

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
JULY 18, 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 2018 EXECUTIVE COMMITTEE:

CHAIRPERSON		
Thomas Nolan	Borough of Brielle	Present
SECRETARY		
William Rieker	Township of Lakewood	Present
EXECUTIVE	COMMITTEE	
Joseph Gilsean	Township of Brick	Absent
Diane Lapp	Township of Manchester	Present
Adam Hubeny	Borough of Atlantic Highlands	Present
Eugenia Poulos	Borough of Red Bank	Absent
Donato Nieman	Township of Montgomery	Present
ALTERNATES:		
Brian Valentino	Western Monmouth MUA	Absent
Brian Brach	Manasquan River Regional SA	Present
Suzanne Veitengruber	Township of Shrewsbury	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	Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Present
Network & Medical Claims Service	Qualcare Inc.	Gary Epstein	Present
Network & Medical Claims Service	AmeriHealth	Mike Murphy	Present
Network & Medical Claims Service	Aetna	Joseph Rodrigues	Present
Dental Claims Service	Delta Dental	Amy Lehrer	Absent

Rx Administrator	Express Scripts	Ken Rostkowski	Present
Auditor	Holman & Frenia	Lauren Holman	Absent

OTHERS PRESENT:

Trina Lindsey, Bedminster Township
 Cindy Toye, TRMMA
 Dom Cinelli, Brown & Brown
 Diane Peterson, Conner Strong & Buckelew
 Joseph Zanga, Borough of South River
 Charles Casagrande, Danskin
 John Casagrande, Danskin

CORRESPONDENCE: None

APPROVAL OF MINUTES: May 16, 2018 OPEN:

MOTION TO APPROVE OPEN MINUTES OF MAY 16, 2018:

MOTION: Commissioner Hubeny
SECOND: Commissioner Rieker
VOTE: 4 Ayes, 0 Nays, 1 Abstain (Commissioner Lapp)

EXECUTIVE DIRECTOR’S REPORT

FINANCIAL FAST TRACK – as of May 31, 2018

Executive Director said the fund is in excellent shape financially. He said the Fund has earned \$4.3 million year to date in surplus, earning \$907,000 in May. He said about \$600,000 of the May surplus is from the MRHIF dividend.

RFP RESULTS

Executive Director said the Contracts Committee met prior to the meeting to review the RFP responses. He said competing proposals were received for the Fund Auditor position and the Committee is recommending the Fund stay with the current Auditor, Holman Frenia, Allison, PC. He said most professionals are receiving the standard 2% increase.

MRHIF REPORT

Executive Director said the MRHIF met on June 13, 2018 to review the 2017 audit, which was accepted and filed with the State. The Committee also approved a \$4,240,735 dividend. The CJHIF’s portion of that dividend is \$695,063.

Executive Director said the Fund also approved the Medical and Dental TPA contracts to be negotiated for the 2019 renewal by the Administrator and Program Managers, rather than go out for RFP. It is believed that the Funds have the best arrangement with their current carriers and insurance carriers are exempt from the fair and open procurement laws. He said because the contracts are written with the local funds, the CJHIF can decide to send out for requests for proposals.

In response to Commissioner Hubeny, Executive Director said the timeframe should not have an effect on the negotiations.

WELLNESS GRANT REQUEST - TUCKERTON BOE

Ms. Koval said Tuckerton BOE is requesting a grant of \$1,000 to host yoga classes throughout the school year for its staff.

PROGRAM MANAGER’S REPORT

ADVANCED OPIOID MANAGEMENT

Program Manager said Express Scripts has begun the implementation of their Opioid Management Program. As a part of the transition, members utilizing certain medications will receive a letter notifying them that the medication they are using will be added to the prior authorization list or is being updated with new quantity limits. He said so far there are 12 members that will receive these communications.

MARKETPLACE PROTECTION

Program Manager said as a part of the Fund’s participation in Express Scripts’ marketplace protection program the Fund will more tightly manage two medications effective on 6/15/2018. Both drugs are currently priced much higher than available clinical equivalents: **Treximet/Sumatriptan & Zavesca**. Both Treximet® 85mg/500mg and its generic Sumatriptan contain and naproxen in a single formulation costing roughly 10 times more than the individual components with no superior clinical efficacy. A new generic for **Zavesca, Miglustat** is now available at a significantly lower-cost than the brand, with the potential to save over \$100K annually per patient. Our records indicate there are currently 5 members in the CJHIF who are taking this medication. These members have received notifications from Express Scripts (prior to June 15th) explaining the update and preferred alternatives in the chart below.

Targeted Medications	Preferred Medications
Treximet® 85mg/500mg	sumatriptan AND naproxen sodium
sumatriptan/naproxen tablets	sumatriptan AND naproxen sodium
85mg/500mg (all mfgs)	
Zavesca®	miglustat

\$0 STATIN MEDICATIONS

Program Manager said effective January 1, 2018 the Fund updated coverage for certain low cost/generic statin medications to a \$0 copay in compliance with the Affordable Care Act. To assure that all members were aware of this opportunity, Express Scripts in conjunction with PERMA, mailed notifications to brand statin utilizers informing them of the alternative generic opportunities, which would eliminate their out of pocket cost. The letters were mailed to impacted members on May 22.

SAVEONSP UPDATE

Program Manager said effective January 1, 2018 the Fund implemented the SaveonSP Copay Assistance program. Saveon works directly with members to enroll them in manufacturer based copay assistance program which allow the member to take advantage of a \$0 copay on certain specialty medications. The total savings to the CJHIF from January through April 2018 is **\$45,235 (15 members and 21 claims)**.

Saveon continues to monitor the specialty medication market to assure the Fund is taking advantage of copay manufacturer assistance programs as they become available. Effective 7/1/2018 (all copays reflect a 30-day supply and updated drug list attached) the below medications will be added to the Saveon drug List. Currently, there are no members in the CJHIF impacted by these additions.

Cabometyx	Kalydeco	Pulmozyme
Cometriq	Neupogen	Symdeko
Fasenra	Orenitram	Tobi Podhaler
Glatiramer	Orkambi	

Medications being removed from the SaveonSP Program:

- Olysio Removed from market: no SaveonSP members on drug
- Zinbryta Removed from market: 2 SaveonSP members have already changed medication

Included with your agenda is a copy of the July 2018 SaveOnSp eligible specialty drug list.

LEGISLATIVE - NJ S483/A2039 OUT-OF-NETWORK CONSUMER PROTECTION, TRANSPARENCY, COST CONTAINMENT AND ACCOUNTABILITY ACT

As reported at the May meeting, the NJ legislature recently passed a consumer protection bill intended to protect consumers from getting hit with unanticipated large medical bills from “hidden” out-of-network providers. The new law requires hospitals to post the names of all medical professionals they employ, their contact information and the insurance plans they accept. Hospitals must also provide the same information for specialists they do business with such as anesthesiologists and pathologists. Medical professionals are also required to disclose which health insurance plans they accept and an estimate of the cost for their services if they are out-of-network. A key provision of the law which may have ramifications for HIF plans requires insurance carriers and providers who cannot agree on an acceptable reimbursement to abide by the decision of a third party arbitrator who will choose between one of two offers. Each side may use whatever information they need to support their case. Self-funded plans are not obligated to adopt the mandate.

PERMA, the MRHIF Attorney, the Program Manager of the MRHIF and the MRHIF Executive Director have reviewed and discussed the provisions of the new regulation **and are all in agreement in our recommendation that the HIFs opt out of this legislation, which is within our rights as a self-insured plan.**

RITE AID / WALGREENS MERGER

Program Manager said ESI negotiated an extension, and members can now use the acquired stores until December 31, 2018. He said they are recommending holding off on the transition to the larger network until January 1, 2018.

APPEAL 05-18-02

Program Manager said the IRO is in favor of paying this claim and over turning the denial, they are recommending not to go into closed session and add this to the consent agenda for payment. He said

they are also recommending an update to the Risk Manager plan that allows the Program Manager to pay claims recommended by the IRO and ratify at the next meeting.

TREASURER – Fund Treasurer distributed and reviewed the reports for May 2018.

JUNE 2018 – Confirmation of Payment

FUND YEAR 2017	\$19,050.42
FUND YEAR 2018	\$856,665.79
TOTAL ALL FUND YEARS	\$875,716.21

JULY 2018 – Resolution 23-18

FUND YEAR 2018	\$586,035.53
TOTAL ALL FUND YEARS	\$586,035.53

ATTORNEY: None

QUALCARE: Mr. Epstein reviewed the claims paid from January – June 2018. He said the total charges were \$5.3 million with total payments of \$1.3 million compared to January – June 2017 with charges of \$5.3 million with total payments of \$1.6 million. He said there were approximately 5,000 claims paid year to date.

AETNA: Mr. Rodrigues reviewed the paid claims from January – May 2018. He said year to date the total paid claims is at \$6.2 million. He reviewed the dashboard report and noted that the network discounts is at 65.9%. He said this is typically the number they would like to see. He also reviewed the Teledoc activity and noted year to date there have been 129 registrations and 48 online visits which equates to \$6,109 in savings.

AMERIHEALTH: Mr. Murphy reviewed the claims through June 2018. He said there was a claims backlog due to the system transition, however that should start to even out.

EXPRESS SCRIPTS: Mr. Rostkowski said the Fund is trending down 14% for the year. He said there is some fluctuation monthly which is due to specialty meds.

DELTA DENTAL: None

MOTION TO APPROVE THE CONSENT AGENDA INCLUDING THE ADDITION OF RESOLUTION 24-18 RATIFYING THE IRO DECISION FOR APPEAL 05-18-02:

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

NEW BUSINESS: None

OLD BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Hubeny
SECOND:	Commissioner Lapp
VOTE:	Unanimous

MEETING ADJOURNED: 2:00 PM