

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
SEPTEMBER 24, 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	Present
EXECUTIVE	COMMITTEE	
OPEN	Borough of Ship Bottom	Absent
Jerome Cevetello	Manasquan River RSA	Present
William Rieker	Township of Lakewood	Present
Joseph Gilsean	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
ALTERNATES:		
Adam Hubeny	Borough of Atlantic Highlands	Present
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	Absent
Network & Medical Claims Service	Qualcare Inc.	Sharon Seitzman Jerry Eisenberg Gary Epstein	Absent Present Present
Network & Medical Claims	Aetna	Kim Ward	Present

Service			
Dental Claims Service	Delta Dental	Christa O'Donnell	Absent
Rx Administrator	Express Scripts	Susan Wolf Paul Grew	Absent Absent
Auditor	Holman & Frenia	Rodney Haines	Absent

OTHERS PRESENT:

Diane Peterson, Conner Strong & Buckelew
Sean McCarthy, Bedminster Twp
Cynthia Lisa, Danskin Agency
Donato Nieman, Montgomery Twp
Elizabeth Merkel, Atlantic Highlands
Dominic Cinelli, Brown & Brown

APPROVAL OF MINUTES: JULY 22, 2014 OPEN:

MOTION TO APPROVE OPEN MINUTES OF JULY 22, 2014:

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Lapp
VOTE:	7 Ayes, 0 Nays

PRO FORMA REPORTS

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

Executive Director reviewed the Financial Fast Track which illustrated a \$11 million surplus balance, of which over \$2 million was made this year. The fund released almost as much in a dividend as was received by the MRHIF.

INTRODUCTION OF 2015 BUDGET - The Central Jersey HIF 2015 budget materials are included. The Finance Committee will meet prior to the meeting and may have a recommendation for the Executive Committee. However decided, we ask for a motion to introduce the budget and schedule a public hearing.

Executive Director said the finance committee had reviewed the budget, which is increasing 6.47% overall. He said the Qualcare claims are higher than Aenta, but each year the TPAs seems to balance each other out, so the budget will blend the claim increases, as in prior years. The prescription increase is primarily driven by specialty drug usage, although generic usage has increase, whiahc is a good sign. In addition, the

Medicare Advantage renewal is increasing 2% which is helping to keep the overall renewal down. There is a small credit on the reinsurance line for good loss ratio in the MRHIF. Lastly, expenses are capped at 2% and health care reform taxes have decreased. The assessment reflect the Fund's policy of giving a loss ratio credit/increases of no more than 2.5%.

MOTION TO INTRODUCE THE CENTRAL JERSEY HEALTH INSURANCE FUND BUDGET FOR 2015 AND ADVERTISE A PUBLIC HEARING FOR OCTOBER 22, 2014 AT THE BRIELLE BOROUGH HALL AT 1:30PM TO ADOPT THE BUDGET.

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Schmidt
VOTE:	7 Ayes, 0 Nays

ADMINISTRATION

PRO FORMA REPORTS

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

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - The MRHIF met on September 10, 2014. Commissioner Schmidt's report is included. The 2015 budget was introduced which illustrates no changes in the local HIF retentions. The overall increase is 4.34%. In addition, the Committee reviewed the Pharmacy Benefit Manager RFP evaluation recommendation and approved the criteria suggested by the Fund Administrator, which is included in the report. The RFP will be expected to be released next week with a response due date of early November. Commissioner Schmidt said she was pleased with the renewal and the PBM RFP progress.

BENEFITS OPERATIONS

PRO FORMA REPORTS

- **Claim Appeals** - one

ENROLLMENTS - All enrollment and billing questions should be directed to our dedicated enrollment team. The CJHIF enrollment team may be contacted via email at cjhifenrollments@permainc.com or by facsimile at 856-685-2258.

OPEN ENROLLMENT - To provide additional Benefits Express training time and assure all rates are received prior to the open enrollment period. The CJHIF municipality Open

Enrollment will be held in November.

Open Enrollment materials will be shipped the last week of October. Members are instructed to have all information back to the HR Contacts by Tuesday November 25th. PERMA will then work with the HR Contacts in ensuring that all information entered into the Online Enrollment System is correct. All enrollments must be in the system by Friday, December 5th in order to guarantee a New ID card is received prior to January 1st.

Open Enrollment materials for active employees will be bulk shipped to a group representative to be distributed. Retiree and COBRA enrollees will receive their Open Enrollment Materials via standard mail.

ONLINE ENROLLMENT SYSTEM TRAINING - The majorities of our groups are compliant with the online training system and have been using the system successfully. For the small number of groups that are not using the system Karen Kidd will continue to hold training sessions. If your HR representative has not participated in training and does not have access to the online enrollment system, they should contact Karen Kidd at kkidd@permainc.com. Please see updated training schedule below:

On Line Enrollment System Training Schedule	
<u>Date</u>	<u>Time</u>
Tuesday, October 7	11:00:00 - 12:00
Tuesday, October 14	2:00 - 3:00
Tuesday, October 21	2:00 - 3:00

AETNA NEW ID CARDS 1-1-15 - Aetna will be migrating the majority of CJHIF member base to a new platform effective 1-1-15. This will cause all members to receive new ID Cards for 1-1-15; not just members who made changes during Open Enrollment. We will continue to communicate details regarding the migration in the upcoming Agendas. Sample ID cards are included in this agenda

Current Platform Name	2015 Platform Name
<i>Choice POS (OA)</i>	<i>Health Network Option</i>
<i>HMO</i>	<i>HMO</i>
<i>QPOS</i>	<i>QPOS</i>

Important Notes:

1. All benefit and coverage levels *will not* be changing
2. There will be no network provider

disruption

PERMA is working on a 3 pronged communication campaign:

1. Letters To Business Administrators / Benefits Administrators- Early October
2. Payroll Stuffers To Employees - Middle/Late October
3. Reminder Open Enrollment Guide Insert- Distributed With OE Guides

Program Manager said that Medicare Advantage members are not affected by this change.

EXPRESS SCRIPTS 2015 FORMULARY UPDATE - Express Scripts continues to negotiate with brand prescription manufacturers isolate the most cost effective medications. The 2015 formulary negotiations resulted in certain medications no longer being offered in the CJHIF

In the CJHIF, less than 10 members are being affected by this update. Physicians of affected members may request a clinical exception. Clinical exceptions will be reviewed and considered by the Express Scripts clinical staff.

Communications- Express Scripts will be notifying these members directly at least 30 days in advance of the update, notifying them of the preferred clinical equivalent. All prescribing physicians and Express Scripts participating pharmacies will be notified as well.

Advair - As a result of Express Scripts' formulary negotiations, the pharmaceutical manufacturer of Advair, has agreed to the terms outlined by Express Scripts and will be available to all Express Scripts members as a Formulary medication effective January 1, 2015.

TREASURER: Fund Treasurer reviewed his report.

Bills lists:

AUGUST 2014 - Confirmation of Payment

FUND YEAR 2013	\$25,864.63
FUND YEAR 2014	\$343,300.79
TOTAL ALL FUND YEARS	\$393,165.42

SEPTEMBER 2014 - Resolution 19-14

CLOSED YEAR	\$5,766.00
FUND YEAR 2013	\$1,292.00
FUND YEAR 2014	\$331,688.28
TOTAL ALL FUND YEARS	\$338,746.28

MOTION TO ADOPT RESOLUTION 19-14 TO PAY JULY 2014 BILLS LIST

MOTION: Commissioner Gilsean
SECOND: Commissioner Schmidt
VOTE: 7 Ayes, 0 Nays

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

MOTION: Commissioner Gilsean
SECOND: Commissioner Hubeny
VOTE: Unanimous

ATTORNEY: No report

QUALCARE: Ms. Epstein distributed the claims payment detail, from January to August. There was one high claimant that termed September 1. Total from that individual was included in the high claimant report.

AETNA: Ms. Ward reviewed the June and July claim payments and high claimants. She said there were 11 high claimants in both months, but total cost was low.

EXPRESS SCRIPTS: No Report

DELTA DENTAL: No report

NEW BUSINESS: No Report

OLD BUSINESS: None.

PUBLIC COMMENT: None

MOTION TO ADJOURN MEETING:

MOTION:
SECOND:
VOTE:

Commissioner Cevetello
Commissioner Gilsenan
Unanimous

MEETING ADJOURNED: 1:50 PM