fees will drop from \$42 per employee per month to \$39.50 reflecting the substitution of AHA disease and case management services for those provided by Guardian Nurses.
- \$1.25 per employee per month can be refunded against wellness and marketing expenses of the SHIF.
- Performance guaranties will be added to the agreement.
- Delta Dental
  - 1 year agreement
  - Fees will be unchanged at \$3.10 per employee per month.
  - Performance guaranties will be added to the agreement.
  - Delta will survey participants for coordination of benefits information tri-annually.

For Express Scripts, we are finishing the first year of a 3 year agreement awarded by MRHIF. However, this agreement allows for a market check and possible renegotiation that will take place in the first half of 2019.

**MOTION TO APPROVE RESOLUTION 26-18 AWARDDING TPA CONTRACTS UNDER THE EXTRAORDINARY UNSPECIFIED SERVICES.**

<b>Moved:</b>	Trustee Sekelsky
<b>Second:</b>	Trustee Lessard
<b>Vote:</b>	All in Favor

**OPERATIONAL AND INTERNAL AUDITS**

Ms. Koval said the MRHIF has contracted with Adler Associates to complete an audit of ESI's performance against discount and rebate guaranties for 2017. The audit was completed and verified that ESI met overall discount and pricing guaranties.

The Contract amendments for Delta Dental concerning performance guaranties and coordination of benefits are the corrective actions resulting from the MRHIF audit of Delta.

**MEMBERSHIP GROWTH STATUS**

Ms. Koval said the Operations Committee met to review the 2 new member submissions and are recommending them for approval. Minutes were distributed at the meeting. She said Sandyston-Walpack BOE and Woodland Township BOE have adopted, or plan to adopt resolutions to join. She said there are no other applications currently being underwritten and if approved we will have achieved growth of 9.52% or about half of our cap.

**MOTION TO APPROVE THE 2 NEW MEMBER SUBMISSIONS FROM SANDSYSTON-WALPACK BOE AND WOODLAND TOWNSHIP BOE FOR A 2/1/2019 EFFECTIVE DATE.**

<b>Moved:</b>	Trustee Coleman
<b>Second:</b>	Trustee Sekelsky
<b>Vote:</b>	All in Favor

## **INDEMNITY AND TRUST AGREEMENTS**

Ms. Koval said Indemnity and Trust Agreements and Resolutions to be adopted by the governing body to renew membership with the Fund were distributed on November 1<sup>st</sup> to members renewing on 12/31/2018 or earlier. She said the Indemnity & Trust agreement will be for 2.5 years so members are renewing with the fiscal year.

## **JANUARY MEETING LOCATION**

Ms. Koval said membership in the Northern and Central part of the State has increased. Currently, 24 out of the 66 members are located above the I78 corridor. Several parties in those areas have suggested holding **one** of the future SHIF meetings at a more central location to make an easier trip for those members to join in on the Fund. An email vote approved changing the January 23, 2019 meeting to the Forsgate Country Club in Monroe Township, NJ.

### **MOTION TO CHANGE AND ADVERTISE THE MEETING LOCATION OF THE JANUARY 23, 2019 MEETING TO THE FORSGATE COUNTRY CLUB IN MONROE TOWNSHIP, NEW JERSEY.**

<b>Moved:</b>	Trustee Lessard
<b>Second:</b>	Trustee Coleman
<b>Vote:</b>	All in Favor

## **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](mailto:cs.mb.SHIFenrollments@permainc.com) or by fax at 856-552-4945.

### **MONTHLY BILLING**

Program Manager said as a reminder, please be sure to check your monthly invoice for accuracy. *Please confirm the invoice detail as retro adjustments are limited to 60 days by Fund policy.* If you find a discrepancy, please report it to the SHIF eligibility/enrollment team [cs.mb.SHIFenrollments@permainc.com](mailto: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](mailto:brokerservices@permainc.com).

### **FALL OPEN ENROLLMENT**

Program Manager said the SHIF Special Fall Open Enrollment ended on Friday November 23<sup>rd</sup>. We kindly ask all member groups to enter all Open Enrollment changes into Benefit Express no later than this Friday, November 30<sup>th</sup>. This will ensure changes are sent to our carrier partners in time to generate and mail ID cards prior to January 1<sup>st</sup>.

## **END OF YEAR REPORTING**

Program Manager said yearend W2 and ACA reporting is currently in process. The SHIF enrollment team is on target to send to group enrollment contacts the week of December 17<sup>th</sup>.

Dependent Age Out reports will be completed and available the first week of December. Dependents aging out will receive COBRA packets directly from the SHIF COBRA administrator, Benefit Express. It is important to note COBRA offers are mailed to the dependent who is aging off the plan – these offers are NOT addressed to the parent who carries coverage.

## **NEW GROUP ACTIVITY**

Program Manager said the Township of Franklin Public Schools joined the SHIF effective November 1<sup>st</sup>, all members received ID cards and plans are operating without issue.

Hope Township Board of Education is joining SHIF effective 1/1/2019 from SEHBP for Medical and Prescription. Approximately 25 enrolled lives. Plans builds are on target.

## **CVS ACQUISITION**

Program Manager said the Department of Justice issued a consent decree which will allow CVS Health's acquisition of Aetna to proceed. It is our understanding that Aetna and CVS Health will continue to operate as separate companies until the acquisition is complete. At this time it continues to be "business as usual".

## **RE-CARD**

Program Manager said Aetna will be re-carding the majority of the SHIF population due to an administrative update however benefits will not be changing. He said they are working on a communication piece which will be available in early December. The Aetna re-card will be initiated after the transmission of the Open Enrollment file to ensure all changes made are properly captured. Members who made changes will only receive one set of new ID cards.

Our carrier partners have determined a re-card due to the NJ Out of Network legislation is not necessary.

## **OUT OF POCKET AUDIT**

Program Manager said earlier in the year, it was brought to our attention several new SHIF entrants with medical and Rx out of pocket integration were experiencing issues with the cross walk between Aetna and Express Scripts. Aetna had then assured us the issue in the file transfer had been identified, corrected, and members reimbursed as appropriate. We tasked Aetna with completing a full audit of the SHIF population to find the root cause.

It was discovered that in 2018 there was a manual rectification process for out of network dollars to cross accumulate which was not operating properly. In the plans that were eligible, Aetna was not applying the out of network dollars towards the in-network medical, and subsequently, the prescription out of pocket. This error only impacted groups and plans, which allow out of network coinsurance dollars to accumulate to the in-network maximum out of pocket.

We identified 131 total members who were due a refund from Aetna and notified their appropriate brokers. Most impacted members were SEHBP take over groups who joined in 2018.

## 2019 FORMULARY UPDATE

As discussed at September's SHIF meeting, ESI has announced that the National Preferred Formulary Guide (NPF) which the SHIF utilizes will be updated. Beginning 1/1/2019, the new Express Scripts formulary will go into effect for SHIF members. Copies of the National Preferred Formulary and Exclusion list were distributed with the Agenda.

There are approximately 50 SHIF members who will be impacted by the Formulary update. Member impact letters are scheduled to be mailed in early December.

## GUARDIAN NURSES PROGRAM

Program Manager said the SHIF has been working closely with Guardian Nurses to fully implement the Mobile Care Coordinator Program for all SHIF plans effective January 1<sup>st</sup>, 2019.

Guardian Nurses Healthcare Advocates is a privately held health care advocacy services organization exclusively devoted to providing leading edge, personalized health care advocacy to patients with chronic and catastrophic care needs. Delivered exclusively through specialty aligned registered nurses, Guardian Nurses Healthcare Advocates provides in-person, at the hospital, in the home and telephonic care advocacy and navigation services to patients and families in need of personalized support. Guardian Nurses Healthcare Advocates works with Employers, Taft-Hartley Funds and group based benefit plans in revolutionizing personalized health care navigation to improve quality, outcomes and better manager health care costs.

Betty Long from Guardian Nurses was in attendance to provide an overview of the program. She said the program was started 15 years ago for individuals that need help when dealing with a critical illness. She said there will be 3 nurses assigned to the SHIF to help better identify patients with an active healthcare issue and they will make sure the patients get appropriate care and a proper discharge plan. She said this will help improve experience, clinical outcomes and will help reduce cost.

## ADMINISTRATIVE AUTHORIZATIONS:

Type	Reason/Description	Outcome
Prescription	Medical Necessity	Denial Upheld
Prescription	Medical Necessity	Denial Upheld
Prescription	Medical Necessity	Denial Upheld

Program Manager said one formal complaint from a SHIF member group against AmeriHealth Administrators was received. He said there was a visit to the school district with AmeriHealth and they are working with AmeriHealth to make sure everything is corrected.

**TREASURER** – Fund Treasurer reviewed the Bills Lists for October and November 2018 and the Treasurers report for September 2018. Fund Treasurer said some of the investment accounts are now receiving 2.3%. Trustee Sekelsky commended Fund Treasurer on the investment accounts.

**CONFIRMATION OF PAYMENT - OCTOBER 2018**

<b>FUND YEAR</b>	<b>AMOUNT</b>
FUND YEAR 2017/2018	\$5,019.99
FUND YEAR 2018/2019	\$1,596,505.49
<b>TOTAL ALL FUND YEARS</b>	<b>\$1,601,525.48</b>

**RESOLUTION #27-18 - NOVEMBER 2018 BILLS LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
FUND YEAR 2017/2018	\$7,459.39
FUND YEAR 2018/2019	\$1,774,051.92
<b>TOTAL ALL FUND YEARS</b>	<b>\$1,781,511.31</b>

**MOTION TO APPROVE RESOLUTION 27-18 THE OCTOBER AND NOVEMBER 2018 BILLS LIST AND TREASURERS REPORT AS PRESENTED:**

<b>MOTION:</b>	Trustee Sekelsky
<b>SECOND:</b>	Trustee Coleman
<b>VOTE:</b>	Unanimous

**FUND ATTORNEY** - Fund Attorney wished everyone a happy holiday season.

**AETNA** - Mr. Rodrigues reviewed the claims through September 2018. He said the total paid claims from July 2018 - September 2018 is \$28,149,001. He said there were 14 high claimants for August 2018 and 5 for September 2018. He reviewed the dashboard report and noted that the Teladoc utilization is still strong and all metrics are being met through Q3. He also noted that the CVS/Aetna acquisition should close today and they will continue to operate as separate entities. Mr. Rodrigues said Aetna is still in negotiations with the Regional Women's Health Group and they are scheduled to term on January 12<sup>th</sup> with letters going out to members on December 7. He said negotiations are set to continue.

**AMERIHEALTH** - Mr. Murphy introduced Sally Schufreider. He reviewed the claims and administration from June 2018 - October 2018 total paid claims in the amount of \$16,391,938.97. He reviewed the call metrics and noted that they continue to hire and train new employees and the numbers continue to decrease. Mr. Murphy said the complaint received against AmeriHealth was in regards to claims processing. In response to Trustee Colling, Mr. Murphy said urgent care visits do not fall under ER visits.

**HORIZON**- None

**EXPRESS SCRIPTS** - Mr. Colalillo said the July 2018 - October 2018 trend is in line with how the plan is performing. He said specialty increased slightly in comparison to total plan cost. He also reviewed the inside rx pets program. In response to Mr. Grande, Mr. Colalillo said this program is not limited to groups within the SHIF.

**DELTA** - None



**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN:**

**MOTION:**

Trustee Giovanelli

**SECOND:**

Trustee Coleman

**VOTE:**

Unanimous

**MEETING ADJOURNED:** 1:00 pm

**NEXT MEETING:** January 23, 2019  
Forsgate Country Club  
12:00pm

Karen Kamprath, Assisting Secretary  
Date Prepared: November 30, 2018