

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
APRIL 18, 2013
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 2013 EXECUTIVE COMMITTEE:

| | | |
|--------------------|------------------------|---------|
| CHAIRPERSON | | |
| Thomas Nolan | Borough of Brielle | Present |
| SECRETARY | | |
| Adeline Schmidt | Township of Shrewsbury | Present |
| EXECUTIVE | COMMITTEE | |
| Richard Bethea | Borough of Ship Bottom | Present |
| Jerome Cevetello | Manasquan River RSA | Absent |
| William Rieker | Township of Lakewood | Present |
| Joseph Gilsenan | Township of Brick | Present |
| Diane Lapp | Township of Manchester | Present |
| ALTERNATES: | | |
| Adam Hubeny | Atlantic Highlands Twp | 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 | Diane Peterson Joseph Linker | Present Absent |
| 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 David Norton | Present Present |
| Dental Claims Service | Delta Dental | Jackie Wright | Absent |

| | | | |
|------------------|-----------------------------|---|------------------|
| Rx Administrator | Express Scripts | Susan Wolf Katty Mercado | Absent Absent |
| Auditor | Green, Holman, Frenia & Co. | Rodney Haines | Absent |

OTHERS PRESENT:

Peter Gorbatuk, Englishtown
Lori Cole, West Long Branch
Ted Wardell, Brown & Brown Metro
Cindy Lisa, Danskin
Charles Casagrande, Danskin
Colleen Lapp, Red Bank
Eva Biviano, Red Bank
Angela Morin, Township of Aberdeen
June Madden, Allentown and Plumsted
Susan Smith, Montgomery Twp

CORRESPONDENCE: None

APPROVAL OF MINUTES: MARCH 20, 2013 OPEN:

MOTION TO APPROVE OPEN MINUTES OF MARCH 20, 2013:

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

EXECUTIVE DIRECTOR: The following reports were included in the agenda.

- **Fast Track Financial Report** – as of February 28, 2013
- **Cash Flow Report** – as of February 28, 2013
- **Budget Reconciliation** – as of April 2013
- **Regulatory Compliance Checklist** – as of March 13, 2013

IMPLEMENTATION OF MEDICARE ADVANTAGE PROGRAM - At the March meeting, Mr. Linker presented the enclosed power point presentation describing a fully insured Medicare Advantage Program for retirees over age 65. The Fund has a potential savings of \$762,000 a year. These savings are projected if the BMED, CJ and SNJHIF Funds adopt this program by July 1. PERMA strongly believes that this program will be beneficial to all current and new retirees and expect a smooth transition. The Fund will certify equal to or better notices.

Following are savings by member entity.

| | | |
|------------------|----|-------------------|
| Aberdeen | \$ | 120,312.00 |
| Bedminster | \$ | - |
| Brielle | \$ | 13,716.00 |
| Eatontown SA | \$ | 1,992.00 |
| Hazlet | \$ | 12,744.00 |
| Lakewood | \$ | 375,623.00 |
| Manchester | \$ | 16,344.00 |
| Montgomery | \$ | - |
| Plumsted | \$ | 5,052.00 |
| Red Bank | \$ | 161,412.00 |
| Ship Bottom | \$ | 33,408.00 |
| West Long Branch | \$ | 21,552.00 |
| | \$ | <u>762,155.00</u> |

Executive Director said he brought this topic back for a special open public meeting to allow all Fund Commissioners, employees and brokers to be engaged before the Executive Committee makes a final decision. He said that PERMA will issue Equal to or Better notices to all members. In total, the Fund should see a \$762k savings per year with a start date of July 1. In response to Chairman Nolan, Executive Director said that the BMED has accepted the program and the Southern HIF has requested more information for their next meeting. Program Manager said that all response very positive so far and there will be focus on the communication to the retirees.

Commissioner Schmidt said the program seems good but her concern is that retirees must be getting the same coverage they have now and inquired if a member has the option to pull out of the program. Executive Director said the program must be accepted on a Fund wide basis to obtain the targeted savings, but can take a look at individual cases.

In response to Commissioner Hubeny, Executive director said that direct bill retirees will be eligible with a slight admin fee. He said this program adds more benefits than just a Medicare a and supplemental plan.

MOTION TO AUTHORIZE THE FUND TO IMPLEMENT MEDICARE ADVANTAGE PROGRAM EFFECTIVE JULY 1.

| | |
|----------------|----------------------|
| MOTION: | Commissioner Bethea |
| SECOND: | Commissioner Schmidt |
| VOTE: | 7 Ayes, 0 Nays |

AETNA’S ESCALATED CASE MANAGEMENT - Over the course of the past year, the Funds state-wide have seen an increase in large claim costs, particularly in the Central and Southern Funds. It is our recommendation that the Funds engage in an expanded form of case management to help prevent claim costs from escalating. Aetna offers a “Flexible Medical

Model” that includes a single case manager and additional outreach programs for members who hit certain triggers. There will be a single point of contact that will help the patient with self management skills and referring in network services to help reduce avoidable costs. The level of service and associated cost is still being negotiated, but we expect the annual fee to not exceed \$30,000 for the CJHIF. Executive Director said that the Southern HIF has approved this program. He said in light of the increasing high claimants, the HIF must perform the highest due diligence to prevent further costs. We are asking the Fund to request the MRHIF to finance this program on behalf of the CJHIF.

MOTION TO APPROVE THE MRHIF TO FINANCE AENTA’S FLEX MEDICAL MODEL ON BEHALF OF THE CENTRAL JERSEY HEALTH INSURANCE FUND.

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

STATE MEETING – Executive Director said that yesterday the MRHIF commissioners and some professionals attended a meeting at the Statehouse with Amy Melick who is working on the Chapter 78 regulation. Commissioner Schmidt said she attended this meeting and was able to answer questions regarding the HIF. She hopes there will be more meetings that point us in the right direction regarding this regulation.

In addition, Executive Director said he received the State Health Benefit’s financial report for 2012 fro the Board of Education subgroup that is currently running at a major deficit.

Executive Director's Report and Attachments made part of the Minutes.

TREASURER: Fund Treasurer presented the March bills list and treasurer report.

Bills lists:

April 2013 – Resolution 15-13

| | |
|-----------------------------|---------------------|
| FUND YEAR 2012 | \$8,070.24 |
| FUND YEAR 2013 | \$401,234.48 |
| TOTAL ALL FUND YEARS | \$409,304.72 |

MOTION TO APPROVE APRIL 2013 BILLS LIST AND ADOPT RESOLUTION 15-13

MOTION: Commissioner Schmidt
SECOND: Commissioner Bethea

VOTE:

7 Ayes, 0 Nays

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

MOTION:

Commissioner Gilseman

SECOND:

Commissioner Bethea

VOTE:

7 Ayes, 0 Nays

ATTORNEY:

No report

QUALCARE: Mr. Epstein reviewed the claim payment report which totaled a little over \$9 million through March and the high dollar report.

AETNA: No report

EXPRESS SCRIPTS:

No report

DELTA DENTAL:

none

NEW BUSINESS:

In response to Commissioner Madden, Executive Director said that the Comparative Effectiveness taxes that will be effective July 1 have been included in the 2013 rates. The reinsurance fee included in Health Care Reform will be included in the next year's premiums while the Fund is not subject to the insurer fee.

OLD BUSINESS:

None.

PUBLIC COMMENT:

None

MOTION TO ADJOURN MEETING:

MOTION:
SECOND:
VOTE:

Commissioner Bethea
Commissioner Gilsenan
Unanimous

MEETING ADJOURNED: 12:25 PM