

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
JANUARY 17, 2018
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:

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
William Rieker	Township of Lakewood	Present
EXECUTIVE	COMMITTEE	
Joseph Gilsenan	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
ALTERNATES:		
Brian Valentino	Western Monmouth MUA	Present
Brian Brach	Manasquan RRSA	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval Karen Kamprath	Present Present Present
Program Manager	Conner Strong & Buckelew	Brandon Lodics Marybeth Visconti	Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Absent
Network & Medical Claims Service	Qualcare Inc.	Gary Epstein Richard Maier	Present Present
Network & Medical Claims Service	Aetna	Peggy Dennison Joseph Rodrigues	Present Present
Dental Claims Service	Delta Dental	Amy Lehrer	Present
Rx Administrator	Express Scripts	Erik Ruebenacker Kyle Colalillo	Present Present
Auditor	Holman & Frenia	Rodney Haines	Absent

OTHERS PRESENT:

Trina Lindsey, Bedminster Township
Dom Cinelli, Brown & Brown
Bryan Dempsey, Spring Lake
Diane Peterson, Conner Strong & Buckelew
Cindy Toye, Toms River MUA
John Casagrande, Danskin Agency
Charles Casagrande, Danskin Agency
Valerie Tornick Heilweil, Borough of Keyport
Jack Layne, South River

CORRESPONDENCE: None

APPROVAL OF MINUTES: OCTOBER 18, 2017 OPEN:

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 18, 2017:

MOTION:	Commissioner Nieman
SECOND:	Commissioner Rieker
VOTE:	Unanimous

ADJOURN SINE DINE MEETING - Chairs vacated - Chairman Nolan asks Executive Director to run meeting.

MOTION TO ADJOURN SINE DIE MEETING:

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Nieman
VOTE:	Unanimous

ROLL CALL OF 2018 FUND COMMISSIONERS:

CJHIF 2018 FUND COMMISSIONERS			
MEMBER	COMMISSIONER/CONTACT	ALTERNATE	
ATLANTIC HIGHLANDS BOROUGH	Adam Hubeny	Beth Merkel	Present
BOROUGH OF ALLENTOWN	Laurie Gavin		Absent
BOROUGH OF RED BANK	Eugenia Poulos	Eva Biviano	Present
BRIELLE BOROUGH	Tom Nolan		Present
ENGLISHTOWN BOROUGH	Peter Gorbatuk		Absent
LAKWOOD TOWNSHIP	William Rieker		Present
MANASQUAN RIVER REG'L SEWERAGE AUTH	Brian Brach		Present
MANCHESTER TOWNSHIP	Dianne Lapp		Present via CC
PLUMSTED TOWNSHIP	Eric Sorchik	Joe Pryzwara	Absent
SHIP BOTTOM BOROUGH	Mark Pino		Present via CC
TOWNSHIP OF SHREWSBURY	suzanne veitengruber		Present
BRICK TOWNSHIP	Joseph Gilsean		Present
BOROUGH OF MANASQUAN	Tom Flarity		Absent
BOROUGH OF SPRING LAKE	Bryan Dempsey		Present
TOWNSHIP OF ABERDEEN	Angela Morin		Absent
BOROUGH OF MATAWAN	Louis Ferrara		Absent
EATONTOWN SEWERAGE AUTHORITY	Theodore Lewis		Absent
TOWNSHIP OF MONTGOMERY	Donato Nieman	Susan Smith	Present
TOWNSHIP OF BEDMINSTER	Judith Sullivan	Trina Lindsey**	Present
WEST LONG BRANCH TOWNSHIP	Lori Cole		Absent
KEYPORT BOROUGH	Valerie Heilweil		Present
TOMS RIVER MUA	Steven Acropolis	Cindy Toye**	Present
SEASIDE HEIGHTS BOE	Kevin O'Shea		Absent
WESTERN MOUNMOUTH MUA	Brian Valentino		Present
Harvey Cedars	Daina Dale		Absent
Jackson MUA	james diaz		Absent
Brick Housing Authority			Absent
Borough of Oceanport	Raymond Poerio		Absent
South River	Jack Layne	Joseph Zanga	Present
Tuckerton Borough School District	Janet Gangemi		Absent
** Alternate Present			

A quorum of Fund Commissioners was achieved. The following nomination was presented and unanimously adopted.

Commissioner Hubeny read the proposed 2018 Executive Committee Slate. He said Commissioner Veitengruber was added as an additional alternate.

Nomination of Chairperson: Thomas Nolan

Nomination of Secretary: William Rieker

**Nomination of Executive Committee: Joseph Gilsean
Diane Lapp
Adam Hubeny
Eugenia Poulos
Donato Nieman**

Nomination of Alternates:

**Brian Valentino
Brian Brach
Suzanne Veitengruber**

MOTION TO APPROVE NOMINATION OF 2018 EXECUTIVE COMMITTEE, AS READ

MOTION: Commissioner Hubeny
SECOND: Commissioner Gilsenan
VOTE: 15 Ayes, 0 Nays

Oaths of Office distributed, and Fund Attorney swore in the 2018 Executive Committee.

ROLL CALL OF 2017 EXECUTIVE COMMITTEE

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
William Rieker	Township of Lakewood	Present
EXECUTIVE	COMMITTEE	
Joseph Gilsenan	Township of Brick	Present
Diane Lapp	Township of Manchester	Present *left call at 1:45pm
Adam Hubeny	Borough of Atlantic Highlands	Present
Eugenia Poulos	Borough of Red Bank	Present
Donato Nieman	Township of Montgomery	Present
ALTERNATES:		
Brian Valentino	Western Monmouth MUA	Present
Brian Brach	Manasquan River Regional SA	Present
Suzanne Veitengruber	Township of Shrewsbury	Present

EXECUTIVE DIRECTOR’S REPORT

FINANCIAL FAST TRACK – Executive Director reviewed the Financial Fast Track through November 2017 which showed a year to date change in surplus of \$1.5 million. He said there is an underwriting profit of \$4.8 million even with the release of a dividend of almost \$3.9 million. He said the Fund continues to be financially stable and can consider another dividend later this year. He said Lakewood is also operating well as a separate component, as in the past few prior years.

MRHIF RENEWAL – Ms. Koval said a resolution is included in the consent agenda authorizing the Fund’s membership renewal in the Municipal Reinsurance Health Insurance Fund for a three year period effective January 1, 2018.

RETURN OF MANCHESTER CLOSED YEAR BALANCE – Ms. Koval said Manchester terminated medical and Rx coverage through the CJHIF 6 years ago but retains dental membership. Former members are eligible to receive closed year balances 6 years after termination. It is recommended

that we reserve 2.5 months of estimated dental claims (estimated at \$48,500) and return the remaining closed year balance of \$1,812,424 to them at this time:

MOTION TO PAY MANCHESTER ITS CLOSED YEAR BALANCE FOR TERMINATED MEDICAL AND RX COVERAGE OF \$1,812,424.

MOTION:	Commissioner Nieman
SECOND:	Commissioner Poulos
VOTE:	9 Ayes, 0 Nays

REORGANIZATION RESOLUTIONS – The Reorganization resolutions were included in the consent agenda. Ms. Koval reviewed the resolutions that needed completion. The September meeting will be moved to the 2nd Wednesday, Chair Nolan and Secretary Rieker will remain as signatories for the Fund and Commissioner Hubeny and Commissioner Lapp will serve as Commissioner and Alternate on the MRHIF, respectively.

Ms. Koval said there was one change to the Risk Management plan regarding enrollments that go past 60 days. She said any group that is requesting a change past 60 days will be reviewed by the small claims committee via email.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND – Ms. Koval said the MRHIF Executive Committee met on December 13, 2017 to formally adopt the 2018 budget. A report from the meeting was included in the Agenda. The Committee also awarded a marketing contract with the firm that works for the MEL. The cost is being covered by negotiated contributions from Aetna, AmeriHealth and Munich Re. In addition, the Express Scripts contract continues to be negotiated for better pricing.

AETNA AUDIT – Ms. Koval said NIIS completed its claims and operations audit of Aetna, which was distributed with the agenda. The results were favorable. Aetna’s response to comments noted in the audit was also included. We have scheduled a meeting with Aetna and NIIS to review responses to recommendations.

NEW MEMBER – HAMPTON BOE – Ms. Koval said the Fund received a new member application from Hampton BOE for 3/1/2018. She said the group is a small school board with Aetna enrollment that we feel is a good fit for the Fund. She said the group would be joining for Medical and Rx coverage.

TERMINATION – LAKEWOOD FIRE DISTRICT – Ms. Koval said PERMA received notification that the Lakewood Fire District will be moving to the State Health Benefits Plan on February 1, 2018, but the notification was outside of the 90 day termination requirement. To keep within Fund guidelines and their union negotiations, the district will leave non-union members on until March 31, 2018 for medical and prescription. Program Manager said they are working with the State to make sure they are comfortable with this arrangement as well.

LAKWOOD UPDATE - Prior to the budget adoption, Lakewood was given the option to return to full indemnification in the Central Jersey HIF, but opted to continue running separately for 2018. Their stop loss arrangement will continue through Westport Insurance Company which the Fund pays directly.

2018 WELLNESS GRANT APPLICATIONS - Ms. Koval said applications for a 2018 wellness grant were emailed to the membership in December with no changes from the prior year grant application. A summary of responses were included in the agenda and total \$25,630. The Wellness Committee reviewed the responses prior to the meeting and are recommending approval of the attached grants.

2018 COMMITTEE APPOINTMENTS - Below are the standing Committees that were appointed in 2017. If a Commissioner is interested in joining a committee, please reach out to Emily Koval or Chair Nolan.

Finance & Contracts Committee

Tom Nolan, Chair
Eugenia Poulos
William Ricker

Wellness Committee

Diane Lapp, Chair
Joseph Gilsenan
Eugenia Poulos

Operations and Claims Committee

William Rieker, Chair
Joseph Gilsenan
Diane Lapp

Nominating Committee

Adam Hubeny, Chair
Joseph Gilsenan

PROGRAM MANAGER'S REPORT

AETNA EMPLOYER GROUP WAIVER PLAN (EGWP)

Program Manager said as previously reported, the implementation of the EGWP Medicare Advantage prescription drug plan occurred on January 1st. The majority of the Medicare eligible retirees in the Fund received their new ID cards prior to the effective date. AETNA's third party ID card vendor experienced some delays in production due to the Holidays and weather and as a result some retirees received their cards in the first week of January. He said as of today all retirees should have received their ID cards. All retirees had coverage and access to benefits on January 1, 2018.

Program Manager said as part of the Medicare Part D retirees are subject to an income related monthly adjustment amount. He said certain individuals may have an adjusted premium based on their reported income. He said the adjustments range from a \$13.30 to \$76.20 increase monthly. He said members do have the ability to file an appeal.

Commissioner Gilsenan said this was rolled out for Brick on January 1 and has been a nightmare because retirees were not aware they would be impacted by a monthly fee, nor was the town. He said misinformation was sent out to the retirees prior to January 1. He said they are currently deal with retirees paying large sums monthly and the town is unsure how they will handle this. Program Manager said it was requested that the Town tracks the financial impact so the Fund can consider a resolution in the 2019 budget. He said the EGWP savings to the Fund is just under \$2 million which is spread across the entire enrollment. Executive Director said the reimbursements will most likely be a fraction of the savings. He said rates could possibly be reduced to offset costs. In response to

Executive Director, Commissioner Gilson said about 50 retirees are Medicare eligible, and about 20 have reached out to the town. He said his understanding is that this would be a seamless transition, which it has not been. He said his mayor and administrator are not happy with how this was rolled out. Commissioner Poulos said Red Bank has 85 enrollees in the Medicare Advantage and she has received numerous questions regarding this tax implication.

Executive Director asked that the Commissioners advise PERMA on how many members are receiving an additional charge. He will determine an action plan and submit to the Finance Committee.

AMERIHEALTH ADMINISTRATORS (AHA) UPDATE

Program Manager said the AmeriHealth Administrators transition finalized at the end of December. All members with AmeriHealth Administrators received their new cards timely. We are not aware of any plan build, enrollment or administrative oversights in the CJHIF.

ESI UPDATES

Program Manager said starting on January 1, 2018, the HIF plans will cover certain generic low-to-moderate dose statin medications at a \$0 copay.

To qualify for a \$0 copay individuals will need to satisfy the two below criteria:

1. Be between the ages of 40 and 75
2. Taking a generic low-to-moderate dose statin

1095 C IRS ENFORCEMENT LETTERS

Program Manager said their office has been made aware over the past several weeks that the IRS has been issuing letters to employers related to their enforcement of the ACA employer mandate penalty for the year 2015. These letters are based on what employers submitted to the IRS (themselves or through the company they used to manage their record keeping and reporting) and where the IRS has apparently concluded that an employer did not offer benefits to 70% of their full time employees (you'll recall that the initial year of the ACA required 70% be met, thereafter 95%). The IRS determines whether an employer may be liable for a penalty based on the information reported by the employer on Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and subsidy information reported on an employees' individual income tax returns. Thus, if the information reported to the IRS by the employer or employee is incorrect, the IRS's determination may also be incorrect. Accordingly, if an employer receives a letter, they should carefully review the information that it previously submitted to the IRS

END OF YEAR REPORTING

Program manager said as a courtesy to all CJHIF groups, PERMA provides each entity with 1) an ACA report that can be used to assist with the completion of 1095 reporting 2) a W2 report that includes the total cost of each member's health benefits which can be used to update W2s. Both reports were sent in mid-December to each entity.

JANUARY INVOICES/PAYMENT COUPONS

January payment coupons for Direct Billed retirees and COBRA members as well as group monthly premium invoices will be forthcoming for the month of January. Typically in January, there is a delay in getting coupons and invoices mailed due to administrative updates and rate changes. Direct Billed

retirees and COBRA members should receive their payment coupons within the next few weeks and there will be no penalties or non-payment terminations during this period. Members who opt to make a payment for the same amount as they paid in 2017 prior to receiving the 2018 coupons will be sent an adjusted invoice in February.

OPEN ENROLLMENT

The CJHIF 2018 open enrollment has ended and all members who made plan changes should have received new ID cards. As reported previously, all AmeriHealth Administrator (AHA) members should have received new ID cards for 2018 due to system enhancements implemented on January 1st.

ADMINISTRATIVE AUTHORIZATIONS - None

TREASURER – Chair Nolan said resolution #15-18 approving the bills list is included in the consent agenda for approval.

November 2017 – Confirmation of Payment

FUND YEAR 2017	\$406,513.92
TOTAL ALL FUND YEARS	\$406,513.92

December 2017 – Confirmation of Payment

FUND YEAR 2017	\$397,754.88
TOTAL ALL FUND YEARS	\$397,754.88

January 2017 – Resolution 15-18

FUND YEAR 2017	\$1,833.33
FUND YEAR 2018	\$306,575.45
TOTAL ALL FUND YEARS	\$308,414.09

ATTORNEY: Fund Attorney thanked the committee for his reappointment

QUALCARE: Mr. Epstein thanked the Fund for reappointment and reviewed the monthly claim reports and high claimant reports. He introduced Richard Maier who is the client manager for the Cigna team.

AETNA: Mr. Rodrigues thanked the Fund for reappointment. He reviewed the claims report from January through November 2017. He said the claims continue to run consistent. He reviewed the high claims from September – November 2017. He said there is one high claim that they will continue to monitor to make sure it is managed appropriately.

AMERIHEALTH: The report was included in the Agenda.

EXPRESS SCRIPTS: Mr. Ruebenacker was present to review the ESI report. He said the Fund saw a 3.9% trend year over year for December. He introduced Kyle Colalillo who will be replacing Jeff Basile as the Fund pharmacist.

DELTA DENTAL: Ms. Leher thanked the Fund for their reappointment.

NEW BUSINESS: None

OLD BUSINESS: None

PUBLIC COMMENT: None

MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:

MOTION:	Commissioner Nieman
SECOND:	Commissioner Valentino
VOTE:	9 Ayes, 0 Nays

MOTION TO ADJOURN MEETING:

MOTION:	Chair Nolan
SECOND:	Commissioner Gilsenan
VOTE:	Unanimous

MEETING ADJOURNED: 2:15 pm