

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND**  
**OPEN MINUTES**  
**MAY 22, 2017**  
**VOORHEES TOWNSHIP**  
**6:00 PM**

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Meeting of Executive Committee called to order by Chair Mevoli. Open Public Meetings notice read into record.

**PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

**WELCOME -**

**ROLL CALL OF 2017 EXECUTIVE COMMITTEE:**

Michael Mevoli, Chairman	Borough of Brooklawn	Present
M. Joseph Wolk, Secretary	Borough of Mt. Ephraim	Present
Richard Michielli	Borough of Magnolia	Present
Louis Di Angelo	Borough of Bellmawr	Present
Terry Shannon	Borough of Barrington	Present
Jack Lipsett	Gloucester City	Present
Neal Rochford	Haddonfield	Present
Edward Hill	CCBOSS	Present

**APPOINTED PROFESSIONALS PRESENT:**

<b>Executive Director/Administrator</b>	PERMA Risk Management Services Paul Laracy Emily Koval
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<b>Program Manager</b>	Conner Strong & Buckelew Brandon Lodics Maggie Friel
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<b>Attorney</b>	Ken Harris
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<b>Deputy Treasurer</b>	Ken Verrill Lorraine Verrill
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<b>AmeriHealth</b>	Lisa Didio
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<b>Express Scripts</b>	Jeff Basile
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**Also Present:**

Kim Porter, CHB Group  
Suzanne Wood, CBIZ Model

**APPROVAL OF MINUTES: April 24, 2017 Open**

**MOTION TO APPROVE OPEN MINUTES OF APRIL 24, 2017:**

Moved: Commissioner Di Angelo  
Second: Commissioner Michielli  
Vote: Unanimous

**CORRESPONDENCE - None**

**EXECUTIVE DIRECTOR'S REPORT**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports - as of March 31, 2017**
  - **Historical Income Statement**
  - **Consolidated Balance Sheet**
  - **Indices and Ratios Report**

Executive Director said this month shows a loss of \$3.7 million, of which \$3.5 million was distributed as a dividend. Though, the past 3 months have not been running as well as the prior 12 months. The Annual audit should be prepared for the June meeting and will need a finance committee meeting. Once that is approved, we will also need a transfer of funds to SHIF and Coastal to be approved.

**PENDING CLOSURE OF 2015 FUND YEAR -** Upon approval of the audit in June, we expect to close the 2015 fund year and to allocate the surplus between SNJ, School HIF, and Coastal members based upon the respective shares of each subgroup:

	%	\$
Coastal	26.60%	\$ 3,424,894
Schools	54.89%	\$ 7,066,067
SNJ	18.51%	\$ 2,382,479
Totals	100.00%	\$ 12,873,441

The totals above will rise upon the receipt of the MRHIF dividend and may also vary depending upon residual claims activity. We expect to make the payments to the other HIFs in July. We plan on reserving a modest amount within the SNJ for potential additional residual claims activity.

**NEW MEMBER - WATERFORD TWP -** Ms. Koval said that Waterford Township will be joining the Fund on July 1 for dental coverage only. This is a small group coming from the State with no outside broker fee. They have executed an Indemnity and Trust agreement for 3 years. She requested a motion to approve their membership.

**MOTION TO APPROVE MEMBERSHIP FOR WATERFORD TOWNSHIP EFFECTIVE JULY 1, 2017.**

Moved: Commissioner Lipsett  
Second: Commissioner Wolk  
Vote: Unanimous

**FINANCIAL DISCLOSURE STATEMENTS-** As done in prior years and required by State law, each Fund Commissioner is required to complete a Financial Disclosure Statement through the Department of Community Affairs. The 2017 notice with instructions has been released and is included in agenda. The deadline has been extended to May 30, 2017. Fines will be issued for non compliance. A listing of compliance is included on page 8. Reminders have been sent and will be sent again prior to the deadline.

**MRHIF MEETING SUMMARY -** The MRHIF held an Executive Committee meeting on May 11. The Committee approved an audit of Aetna's claims and operations, in addition to an RFQ for an EGWP (Medicare Advantage prescription plan) and a Vision benefit manager. The MRHIF also approved a dividend of \$3.68M of which \$1,287,547 will be paid to the SNJ and allocated to the 2015 and 2016 fund years. A report was included in Appendix II. In response to Commissioner Shannon, Ms. Koval said the EGWP would be the prescription to be paired with the existing Medicare Advantage plans.

## **PROGRAM MANAGER'S REPORT**

**PLAN DESIGN CONSIDERATIONS -** With the progression of Chapter 78 and the increase on employee contributions, many employers are considering High Deductible Health Plans (HDHPs) with full or partially funded Health Savings Accounts (HSAs). When considering implementation of a program such as this it is important to keep in mind that employees cannot contribute to both a Health Savings Account (HSA) and a Flexible Spending Account (FSA) at the same time. As both carry tax advantages, the IRS does not allow a member to receive the double tax incentive. Chapter 78 requires that public sector entities at least offer their employees an FSA. If implementing a HDHP with an HSA, it is important to consider the timing of implementation and how many of your employees are enrolled an FSA.

**RX PROGRAM UPDATE: SAVEON SP (Appendix III) -** An informational presentation on a new Rx program which will allow the SNJREBF to take advantage of Manufacturer funds that are available to assist patients with their share of medication costs was attached.

Ms. Friel reviewed the SaveOn program. She stated that the MRHIF approved this program because it requires a minimum of 15,000 member lives, so multiple Funds will need to approve this program. She stated that this only affects 64 specialty medications and the impact of each municipality will be provided, but not the specific employee or drug. Mr. Lodics said that the specialty pharmacy, Accredo, artificially increases the copay to the maximum manufacturer rebate amount, changes the member's copay to \$0 and refunds the Fund with that rebate, minus SaveOn's shared savings. The total projected savings for all funds combined is approximately \$1.4 million. IN response to Commissioner Shannon, Mr. Basile said Saveon is simply capitalizing on the increased copay incentivized by the manufacturer.

**VISION RFP UPDATE** - MRHIF has authorized the PM to prepare and release an RFP for a separate vision plan vendor. We believe that having an alternate vision plan that is separate from medical plans will allow us to provide groups with the option of a one-stop shop for Medical, Rx and Vision and COBRA elections. We anticipate that having a standalone vision plan available will improve member experience with vision claim issues.

**LEGISLATIVE UPDATES**

- American Healthcare Act - On May 4th, 2017, the US House of Representatives voted to pass the American Healthcare Act (“AHC”); step 1 in replacing the Affordable Care Act (“ACA”). The bill will need to go to the US Senate where it will face further debate and likely alterations. The bill eliminates the “mandates” for individuals and employers and makes sweeping changes to programs like Medicaid and subsidies for low earners to buy individual coverage. The new bill leaves intact the Cadillac tax but it is further delayed until 2025. The employer tax exclusion for benefits is also maintained under the bill. Finally, it leaves intact the popular provision of requiring employers to cover dependent children until they reach the age of 26. Ultimately, the House and Senate will have to agree to a final bill that can then be sent to the President. The timing of the next steps is unclear although it is expected that the Senate will begin to debate the bill in the near term. We will continue to keep you apprised on this issue.
- Expanded Fertility Mandate - On Monday, May 1, 2017, Governor Christie signed a new bill into law that expands the mandates of insurance coverage of infertility procedures for the State Health Benefit Plan (SHBP) and the School Employees Health Benefit Plan (SEHPB). The expanded law mandates insurance coverage for any woman is who trying to conceive outside of a heterosexual relationship. The SNJREBF is a self-funded plan and not subject to the mandate. However, we will be exploring the ramifications of adopting the mandate and provide a recommendation to the Executive Committee.

**APPEAL REVIEW:**

1. Emergency Room Visit – Denied as not medically necessary – IRO overturned and resulted in payment of claim.

**TREASURER'S REPORT -**

**Resolution 17-17: Payment of May 2017 Bills**

FY 2015	\$80,798.88
FY 2017	\$569,978.88
TOTAL	\$650,777.76

**MOTION TO APPROVE RESOLUTION 17-17, APPROVAL OF MAY 2017 BILLS LIST IN THE AMOUNT OF \$650,777.76.**

Motion: Commissioner Wolk  
Second: Commissioner Michielli  
Vote: 8 Ayes, 0 Nays

**MOTION TO APPROVE THE REMAINDER OF THE TREASURER'S REPORT**

Motion: Commissioner Wolk  
Second: Commissioner Di Angelo  
Vote: Unanimous

**FUND ATTORNEY:** Fund Attorney emphasized that the fertility mandate was probably not necessary because the federal non discrimination policy would cover fertility coverage for non-heterosexual member.

**AETNA:** Report included in Agenda. Ms. Ward said that Aetna recently settled contract negotiations with RWJ Barnabas which was a critical settlement. She confirmed that

**AMERIHEALTH:** Ms. Didio reviewed the report.

**EXPRESS SCRIPTS:** Mr. Rustkowski said of the rolling 12 months, there is a negative trend, which is very good. Chair Mevoli asked for the average age for each report. Mr. Rustkowski said he will also include the specialty percentage.

**DENTAL ADMINISTRATOR:** None

**OLD BUSINESS:** None

**NEW BUSINESS:** Commissioner Shannon asked for additional information on Dependent 31 and rates for her town.

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN:**

Moved: Commissioner Michielli  
Second: Commissioner Wolk  
Vote: Unanimous

**MEETING ADJOURNED:**

**NEXT MEETING: JUNE 26, 2017**

**VOORHEES TOWNSHIP**

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Karen Kamprath , Assisting Secretary  
for

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**JOSEPH WOLK, SECRETARY**

