

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
MAY 21, 2014
BRIELLE BOROUGH MUNICIPAL BUILDING
1:30 PM**

Meeting called to order by Chairman Thomas Nolan. The Open Public Meeting notice read into record.

PLEDGE OF ALLEGIANCE

MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER

ROLL CALL OF 2014 EXECUTIVE COMMITTEE:

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
Adeline Schmidt	Township of Shrewsbury	Absent
EXECUTIVE	COMMITTEE	
Richard Bethea	Borough of Ship Bottom	Absent
Jerome Cevetello	Manasquan River RSA	Present
William Rieker	Township of Lakewood	Present
Joseph Gilsenan	Township of Brick	Absent
Diane Lapp	Township of Manchester	Present
ALTERNATES:		
Adam Hubeny	Borough of Atlantic Highlands	Absent
Jane Gillespie	Borough of Spring Lake	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval	Present Present
Program Manager	Conner Strong & Buckelew	Brandon Lodics Jozsef Pfeiffer	Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Present
Network & Medical Claims Service	Qualcare Inc.	Sharon Seitzman Jerry Eisenberg Gary Epstein	Absent Present Present
Network & Medical Claims Service	Aetna	Kim Ward	Present

Dental Claims Service	Delta Dental	Amy Lehrer	Present
Rx Administrator	Express Scripts	Susan Wolf Katty Mercado	Absent Absent
Auditor	Holman & Frenia	Rodney Haines	Present

OTHERS PRESENT:

Dawn Brown, Conner Strong & Buckelew
 Lisa Frappoli, Conner Strong & Buckelew
 Diane Peterson, Conner Strong & Buckelew
 Eva Biviano, Red Bank
 Eugenia Poulos, Red Bank

CORRESPONDENCE: None

APPROVAL OF MINUTES: OPEN:

MOTION TO APPROVE OPEN MINUTES OF JANUARY 15, 2014:

MOTION:	Commissioner Cevetello
SECOND:	Commissioner Rieker
VOTE:	Unanimous

EXECUTIVE DIRECTOR:

PRO FORMA REPORTS

- **Fast Track Financial Report** – as of March 31, 2014
- **Cash Flow Report** – as of March 2014

AUDITOR AND ACTUARY YEAR-END REPORTS - A copy of the Annual Financial Audit for the period ending December 31, 2013 was be distributed at the meeting. Mr. Haines from Holman & Frenia is expected to present the report. He reviewed the financial statements of the CJHIF and the MRHIF balance, which increased in 2013, but does show a deficit, although there isa significant amount of IBNR. The closed year from 2011 showed a deficit of slmost \$2 million, which should be covered under the supplemental assessment adopted earlier this year. The opinion was unmodified with no exceptions. There were no recommendations and operationally no complaints. In response to Chair Nolan, Mr. Haines said deficits are common since the Fund operates on an estimate and large claims can have significant impact. Commissioner Cevetello thanked the professionals.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION 14-14 AND EXECUTE THE GROUP AFFIDAVIT INDICATING THAT THE MEMBERS

OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT

MOTION: Commissioner Cevetello
SECOND: Commissioner Lapp
VOTE: 4 Ayes, 0 Nays

STATEMENT OF ACTUARIAL OPINION - Included in the agenda is the review of actuarial assumptions and actuarial methods used in determining the reserves, by the Fund Actuary to be filed with the December 31, 2013 year end financial reports to New Jersey Department of Banking and Insurance.

DIVIDEND - Enclosed is Resolution 15-14 memorializing the decision made in March to declare a dividend of \$750,000. Following the meeting, the fund office will distribute a Dividend Request form to members. Executive Director said this was a request from Lakewood to help reduce their 2013 increase.

MOTION TO APPROVE RESOLUTION 15-14 AUTHORIZING A CLOSED YEAR DIVIDEND OF \$750,000 TO CURRENT MEMBERS IN ADDITION TO \$205.89 TO ALLENHURST REPRESENTING CLOSED YEAR BALANCES TO FORMER MEMBERS.

MOTION: Commissioner Cevetello
SECOND: Commissioner Lapp
VOTE: 4 Ayes, 0 Nays

ADMINISTRATION

WELLNESS - The Wellness Committee met on April 8 to discuss the Wellness Grant Program and some preventative programs through Delta Dental. The Committee is recommending the approval of the Wellness Grant Application from Montgomery Township. The application is included in Appendix II. The township has requested a total of \$10,800, but since the Fund has only budgeted \$11,000 for all members, the Committee is recommending the approval of \$5,000 towards their wellness program.

In addition, the Committee discussed some preventative programs through Delta Dental and are recommending the following:

- 1) The Fund implement the Delta Dental “oral health enhancement program” which consists of expanded preventative care (4 annual cleanings v. 2 without charge) for persons with periodontal diagnosis.
- 2) The Fund implement Delta Dental’s calendar year maximum carry over for persons that use at least one preventative care visit per year (this program will be optional by member but without additional cost).

These programs each “cost” about 1% of current claims or \$29,000 per year. Due to changes in the Delta Dental reimbursement schedule, the Fund’s dental program is operating significantly below budget so this investment, which will reduce long term costs, is affordable. Ms. Lehrer reviewed the oral health program and the carry over max program in detail. She said flyers will be sent to the towns to be distributed. IN response to Commissioner Cevetello, Executive Director said the Fund can impletement across the board or make it a member opt-in choice.

Commissioner Lapp said there was only a \$11,000 budget line for wellness, so the committee agreed to recommend half of the requested \$10,000 for this program. Ms. Carey introduced herself to the Committee as the health officer for Montgomery. She thanked the Committee for their approval of the wellness plan which she said the township is very committed.

MOTION TO SPONSOR THE MONTGOMERY TOWNSHIP WELLNESS PROGRAM EFFECTIVE JUNE 1 AT AN AMOUNT NOT TO EXCEED \$5,000 AND APPROVE THE DELTA DENTAL PREVENTATIVE CARE PROGRAMS, AS PRESENTED, AT AN AMOUNT NOT TO EXCEED \$29,000.

MOTION:	Commissioner Cevetello
SECOND:	Commissioner Lapp
VOTE:	4 Ayes, 0 Nays

MEMBERSHIP - The Borough of Ship Bottom has submitted a resolution intending to terminate membership from the Fund for medical and prescription coverage effective August 1, 2014. The Borough will be staying in for dental.

LEGISLATIVE UPDATE - The MRHIF Lobbyist coordinated a meeting with Assemblywoman Stender on May 12 in Trenton to discuss Bill A-1366, which she sponsors. This bill discusses the disclosure and reimbursement procedures of health care benefit contracts for public employees. We will further report on the details discussed.

RX RFP PROCESS - Express Scripts has offered the HIFs revised pricing terms that we are in the process of evaluating. In the meantime, we will be meeting with the legal representative hired by the MRHIF to assist in the process of this RFP on March 16.

MRHIF RENEWAL ENDORSEMENT - The MRHIF/CJHIF renewal endorsement for January 2014-December 31, 2014 is included in the agenda for your reference.

FINANCIAL DISCLOSURE STATEMENTS - The DCA released Local Finance Notice 2014-6, which states they have contracted with a different vendor to develop a new online filing procedure. The Fund office will set up a roster of commissioners and distribute a unique PIN in order to login and file their forms for the fund. For Commissioners that file with multiple agencies, the spelling of your name must be exact the same across the board. An email was sent by PERMA requesting a confirmation spelling, Jr/Sr., middle name, etc.

The DCA has indicated the filing deadline will be extended to June 13, 2014, but has asked the agencies to help spread out the filings during the next few weeks and has assigned the Joint Insurance Funds May 16 to start releasing PINs.

REGULATORY

PRO FORMA REPORTS

- **Regulatory Compliance Checklist** – as of May 12, 2014

BENEFITS OPERATIONS

PRO FORMA REPORTS

- **Client Activity Report** - none
- **Claim Appeals** – 2 Appeals

BENEFITS EXPRESS ON LINE ENROLLMENT SYSTEM - The Executive Committee for the Central Jersey Employee Benefits Fund voted and approved mandatory use of the Online Enrollment system for all members of the Fund. PERMA and Benefit Express hosted a lunch-and-learn session to train and educate all Fund Benefit Coordinators on the enrollment system. The training was held at the Woodbridge Hilton on Thursday, May 8th from 12:00-2:30 pm.

We would like to express our sincere thanks to all benefits professionals who attended this training. For those who were unable to attend, PERMA will make additional trainings via Web Ex in the upcoming months. The online enrollment system will become mandatory as of August 1, 2014. Invites for the Web Ex sessions will be coming from Karen Kidd at PERMA.

Benefit Express, the Fund's online enrollment system, offers a variety of benefits. The system will help Benefit Coordinators become more efficient by eliminating paper application submissions, provide instant access to employee benefit information and allow for them to run reports that will help reduce unnecessary customer service phone calls.

PERMA HIF TEAM - PERMA is pleased to announce the addition of a new member to the CJHIF servicing team.

Dawn Brown- Dawn will be joining the HIF team, as an *Employee Benefits Specialist* (EBS). Her primary role will be supporting Jozsef and Brandon in servicing the CJHIF accounts.

Dawn M. Brown | *Health JIF Employee Benefits Specialist*
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DEPENDENT ELIGIBILITY AUDIT AND COORDINATION OF BENEFITS (COB) CONFIRMATION - Plumsted Township recently requested that we conduct a dependent audit. The audit is underway and all materials were mailed out to the employees and should be complete by the end of this month.

PERMA would like to offer each group the opportunity to conduct a Fund sponsored Dependent/COB Audit for medical and prescription benefits. On a first come first served basis, we will work in cooperation with the entity to verify that coverage is being provided and claims are paid for dependents who meet the eligibility rules under the plan, as well as multiple plans paying in correct order. The audit benefits Fund Members and its employees by assuring the financial resources are spent appropriately.

Employees will receive an affidavit that includes the definition of an eligible dependent and a listing of all dependents currently covered.. The employee will certify that each dependent meets criteria of an eligible dependent and identify any other applicable insurance.

If you are interested in scheduling a dependent/COB audit, please reach out to Brandon Lodics (blodics@permainc.com) or Jozsef Pfeiffer, (jpfeiffer@permainc.com).

RX RFP PROCESS - Express Scripts has offered the Fund revised pricing terms that we are in the process of evaluating. We hope to have an update at the meeting. We will also be starting the RFP process through MRHIF with the intention that a new contract can be in place by March, 2015.

The other HIFs have implemented the ESI “Formulary” effective 4/1/2014. We will provide an update on their experience at the meeting.

URGENT CARE FACILITY COPAY REDUCTION - With the rising cost of emergent healthcare, it is the recommendation of the Program Manager to reduce the copay for Urgent Care Clinics to match their current Specialist copay (majority of our plans follow the ER copay). Most urgent care clinics are open seven days a week with no appointments needed and can often be a more convenient option for common ailments for which members would typically visit the emergency room. Costs for a visit to an urgent care clinic are typically one fifth of a comparable emergency room visit, which could significantly reduce claims expenses of the CJHIF.

Urgent Care Clinics are also located conveniently throughout the CJHIF membership area. Below are a listing by carrier, network and county of participating Urgent Care Clinics. Mr. Lodics said this may be implemented for October 1 and market it during open enrollment.

MOTION TO REDUCE MEMBER COPAYS FOR URGENT CARE FACILITIES TO MATCH THE CURRENT SPECIALIST COPAY.

MOTION:	Commissioner Cevetello
SECOND:	Commissioner Lapp
VOTE:	Unanimous

TREASURER: Fund Treasurer reviewed his report.

Bills lists:

APRIL 2014 – Confirmation of Payment

FUND YEAR 2013	\$2,114.81
FUND YEAR 2014	\$324,493.64
TOTAL ALL FUND YEARS	\$326,608.45

MAY 2014 – Resolution 15-14

FUND YEAR 2014	\$302,330.70
TOTAL ALL FUND YEARS	\$302,330.70

MOTION TO ADOPT RESOLUTION 17-14 TO PAY MAY 2014 BILLS LIST

MOTION: Commissioner Lapp
SECOND: Commissioner Cevetello
VOTE: 4 Ayes, 0 Nays

MOTION TO APPROVE BALANCE OF TREASURER’S REPORTS AS SUBMITTED:

MOTION: Commissioner Lapp
SECOND: Commissioner Cevetello
VOTE: 4 Ayes, 0 Nays

ATTORNEY: No report

QUALCARE: The Qualcare payment and high dollar report was distributed and reviewed by Mr. Epstein. Commissioner Lapp said that a member had lab work done at a doctor’s office but the doctor is not sending it to Quest, so the member is being billed. Mr. Epstein said he will reach out to the doctor in this case. This may have to become an appeal.

AETNA: Ms. Ward reviewed the February and March claim payments and high levels. She said there was a spike in large claimants for March.

EXPRESS SCRIPTS: No report

DELTA DENTAL: No report

NEW BUSINESS:None

OLD BUSINESS:None .

PUBLIC COMMENT: None

MOTION TO ENTER EXECUTIVE SESSION:

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Lapp
VOTE:	Unanimous

MOTION TO UPHOLD AETNA'S DENIAL OF CLAIM #04-14-01, AS RECOMMENDED BY THE PROGRAM MANAGER AND DISCUSSED IN EXECUTIVE SESSION.

MOTION:	Commissioner Lapp
SECOND:	Commissioner Cevetello
VOTE:	Unanimous

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Lapp
SECOND:	Commissioner Cevetello
VOTE:	Unanimous

MEETING ADJOURNED: 1:55 PM