

**CENTRAL JERSEY HEALTH INSURANCE FUND  
OPEN MINUTES  
JULY 19, 2017  
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 2017 EXECUTIVE COMMITTEE:**

<b>CHAIRPERSON</b>		
Thomas Nolan	Borough of Brielle	Present
<b>SECRETARY</b>		
William Rieker	Township of Lakewood	Absent
<b>EXECUTIVE</b>	<b>COMMITTEE</b>	
Joseph Gilseman	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
Adam Hubeny	Borough of Atlantic Highlands	Present
Eugenia Poulos	Township of Red Bank	Present
Donato Nieman	Township of Montgomery	Present
<b>ALTERNATES:</b>		
Brian Valentino	Western Monmouth MUA	Absent
Brian Brach	MRRSA	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/ Administrator	PERMA Risk Management Services	<b>Paul Laracy Emily Koval Karen Kamprath</b>	Present Present Present
Program Manager	Conner Strong & Buckelew	<b>Brandon Lodics Marybeth Visconti</b>	Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	<b>Jack Sahradnik</b>	Present
Treasurer		<b>Stephen Mayer</b>	Present
Network & Medical Claims Service	Qualcare Inc.	<b>Gary Epstein</b>	Present
Network & Medical Claims Service	Aetna	<b>Kim Ward</b>	Present
Network & Medical Claims Service	<b>AmeriHealth</b>	<b>Lisa Didio</b>	Present
Dental Claims Service	Delta Dental	<b>Amy Lehrer</b>	Absent

Rx Administrator	Express Scripts	<b>Jeff Basile</b>	Present
Auditor	Holman Frenia & Allison	<b>Rodney Haines</b>	Absent

**OTHERS PRESENT:**

Eva Biviano, Red Bank  
 Kaye Loik, Brown & Brown  
 Jack McDermott, Brown & Brown  
 Trina Lindsey, Bedminster  
 Dom Cinella, Brown & Brown  
 Charles Casagrande, Danskin Agency  
 Joe Zanga, South River

**CORRESPONDENCE:** None

**APPROVAL OF MINUTES: MAY 17, 2017 OPEN AND CLOSED:**

**MOTION TO APPROVE OPEN AND CLOSED MINUTES OF MAY 17, 2017:**

**MOTION:** Commissioner Hubeny  
**SECOND:** Commissioner Lapp  
**VOTE:** 5 Ayes, 0 Nays, 1 Abstain (Commissioner Nieman)

**EXECUTIVE DIRECTOR’S REPORT**

**FAST TRACK FINANCIAL REPORT – as of May 31, 2017**

Executive Director said the Fund continues to perform well financially. The Fast Track illustrates the dividend received from the MRHIF as well as the dividend that was distributed to members. He said year to date operationally the Fund has made 1.9 million. He said the internal budget process has begun and the Finance Committee will meet to review the draft budget prior to the September meeting.

**ADMINISTRATION**

**2015 STATE EXAMINATION**

Executive Director said the State of New Jersey Department of Banking & Insurance performed an examination of the Fund for the 2015 Fund Year. He said the report is enclosed in Appendix II for review. He said there were no findings or recommendations.

**MOTION TO APPROVE STATE OF NEW JERSEY DEPARTMENT OF BANKING & INSURANCE EXAMINATION REPORT FOR THE 2015 FUND YEAR AND EXECUTE GROUP AFFIDAVIT CERTIFYING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE REPORT.**

**MOTION:** Commissioner Nieman  
**SECOND:** Commissioner Lapp  
**VOTE:** 6 Ayes, 0 Nays

## **MRHIF STOP LOSS POLICY**

Executive Director said a copy of the MRHIF policy and 2017 renewal endorsement for the CJHIF was distributed prior to the meeting for your review.

## **MRHIF AUDIT OF ESI CONTRACT - 2016**

Executive Director said the MRHIF annually audits ESI to confirm that discount and other economic guaranties are met. Adler Associates recently completed the 2016 audit and confirmed that ESI's performance fell within their guaranties. The full audit is available upon request and will be presented to the MRHIF executive committee at their September meeting.

## **PROGRAM MANAGER'S REPORT**

### **VISION RFP UPDATE**

Ms. Visconti said an RFP for a standalone vision plan was issued by MRHIF. She said an extension was granted until July 19<sup>th</sup> to received proposals.

### **3D MAMMOGRAMS**

Ms. Visconti said there seems to be a trend among some diagnostic imaging facilities to require patients to pay some amount up front for 3D mammograms. While Federal mandates require that all insurance plans pay 100% for an annual, routine mammogram for women over 40, 3D mammograms are not specifically addressed in the mandate. To date, the members who have had issues with this were enrolled in Amerihealth Administrators and QualCare plans and the affected members were reimbursed for their upfront payment because their plans allowed the 3D mammogram when ordered by the provider and were not an initial baseline test.

In response to Chair Nolan, Ms. Visconti said an authorization is signed and if there is any balance due the account would be charged. Ms. Visconti said that Program manager has attempted to dispute these credit card requirements to no avail. Mr. Lodics said that the facility is in conflict with their contract to the provider by requiring payment prior to a procedure.

### **AETNA DISEASE MANAGEMENT OUTREACH**

Ms. Visconti said PERMA has received a few inquiries regarding the legitimacy of some voicemails members received from AETNA asking about their current state of health. We were informed this morning that AETNA has initiated a telephonic outreach campaign to retrieve preferred contact information for disease management candidates. These are legitimate AETNA outreaches.

AETNA has provided us with the below details, should this come up by any of your membership:

- Aetna is making an outreach to select members to collect member communication preferences.
- Updating these preferences will help Aetna communicate with members more effectively with the mode of their preference (i.e. phone, text or email).
- The outreach is underway and scheduled to conclude on June 19. Call days of the program are Monday - Saturday. If a member is part of the outreach, they can receive up to 3 attempts to contact them / or once a member authenticates they will not receive any additional automated calls.
- The automated portion of the call will identify the call is from Aetna.
- If a member is not available and they have caller ID it will display Aetna.

- If voicemail is reached a message will be left with a toll free number (877-463-6485) and PIN for the recipient to access the automated call. If the member calls back from a number recognized by the system the PIN request will be bypassed.

## **ESI FORMULARY ENHANCEMENTS**

ESI has announced two upcoming enhancements to the National Preferred Formulary strategy, which the CJHIF participates with:

1. *Exclude at launch* – effective 7/1/2017 – select new medications may be excluded until final formulary status is determined after clinical and financial reviews are conducted. This initiative is an enhancement to the current process which automatically covers drugs while the review process is underway. The new strategy is being implemented as a cost-saving initiative as medications are coming to market faster than ever and the cost of many new to market drugs exceeds \$100,000 per patient per year.

Mr. Basile said in the past drugs would come into the formulary as non preferred giving the patient the possibility to start on the medication without a prior authorization, then be interrupted. He said there is always room for clinical exception or utilization management.

2. *Brand-for-Generic Substitution* – effective 8/1/2017 – select branded medications will be preferred and higher-net cost clinically equivalent generic alternatives will be excluded. Members will have the same generic copay and the dispensed brand medication will be included in the appropriate brand/generic guarantee in accordance with contracted pricing.

Mr. Basile said generics have exclusivity for the first 6 months and are usually priced about 3% lower than the brand. He said ESI receives a rebate for most brand drugs which is passed on to the Fund. The rebate could allow for a lower cost than the generic. He said the patient would still pay the generic copay for a brand medication.

## **INITIAL SAVEON COMMUNICATIONS**

PERMA, Express Scripts and SaveOn participated in a conference call on 6/22/17 to discuss the initial communication strategy and timeline. Below is the agreed upon timeline. We will provide an update of the next steps as well as samples of all communication pieces at the September 13<sup>th</sup> meeting.

- Mid-October - Accredo will provide a 'look back" file to PERMA and Saveon to be used for the initial PERMA mailing and for Saveon set up.
- 11/1/2017 - PERMA will send an initial letter to members who are currently on a Saveon medication. Member letters will be sent on CJHIF letterhead.
- 12/1/2017 – Saveon will send a 2<sup>nd</sup> letter to targeted members that have not enrolled by that date.

**TREASURER** – Fund Treasurer said the bills list is included in the agenda. Ms. Koval said Red Bank requested a credit not a check as their dividend payment so check 906 will be voided. She said the new amount for the bills list will be \$3,016,422.19.

## **JUNE 2017 – Confirmation of Payment**

<b>FUND YEAR CLOSED</b>	<b>\$355,769.10</b>
<b>FUND YEAR 2017</b>	<b>\$393,057.50</b>
<b>TOTAL ALL FUND YEARS</b>	<b>\$748,826.60</b>

**JUNE 2017 – Confirmation of Payment - Dividend**

<b>FUND YEAR CLOSED</b>	<b>\$3,016,422.19</b>
<b>TOTAL ALL FUND YEARS</b>	<b>\$3,016,422.19</b>

**JULY 2017 – Resolution 21-17**

<b>FUND YEAR 2017</b>	<b>\$408,165.83</b>
<b>TOTAL ALL FUND YEARS</b>	<b>\$408,165.83</b>

**ATTORNEY:** None

**QUALCARE:** Mr. Epstein reviewed the claims from January –June 2017. He said year to date there has been \$6.4 million in charges, \$1.6 million in payments and 5,100 total claims.

**AETNA:** Ms. Ward reviewed the April and May 2017 claims. There were 18 claims over \$25,000 in April. In response to Commissioner Hubeny, Ms. Ward said most likely an increase in membership would affect the claims. Ms. Ward said the dashboard report shows 2 call center metrics were missed which they believe is due to inadequate staffing at the call center. She said they believe this is an onboarding issue from the staffing perspective. She said the April numbers are on track.

**AMERIHEALTH:** Ms. Didio reviewed the claims for April and May 2017. She said there are no high level claims.

**EXPRESS SCRIPTS:** Mr. Basile said overall at the MRHIF level there is a negative trend of 4.5%.

**DELTA DENTAL:** None

**MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:**

<b>MOTION:</b>	Commissioner Lapp
<b>SECOND:</b>	Commissioner Gilsenan
<b>VOTE:</b>	6 Ayes, 0 Nays

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN MEETING:**

<b>MOTION:</b>	Commissioner Gilsenan
<b>SECOND:</b>	Commissioner Hubeny
<b>VOTE:</b>	Unanimous

**MEETING ADJOURNED: 2:20 pm**