



Southern Skyland Regional

HEALTH INSURANCE FUND

**ORGANIZATION AGENDA
JANUARY 14, 2020**

**20 GROVE STREET - 2ND FLOOR
ENGINEERING ROOM
SOMERVILLE, NJ 08876
3:45 PM**

OPEN PUBLIC MEETINGS ACT - STATEMENT OF COMPLIANCE

In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I. Advertising the notice in the Courier News;**
- II. Filing advance written notice of this meeting with the Commissioners of the Southern Skyland Regional Health Insurance Fund; and**
- III. Posting notice on the Public Bulletin Board of the Office of the County Clerk**

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
 AGENDA
 OPEN PUBLIC MEETING:
 JANUARY 14, 2020
 20 GROVE STREET - 2ND FLOOR
 ENGINEERING ROOM
 SOMERVILLE, NJ 08876
 3:45 PM

MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ

ROLL CALL OF COMMISSIONERS OF SOMERSET COUNTY INSURANCE COMMISSION

William Hyncik, Chair
 Donald Rica, Vice Chair
 Brian Gallagher, Commissioner

APPROVAL OF MINUTES - November 1, 2019 Open Public Meeting (*Appendix I*)

APPROVAL OF RESOLUTION 22-19 AUTHORIZING CUSTODIAN OF FINANCIALS (page 1)

APPROVAL OF RESOLUTION 23-19 NOVEMBER AND DECEMBER 2019 VOUCHER LIST AND
 TREASURER REPORT (page 2)

SINE DIE

ROLL CALL OF COMMISSIONERS OF SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE
 FUND

Member	Commissioner	Alternate
Somerset County	Sara Sooy	Shanel Robinson
Somerset County VoTech	William Hyncik	Raelene Sipple
Somerset County Parks Commission	Geoffrey Soriano	Donna Umgelter
Somerset County Library	Brian Auger	

ELECTION OF OFFICERS

ROLL CALL OF EXECUTIVE COMMITTEE

REPORTS:

EXECUTIVE DIRECTOR (PERMA)

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PROGRAM MANAGERS REPORT

Monthly Report.....Page 8

RESOLUTIONS

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 Resolution 2-20: Designation of Regular Meeting Times and Place..... Page 15
 Resolution 3-20: Designation of Bank Depositories & CMP..... Page 16

Resolution 4-20: Approval of 2020 Risk Management Plan..... Page 21
Resolution 5-20: Approval of Broker Contracts Page 31
Resolution 6-20: Authorizing Treasurer to Process Contracted Expenses Page 32
Resolution 7-20: Designation of Secretary as Custodian of Records Page 33
Resolution 8-20: Designation of Official Newspaper Page 34
Resolution 9-20: Designation of Authorized Signatories Page 35

TREASURER - (Yvonne Childress)

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Resolution 10-20: January 2020 Bills List.....Page 36
Confirmation of Claims Paid/Certification of Transfers
Ratification of Treasurers Report

ATTORNEY - (Frank Whittlesey, Esq.)

PARTNERSHIP HEALTH CENTER - (Integrity Health)

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NETWORK & THIRD PARTY ADMINISTRATOR - (Aetna)

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PRESCRIPTION ADMINISTRATOR - (Express Scripts)

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OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

SCHEDULE NEXT MEETING -March 10, 2020

MEETING ADJOURNMENT

**SOMERSET COUNTY INSURANCE COMMISSION
DELEGATING SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND AS
CUSTODIAN OF FINANCIALS**

WHEREAS, the Executive Committee of the Somerset County Insurance Commission (the Commission) has chosen to reorganize as a Health Insurance Fund and has been granted approval to do so by the State of New Jersey Division of Insurance to now operate as the Southern Skyland Regional Health Insurance Fund (the Fund) under the provisions of N.J.S.A 40A:10-36 et seq and N.J.A.C 11:15-3.1 et. seq.; and,

WHEREAS, the Somerset County Insurance Commission is now known as and operating as the Southern Skyland Regional Health Insurance Fund; and,

WHEREAS, there are certain managerial and ministerial functions associated with the Somerset County Insurance Commission which require action and authorization until such time as existing claims are satisfied and all matters of the Commission are concluded; and,

WHEREAS, The Southern Skyland Regional Health Insurance Fund is hereby empowered and authorized to act in the place of and in the same manner as the Somerset County Insurance Commission as the superseding entity; and,

BE IT RESOLVED by the Executive Committee of the Southern Skyland Regional Health Insurance Fund that the following actions are authorized to be undertaken in the name of and on behalf of the Somerset County Insurance Commission:

1. The Treasurer is hereby authorized to process the contracted payments and expenses for the run out of the Commission under the stipulations set under the Commission Cash Management Plan;
2. The Executive Committee of the Fund will accept on behalf of the Commission the annual actuarial valuation and independent audits of the Commission.
3. Claim appeals, litigation, contract administration will be processed by the Fund as advised by the fund attorney.

BE IT FURTHER RESOLVED that the Executive Committee of the Southern Skyland Regional Health Insurance Fund shall ratify the contracted payments and Commission expenses so paid by the Treasurer pursuant to the Resolution at its next regularly scheduled monthly meeting on behalf of the Somerset County Insurance Commission.

THIS RESOLUTION IS HEREBY ADOPTED by the Somerset County Insurance Commission at a properly noticed meeting held on January 14, 2020.

ADOPTED: JANUARY 14, 2020

BY: _____
Chairperson

ATTEST: _____
Vice Chair

RESOLUTION NO. 23-19

**SOMERSET COUNTY INSURANCE COMMISSION
APPROVAL OF THE NOVEMBER AND DECEMBER 2019 BILLS LIST**

WHEREAS, the **Somerset County Insurance Commission** held a Public Meeting on **January 14, 2020** for the purposes of conducting the official business of the Commission; and

WHEREAS, The Treasurer for the Commission presented bills lists to satisfy outstanding costs incurred for operating the Commission during the month of November and December 2019 for consideration and approval of the Executive Committee ; and

WHEREAS, a quorum of the Commissioners was present thereby conforming with the Policies and Procedures of the Commission to conduct official business of the Commission,

NOW THEREFORE BE IT RESOLVED the of the Somerset County Insurance Commission hereby approve the Bills List for November and December 2019 prepared by the Treasurer of the Commission and duly authorize and concur said bills to be paid expeditiously, in accordance with the laws and regulations promulgated by the State of New Jersey for Insurance Funds.

ADOPTED: January 14, 2020

BY: _____
CHAIRPERSON

ATTEST:

VICE CHAIR

**SOMERSET COUNTY INSURANCE COMMISSION
BILLS LIST**

Confirmation of Payment

NOVEMBER 2019

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Somerset County Insurance Commission's hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission.

FUND YEAR 2019

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001340			
001340	AETNA HEALTH MANAGEMENT LLC	AE430471 & AE466551 11/19	16,934.29
			16,934.29
001341			
001341	HORIZON BLUE CROSS BLUE SHIELD OF NJ	ACCT# 273954962; 731345395; 271255463	141,817.01
			141,817.01
001342			
001342	CORESOURCE, INC.	MEDICAL ADMIN 11/19	1,385.52
			1,385.52
001343			
001343	AETNA	TPA FEES 11/19	66,899.10
			66,899.10
001344			
001344	PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/19	396.05
001344	PERMA RISK MANAGEMENT SERVICES	ADMIN FEES 11/19	12,873.42
001344	PERMA RISK MANAGEMENT SERVICES	ENROLLMENT 11/19	7,212.00
			20,481.47
001345			
001345	ASSURED PARTNERS OF NEW JERSEY, LLC	CONSULTANT FEES 11/19	7,771.03
			7,771.03
001346			
001346	ALLSTATE INFORMATION MANAGEMNT	ACCT#002 - ARC & STOR - 9.30.19	4.43
			4.43
001347			
001347	CONNER STRONG & BUCKELEW	CONSULTANT FEE 11/19	17,116.58
			17,116.58
001348			
001348	ASCENSION FITNESS AND WELLNESS, LLC	BREATHING FITNESS 11/19 & 12/19	700.00
			700.00
001349			
001349	CYNTHIA TUVERA	POUND CLASS 11/19 & 12/19	360.00
			360.00
001350			
001350	HCC LIFE INSURANCE COMPANY	SPECIFIC REINSURANCE 11/19	114,967.36
			114,967.36
001351			
001351	INTEGRITY HEALTH	REIMBURSEMENT 11/19	232,368.31
			232,368.31
001352			
001352	SOMERVILLE URBAN RENEWAL, LLC	46 EAST MAIN STREET - 11/19	16,228.10
			16,228.10
		Total Payments FY 2019	637,033.20
		TOTAL PAYMENTS ALL FUND YEARS	\$637,033.20

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**SOMERSET COUNTY INSURANCE COMMISSION
BILLS LIST**

Confirmation of Payment

DECEMBER 2019

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Somerset County Insurance Commission's hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission.

FUND YEAR 2019

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001353			16,934.29
001353	AETNA HEALTH MANAGEMENT LLC	AE466551-0001 & AE 430471-0001	16,934.29
001354			76,269.72
001354	HORIZON BLUE CROSS BLUE SHIELD OF NJ	ACCT#731345395 & 273954962 12/19	76,269.72
001355			1,415.64
001355	CORESOURCE, INC.	MEDICAL ADMIN 12/19	1,415.64
001356			67,015.11
001356	AETNA	TPA FEES 12/19	67,015.11
001357			98.75
001357	PERMA RISK MANAGEMENT SERVICES	POSTAGE 11/19	12,930.54
001357	PERMA RISK MANAGEMENT SERVICES	ADMIN FEE 12/19	7,244.00
001357	PERMA RISK MANAGEMENT SERVICES	ENROLLMENT 12/19	20,273.29
001358			7,686.02
001358	ASSURED PARTNERS OF NEW JERSEY, LLC	CONSULTANT FEES 12/19	7,686.02
001359			8.86
001359	ALLSTATE INFORMATION MANAGEMNT	ACCT#002 - ARC & STOR - 10/19 & 11/19	8.86
001360			4,378.62
001360	CONNER STRONG & BUCKELEW	CONSULTANT FEE 12/19	4,378.62
001361			17.20
001361	COURIER NEWS	ACCT:ASB-1489 - NOTICE - 11.5.19	17.20
001362			1,527.82
001362	SOMERSET COUNTY LIBRARY SYSTEM OF NJ	WELLNESS WORKSHOP 10.22.19	1,527.82
001363			115,486.40
001363	HCC LIFE INSURANCE COMPANY	SPECIFIC REINSURANCE 12/19	115,486.40
001364 - 001365		VOID	
001366			274,031.93
001366	INTEGRITY HEALTH	REIMBURSEMENT 12/19	274,031.93
001367			16,228.10
001367	SOMERVILLE URBAN RENEWAL, LLC	46 EAST MAIN STREET - 12/19	16,228.10
Total Payments FY 2019			601,273.00
TOTAL PAYMENTS ALL FUND YEARS			\$601,273.00

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**SOMERSET COUNTY INSURANCE COMMISSION
BILLS LIST**

Resolution No. 23-19

JANUARY 2020

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Somerset County Insurance Commission's hereby authorizes the Commission Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Commission.

FUND YEAR 2019

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001368			
001368	THE ROYAL SCHOOL OF YOGA	SINGING BOWLS EXPERIENCE 1/20	200.00
			200.00
001369			
001369	PRINCETON STRATEGIC COMMUNICATIONS	WEB DEVELOPMENT 1/20	825.00
			825.00
001370			
001370	INTEGRITY HEALTH	FUNDING REIM 12/19	123,373.98
			123,373.98
		Total Payments FY 2019	124,398.98
		TOTAL PAYMENTS ALL FUND YEARS	\$124,398.98

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
EXECUTIVE COMMITTEE MEETING
JANUARY ORGANIZATION MEETING
JANUARY 14, 2020**

FINANCIAL REPORTS – SOMERSET COUNTY INSURANCE COMMISSION

- 1. Financial Fast Track** – as of November 2019 (page 10)
- 2. Ratios Report** – as of November 2019 (page 11)
- 3. 2019 Cumulative Budget** – as of November 2019 (page 12)

The Financial Fast Track shows a small increase to surplus during the month of November, mainly due to Express Scripts rebates that have been recorded.

Until the Commission is closed, there will be two Financial Fast Tracks.

2020 ORGANIZATION RESOLUTIONS (Page 13)

Resolutions are as follows:

Resolution 1-20 awards the professional contracts and compensation, as per the approved budget and RFQ responses. This resolution will be advertised as per the public contracts law.

Resolution 2-20 sets meeting dates and times which will be posted on each entity's public bulletin board. For now, a meeting has been set for every other month. Meetings may be cancelled or added should there be a need. Members will always be notified of any change.

Resolution 3-20 sets for the Cash Management Plan and bank depositories for 2020. The Cash Management Plan is a standard banking and investment policy and procedure that is used in other Commissions and Joint Insurance Funds administered by PERMA. This plan has been reviewed by the Treasurer.

Resolution 4-20 is the 2020 Risk Management Plan which outlines the Commission's stop loss limits, underwriting procedures, claim appeal processes, etc.

Resolution 5-20 adopts the broker fees for each entity. Broker commissions will be paid directly to the firm through the Commission. Each entity's rates reflect its arrangement only. Please note: as of January 3, 2017, there is no contract between the Parks and a risk manager. Payments will be held until this appointment is approved by the Commission.

Resolution 6-20 authorizes the Treasurer to pay contract fees and expenses during the months that the Commission does not meet, contingent upon ratification at the next meeting.

Resolution 7-20 Designates the elected Secretary as the Custodian of Fund Records. All records are retained at the Administrator's office.

Resolution 8-20 Designates the Courier News as the Official Fund Newspaper.

Resolution 9-20 Designates the Authorized Signatories. This resolution is necessary for the bank account to be opened. We recommend the Chair, Treasurer and County CFO to be authorized signers. The Commission bank account will remain open until it is entirely closed and all surpluses have been transferred to the new HIF account.

BYLAW AMENDMENT

In early December, the State notified PERMA the Southern Skyland Fund and the submitted bylaws were approved. Using a template previously approved by the State, the slate of Fund Professionals included an Executive Director and Program Manager, although these positions were under one contract in the Commission and remain the same in the Fund. To maintain the structure established by the Commission, we recommend a bylaw amendment to memorialize the intent of the structure.

The proposed amendment wording and a sample resolution that each member will need to include on their next board meeting for approval is included in Appendix II.

We seek approval from the Commissioners to introduce the amendment today, advertise and hold a hearing within 45 days to approve.

MOTION: *Motion introduce the proposed bylaw amendment, as distributed, and hold a public hearing on February __ 2020.*

WEBSITE

The Southern Skyland Regional Health Insurance Fund regulatory website has been developed - www.southernskylandhif.com. Meeting dates and Fund documents will be included. There is a tab that will have all Somerset County Insurance Commission minutes and financial documents for regulatory purposes.

JANUARY INVOICES

Invoices are in progress and all groups should receive them by mid-January.

CONTRACT AMENDMENTS

The Express Scripts and Coresource contracts have name change amendments to be signed at the meeting. The Aetna contract will be forthcoming.

**Southern Skyland Regional HIF
Program Manager's Report**

1/14/2020

Program Manager: PERMA Risk Management Services LLC

Online Enrollment Training: kkidd@permainc.com

Enrollments: somersetcountyinscom@permainc.com

Fax: 856-685-2258

ELIGIBILITY/ENROLLMENT

Please direct any eligibility, enrollment, or system related questions to our dedicated Southern Skyland Regional HIF team. The team can be reached by email at somersetctyinscom@permainc.com or by fax at 856-552-2175.

MONTHLY BILLING

As a reminder, please be sure to check your monthly invoice for accuracy. *Please confirm the invoice detail as retro adjustments are limited to two months by the Fund's policy.* If you find a discrepancy, please report it to the Southern Skyland Regional HIF eligibility/enrollment team somersetctyinscom@permainc.com or by fax at 856-552-2175.

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND UPDATE

As you are aware, effective January 1, 2020 the Somerset County Insurance Commission became the Southern Skyland Regional Health Insurance Fund.

Noteworthy Comments/Initiatives:

- We are actively working with The County and Integrity Health to develop a marketing strategy to introduce the new Fund to Risk Managers and eligible entities in the footprint. We will outline the plan in future meetings.
- There were no changes to member benefits or ID numbers but as a result of the new Fund name, members received new Aetna ID cards. The attached communication was sent to Commission entities for distribution to their members.
- We are currently working with Express Scripts to determine when new ID cards will be sent to prescription drug plan members.
- We are also working on operation updates including updating the PERMA enrollment team email address. Until the address is updated please continue to use somersetctyinscom@permainc.com for any enrollment related inquiries.

MEDICARE ADVANTAGE UPDATES

Effective January 1st, Medicare eligible Somerset County retirees, spouses and dependents were transitioned into a United HealthCare Medicare Advantage plan. To date, approximately 95% of the eligible retirees have been moved into the new plan. The Medicare Advantage plan covers basic Medicare (Parts A & B) as well as supplemental services. Retirees will receive Prescription Drug coverage through Express Scripts. Included in your agenda packet are member communications that were mailed to impacted retirees in early November.

LEGISLATIVE UPDATES

Cadillac Tax-The Cadillac Tax, a tax on high-cost health care plans, was originally set to take effect in 2018 but was delayed twice until 2022. The Tax is now permanently repealed and will never go into

effect. It was originally passed as an ACA provision to finance health care expansion and control the cost of health care. It's estimated that the repeal of the Cadillac Tax will cost \$200 billion over 10 years.

Health Insurance Tax (HIT)-The HIT tax has gone into effect and been delayed several times. It was originally effective beginning in 2015 but was under a moratorium for 2017 and 2019. Although the HIT is levied on insurers, the tax is passed through to employers and employees in the form of increased health insurance costs. The HIT is now permanently repealed as of January 1, 2021, however, the HIT will remain in effect for the 2020 plan year. It's estimated that the repeal of the HIT will cost almost \$151 billion over ten years.

PCORI-The Patient-Centered Outcomes Research Institute (PCORI) fee was established as a part of the ACA to fund medical research. Insurers and employers with self-insured plans are subject to the fee. The last PCORI fee payment was expected to occur on July 31, 2019 (or July 31, 2020 for non-calendar year plans). The PCORI fee is not extended for another 10 years, which means employers with self-insured plans must continue paying the administratively burdensome PCORI fee.

**SOMERSET COUNTY INSURANCE COMMISSION-HIF
FINANCIAL FAST TRACK REPORT**

		AS OF	November 30, 2019		
		THIS	YTD	PRIOR	FUND
		MONTH	CHANGE	YEAR END	BALANCE
1.	UNDERWRITING INCOME	3,000,504	32,771,810	63,371,177	96,142,987
2.	CLAIM EXPENSES				
	Paid Claims	2,445,940	28,273,015	55,528,184	83,801,199
	IBNR	2,123	11,780	2,300,000	2,311,780
	Less Specific Excess	(516)	(428,468)	(1,775,561)	(2,204,029)
	Less Aggregate Excess	-	-	-	-
	TOTAL CLAIMS	2,447,547	27,856,327	56,052,623	83,908,950
3.	EXPENSES				
	MA & HMO Premiums	16,934	184,802	394,230	579,032
	Excess Premiums	363,564	3,587,907	2,242,419	5,830,326
	Administrative	120,576	1,349,804	2,692,007	4,041,811
	TOTAL EXPENSES	501,074	5,122,512	5,328,657	10,451,169
4.	UNDERWRITING PROFIT (1-2-3)	51,883	(207,029)	1,989,897	1,782,868
5.	INVESTMENT INCOME	3,261	53,924	65,781	119,706
6.	DIVIDEND INCOME	0	0	0	0
7.	STATUTORY PROFIT (4+5+6)	55,144	(153,105)	2,055,679	1,902,574
8.	DIVIDEND	0	0	0	0
9.	STATUTORY SURPLUS (7-8)	55,144	(153,105)	2,055,679	1,902,574
SURPLUS (DEFICITS) BY FUND YEAR					
2017	Surplus	1,467	(18,053)	2,516,213	2,498,160
	Cash	1,467	143,073	2,303,513	2,446,586
2018	Surplus	(1,498)	794,378	(460,534)	333,844
	Cash	(18,650)	(732,884)	1,002,084	269,200
2019	Surplus	55,175	(929,431)		(929,431)
	Cash	(217,592)	(466,227)		(466,227)
TOTAL SURPLUS (DEFICITS)		55,144	(153,105)	2,055,679	1,902,574
TOTAL CASH		(234,775)	(1,056,038)	3,305,596	2,249,558
CLAIM ANALYSIS BY FUND YEAR					
FUND YEAR 2017					
	Paid Claims	-	0	26,651,438	26,651,438
	IBNR	-	(10,000)	10,000	(0)
	Less Specific Excess	-	55,943	(753,531)	(697,587)
	Less Aggregate Excess	-	0	0	0
	TOTAL FY 2017 CLAIMS	0	45,943	25,907,907	25,953,850
FUND YEAR 2018					
	Paid Claims	19,532	1,659,201	28,876,746	30,535,947
	IBNR	(17,153)	(2,127,659)	2,290,000	162,340.81
	Less Specific Excess	0	(308,286)	(1,022,031)	(1,330,317)
	Less Aggregate Excess	0	0	0	0
	TOTAL FY 2018 CLAIMS	2,379	(776,745)	30,144,716	29,367,971
FUND YEAR 2019					
	Paid Claims	2,426,409	26,613,814		26,613,814
	IBNR	19,276	2,149,439		2,149,439
	Less Specific Excess	(516)	(176,125)		(176,125)
	Less Aggregate Excess	0	0		0
	TOTAL FY 2019 CLAIMS	2,445,168	28,587,128		28,587,128
COMBINED TOTAL CLAIMS		2,447,547	27,856,327	56,052,623	83,908,950

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

SOMERSET COUNTY INSURANCE COMMISSION-HIF												
RATIOS												
INDICES	2018	FY2019										
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Cash Position	3,305,596	\$ 980,717	\$ 1,089,290	\$ 1,834,884	\$ 2,641,295	\$ 2,104,599	\$ 1,550,828	\$ 231,014	\$ 1,202,625	\$ 3,164,110	\$ 2,484,334	\$ 2,249,558
IBNR	2,300,000	\$ 3,164,861	\$ 2,741,324	\$ 3,129,406	\$ 3,224,996	\$ 3,236,546	\$ 3,255,595	\$ 2,300,000	\$ 2,304,194	\$ 2,311,245	\$ 2,309,657	\$ 2,311,780
Assets	4,970,581	\$ 5,254,736	\$ 5,548,967	\$ 5,832,203	\$ 5,441,082	\$ 5,210,338	\$ 4,667,841	\$ 4,705,467	\$ 4,246,010	\$ 4,981,626	\$ 4,327,775	\$ 4,389,125
Liabilities	2,361,423	\$ 3,272,350	\$ 2,920,727	\$ 3,313,598	\$ 3,396,829	\$ 3,525,897	\$ 3,419,273	\$ 2,457,615	\$ 2,466,727	\$ 2,477,851	\$ 2,480,346	\$ 2,486,551
Surplus	2,609,158	\$ 1,982,386	\$ 2,628,240	\$ 2,518,605	\$ 2,044,254	\$ 1,684,441	\$ 1,248,568	\$ 2,247,852	\$ 1,779,283	\$ 2,503,775	\$ 1,847,430	\$ 1,902,574
Claims Paid -- Month	3,175,505	\$ 1,727,689	\$ 2,158,473	\$ 2,139,024	\$ 2,720,548	\$ 3,001,638	\$ 2,580,062	\$ 3,389,773	\$ 3,069,364	\$ 1,848,670	\$ 3,191,833	\$ 2,445,940
Claims Budget -- Month	2,355,787	\$ 2,610,978	\$ 2,605,144	\$ 2,598,787	\$ 2,599,570	\$ 2,598,924	\$ 2,611,336	\$ 2,607,232	\$ 2,606,391	\$ 2,615,787	\$ 2,606,589	\$ 2,606,818
Claims Paid -- YTD	30,067,071	\$ 1,727,689	\$ 3,886,162	\$ 6,025,186	\$ 8,745,734	\$ 11,747,373	\$ 14,327,434	\$ 17,717,207	\$ 20,786,571	\$ 22,635,241	\$ 25,827,074	\$ 28,273,015
Claims Budget -- YTD	28,190,971	\$ 2,610,978	\$ 5,216,122	\$ 7,814,909	\$ 10,414,479	\$ 13,013,403	\$ 15,624,739	\$ 18,231,971	\$ 20,838,362	\$ 23,454,148	\$ 26,060,737	\$ 28,667,555
RATIOS												
Cash Position to Claims Paid	1.04	0.57	0.5	0.86	0.97	0.7	0.60	0.07	0.39	1.71	0.78	0.92
Claims Paid to Claims Budget -- Month	1.35	0.66	0.83	0.82	1.05	1.15	0.99	1.30	1.18	0.71	1.22	0.94
Claims Paid to Claims Budget -- YTD	1.07	0.66	0.75	0.77	0.84	0.9	0.92	0.97	1	0.97	0.99	0.99
Cash Position to IBNR	1.44	0.31	0.4	0.59	0.82	0.65	0.48	0.1	0.52	1.37	1.08	0.97
Assets to Liabilities	2.10	1.61	1.9	1.76	1.60	1.48	1.37	1.91	1.72	2.01	1.74	1.77

Somerset County Employee Benefits Fund						
2019 Certified Budget						
	Census:					
	Medical Aetna	1,726	20,764			
	Medical Coresource	47	580			
	Rx ESI	1,726	20,747			
	Rx Coresource	47	580			
	Medicare Advantage - Medical	31	372			
	Rx No Medical (Incl in Rx above)	0	2			
	Medicare Advantage - Only (Incl above)	31	372			
	LINE ITEMS	November	2019 Cumulative Budget	2019 CERTIFIED	\$ Change	% Change
1	Medical Claims (Horizon)	\$ 1,916,589	\$ 22,991,021	\$ 23,050,479	(59,458)	-0.26%
2	Medical Claims (Coresource)	\$ 47,180	\$ 580,767	\$ 578,952	1,815	0.31%
3	Prescription Claims (Express Scripts)	\$ 665,363	\$ 7,976,855	\$ 8,237,552	(260,697)	-3.16%
4	Prescription Rebates (Express Scripts)	\$ (33,333)	\$ (400,000)	\$ (400,000)	0	0.00%
5	Prescription Claims (Coresource)	\$ 11,020	\$ 135,705	\$ 144,665	(8,960)	-6.19%
6	Subtotal	2,606,818	31,284,349	31,611,648	(327,299)	-1.04%
7						
8	Medicare Advantage	\$ 17,267	\$ 207,204	\$ 192,299	14,905	7.75%
9						
10	Horizon Dental	95,465	\$ 1,147,176		1,147,176	0.00%
11						
12	Partnership Health Center - Integrity	\$ 214,628	\$ 2,575,536	\$ 2,575,531	\$ -	0.00%
13	Partnership Health Center - County 2018	\$ (55,056)	\$ (660,672)	\$ (660,672)	\$ -	0.00%
14	Reinsurance					
15	Specific	\$ 115,032.24	\$ 1,384,799	\$ 1,485,332	(100,533)	-6.77%
16	Aggregate*	\$ -	\$ -	\$ -	0	0.00%
17	Subtotal Reinsurance	\$ 115,032.24	\$ 1,384,799	\$ 1,485,332	(100,533)	-6.77%
18						
19	Total Loss Fund	2,994,155	35,938,391	\$ 35,204,137	734,254	2.09%
20						
21	Contingency	\$ (62,500)	\$ (750,000)	\$ (750,000)	0	0.00%
22						
23	Expenses					
24	Legal	\$ 833	\$ 10,000	\$ 10,000	(0)	0.00%
25	Executive Director	12,881	\$ 155,067	\$ 154,738	328	0.21%
26	Enrollment Vendor	7,216	\$ 86,872	\$ 86,688	184	0.21%
27	TPA - Aetna	66,744	\$ 802,944	\$ 800,469	2,475	0.31%
28	TPA - Coresource	1,388	\$ 17,127	\$ 18,072	(945)	-5.23%
29	Actuary	\$ 2,500	\$ 30,000	\$ 30,000	0	0.00%
30	Auditor	\$ 1,338	\$ 16,056	\$ 16,056	0	0.00%
31	Consulting	\$ 24,870	\$ 299,995	\$ 299,634	361	0.12%
32						
33	Subtotal Expenses	117,770	1,418,061	\$ 1,415,658	2,403	0.17%
34						
35	Miscellaneous					
36	Miscellaneous and Contingency	\$ 1,378	\$ 16,533	\$ 16,533	0	0.00%
37	Claims Auditor	\$ -	\$ -	\$ -	0	0.00%
38	GASB 45 Reporting	\$ 625	\$ 7,500	\$ 7,500	0	0.00%
39	A4 Surcharge	\$ 2,745	\$ 31,583	\$ 35,784	(4,201)	-11.74%
40	ACA Taxes	\$ 917	\$ 11,000	\$ 11,000	0	0.00%
41	Subtotal Miscellaneous	5,664	66,616	\$ 70,817	(4,201)	-5.93%
42						
43	Total Expenses	123,434	1,484,677	\$ 1,486,475	(1,798)	-0.12%
44						
45	Total Budget	3,055,089	36,673,068	\$ 35,940,612	732,456	2.04%

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
(Hereinafter referred to as the “FUND”)

**APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS
FOR FUND YEAR 2020**

WHEREAS, the Southern Skyland Regional Health Insurance Fund is duly constituted as a Health Benefits Fund and is subject to certain requirements of the Local Public Contracts Law and the Local Unit Pay-to-Play Law; and;

WHEREAS, the Fund found it necessary and appropriate to obtain certain professional services and other extraordinary and other unspecifiable services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.) for the 2020 Fund year; and,

WHEREAS, the Fund resolved to award Professional Service Agreements in accordance with a fair and open process pursuant to NJSA 19:44A-20.4 et. seq.; and,

WHEREAS, a notice soliciting proposals was published on the Fund’s website; and,

WHEREAS, responses were received from professional service providers and service organizations as listed below were received at the Fund office by August 6, 2019 and;

WHEREAS, the Fund recommended the award of contracts to the below listed Professional Service Providers and service organizations based on a review of their; responses, experience and prior service provided at the rates established by the Executive Committee; and,

WHEREAS, the Fund resolves to appoint the Professionals – noted below –commencing on January 1, 2020 and ending on December 31, 2020 (unless otherwise noted) at its January 2020 Organization Meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

- I. **PERMA Risk Management Services as Executive Director and Program Manager, Emily Koval** is hereby appointed as **agents for process of service**. \$478,368 is the estimated dollars that will be expended in connection with this contract for 2020. The per employee, per month fee for 2020 is \$18.00 for administration and \$4.00 per employee per month for enrollment vendor.
- II. **Aquarius Capital** is hereby appointed as **Actuary**. \$10,000 is the annual amount that will be expended in connection with the Actuary for 2020, with an additional \$10,000 included in the budget for new member reviews.
- III. **Frank Whittlesey of Scholl, Whittlesey & Grutenberg, LLC** is hereby appointed as **Attorney** to the Fund. The per hour fee is \$150 at a limit not to exceed \$10,000 for 2020. The annual amount has been appropriated in the Attorney Line Item of the 2020 budget.

- IV. **Mercadien, P.C.** hereby is appointed to serve as the Fund's **Auditor**. \$16,320 has been appropriated in the Auditor Line Item of the 2020 budget.

- V. **Aetna** hereby is appointed to serve as Fund's Medical Third Party Administrator at an administrative fee of \$39.67, per employee, per month. In addition, Aetna will receive \$0.60 per member, per month for prior authorizations which will be paid through the claims fund.

The annual amount of \$819,341 has been appropriated in the Medical TPA Line Item of the 2020 budget.

- VI. **Coresource** hereby is appointed to serve as Fund's Medical Third Party Administrator **at a fee of \$31.00 per employee, per month**. The annual amount of \$18,228 has been appropriated in the Medical TPA Line Item of the 2020 budget.

- VII. **Aetna Medicare Advantage** is hereby appointed to serve as a Medicare Advantage service provider at an amount of \$595.70 per employee per month. The annual amount of \$228,060 has been appropriated for this Line Item of the 2020 budget.

- VIII. **United Healthcare Medicare Advantage** is hereby appointed to serve as a Medicare Advantage service provider in the amount of \$107.35 per member, per month.

- IX. **Integrity Health** hereby is appointed to serve as the Partnership Health Center administrator at an amount of \$31.00 per employee, per month. All other center expenses are a pass through as incurred. The annual amount of \$3,062,322 has been appropriated for this Line Item of the 2020 budget.

BE IT FURTHER RESOLVED, all Professional Service Providers and Service Organizations appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service Agreements

BE IT FURTHER RESOLVED, that in accordance with NJSA 19:44A-20.7, the decision of the Fund's Executive Committee that the procurement process utilized, constitutes a fair and open process, shall be final.

Adopted: January 14, 2020

BY: _____
Chair

ATTEST:

Secretary

RESOLUTION NO. 2-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
FIXING PUBLIC MEETING DATES
FOR THE YEAR 2020**

WHEREAS, under the Open Public Meetings Act of New Jersey, each public entity is required to publish the date and place for its public meetings;

NOW THEREFORE BE IT RESOLVED, by the Executive Committee of the Southern Skyland Regional Health Insurance Fund that the Fund shall hold public meetings during the year 2020 at __:___ at the following location:

20 Grove Street – 2nd Floor, Somerville, NJ 08876

March 10, 2020
May 12, 2020
July 14, 2020
September 8, 2020
October 13, 2020
January 12, 2021

BE IT FURTHER RESOLVED that the Secretary of the Fund is hereby directed to publish a copy of this Resolution in the Courier News and post on the Fund website

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND

ADOPTED: January 14, 2020

BY: _____
Chair

ATTEST:

Secretary

RESOLUTION NO. 3-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
DESIGNATING AUTHORIZED DEPOSITORIES FOR FUND ASSETS
AND ESTABLISHING CASH MANAGEMENT PLAN**

BE IT FURTHER RESOLVED that the attached Cash and Investment Management Plan, which includes the designation of authorized depositories, be and is hereby adopted.

ADOPTED: January 14, 2020

BY: _____
Chair

ATTEST:

Secretary

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND

2020 CASH MANAGEMENT AND INVESTMENT POLICY

1.) Cash Management and Investment Objectives

The Southern Skyland Regional Health Insurance Fund (hereinafter referred to as the Fund) objectives in this area are:

- a.) Preservation of capital.
- b.) Adequate safekeeping of assets.
- c.) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d.) Diversification of the FUND portfolio to minimize risks associated with individual investments.
- e.) Maximization of total return, consistent with risk levels specified herein.
- f.) Investment of assets in accordance with State and Federal Laws and Regulations.
- g.) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h.) Where legally permissible, cooperation with other local municipal County entities, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i.) Stability in the value of the FUND economic surplus.

2.) Permissible Investments

Investments shall be limited to the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- c.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; or
- d.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e.) Debt obligations of federal agencies or government corporations with maturities not greater than five (5) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that the investment a fixed rate of interest not dependent on any index or external factors.

- f.) Repurchase agreements of fully collateralized securities, subject to rules and conditions established by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than five (5) years from date of purchase.

3.) *Authorized Depositories*

In addition to the above, the FUND is authorized to deposit Funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 18:9-14 et seq. (GUDPA). Specifically authorized depositories are as follows:

Investors Bank

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) *Authority for Investment Management*

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the FUND. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. Transactions may also be processed through the New Jersey Division of Investment by the FUND asset managers.

5.) *Preservation of Capital*

Securities shall be purchased with the ability to hold until maturity.

6.) *Safekeeping*

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) *Selection of Asset Managers, Custodial Banks and Operating Banks*

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the FUND's portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the FUND at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections**

Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the FUND Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management**

All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-15.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

The Treasurer shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.

The method of calculating banking fees and compensating balances shall be documented to the Executive Committee by the Treasurer at least annually.

Cash may be withdrawn from investment pools under the discretion of asset managers only to Fund operations, claims imprest accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

The rate of interest on delinquent assessments shall be 10% per annum from the due date for any such assessment.

RESOLUTION NO. 4-20

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND

HEALTH BENEFITS RISK MANAGEMENT PLAN

Effective: JANUARY 1, 2020

Adopted: JANUARY 14, 2020

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND

2020 HEALTH BENEFITS RISK MANAGEMENT PLAN

NOW, THEREFORE, BE IT RESOLVED that the following shall be the Fund's Risk Management Plan for the 2020 Fund year for health benefits:

1.) **COVERAGE OFFERED**

- Medical

The Fund offers a "point of service" and "open access" plan designs. These plans have both in network and out of network benefit. The Fund can offer other plans as may meet the needs of the members. The Fund also offers "low cost plans" to allow members options to comply with contribution requirements under Chapter 78. The Fund also offers Medicare Advantage programs and/or Medicare Supplement programs for retirees.

- Dental

The Fund plans to offer customized dental plans as required by the members but does not do so at the current time. The Fund allows for members to pass fully insured dental products through the budget.

- Prescription

The Fund offers customized prescription plans as required by the members, including plans that are coordinated with the low cost medical plan options.

- Vision

The Fund plans to offer customized vision plans as required by the members but does not do so at this time.

2.) **LIMITS OF COVERAGE**

Limits of coverage vary by member and plan design.

3.) **RISK RETAINED BY THE FUND**

The Fund takes no risk on Medicare Advantage and Employer Group Waiver Plan fully-insured policies purchased for Medicare retirees.

Pre-Medicare retirees and active employees and their dependents are covered by self-insured plans. Risk retained by the Fund for these plans is summarized as follows:

Medical and Prescription:

- **Specific Coverage:** The Fund self-insures for the first \$300,000 per person, per agreement year and obtains reinsurance through HCC Life Insurance Company.
- **Aggregate Coverage:** The Fund does not purchase aggregate coverage and retains the risk for medical, prescription, dental and vision claims except those claims that may be reimbursed under its specific Coverage listed above.
- Specific Limit Unlimited
- Aggregate Limit Not applicable.
- Basis: Incurred in 12 months paid anytime thereafter

Dental Aggregate Retention: None – Self-insured with all risk retained by Fund

Vision Aggregate Retention: None – Self-insured with all risk retained by Fund

Extra contractual claims are excluded from reinsurance coverage.

4.) ASSUMPTIONS AND METHODOLOGY TO CALCULATE CLAIM RESERVES.

Generally, the Fund complies with statutory accounting standards and establishes reserves on the probable total claim costs as of the end of each Fund year. Each month, the accrual in the general ledger for claim reserves, including IBNR, is adjusted based on earned underwriting income and the number of months since the inception of the Fund year. This accrual is then adjusted at the end of the year in accordance with the actuary's projections.

5.) METHODS OF ASSESSING CONTRIBUTIONS TO MEMBERS

At least one month before the end of the year, the Fund adopts a budget for the upcoming year based on the most recent census. Per employee rates are computed for each line of coverage for each Fund member, and are approved by the Fund as a part of the budget adoption and rate certification process. These rates are used to compute the members' monthly assessment based on the updated census, and are provided to the members approximately 15 days before the beginning of the month. The billing also includes the member's updated census for verification each month by the local entity. Retroactive adjustments for enrollment changes are limited to 60 days. Former participants (COBRA, Conversion, Dependents to Age 31 and some retirees) are billed directly by the Fund's enrollment vendor.

6.) COVERAGE PURCHASED FROM INSURERS

The Fund provides medical and Rx coverage on a self-insured basis, and secures excess insurance to cap the Funds' specific (i.e. per enrolled covered person per policy year) retention.

7.) THE INITIAL AND RENEWAL RATING METHODOLOGIES

Upon application to the Fund, the prospective member's benefit program is reviewed by the actuary to determine its projected claim cost. In this evaluation, the actuary takes into consideration:

- a.) age/sex factor as compared to the average for the existing Fund membership;
- b.) the plan of benefits for the prospective member; and
- c.) loss data if available.

The actuary then recommends a relativity factor to either the Fund's base rates or to the rates being paid by the entity. This recommendation requires Fund approval before the prospective member is admitted to the Fund.

New members within a reasonable geographic area of Somerville, NJ will have access to the Partnership Health Center and be charged on a 3 year phase in scale as utilization grows. Members outside of this geographic region will have access to the Health Center's satellite service center at a management fee only.

Rates for all members are adjusted at the beginning of each Fund year to reflect the new budget. However, entities operating on a fiscal year basis (July 1 to June 30) have the option to receive rates that are certified for a period corresponding to their fiscal year. Rates reflect the overall cash flow needs of the Fund, and actuarial factors needed to assure that individual entity rates reflect the risk profile of the member. The Fund may implement individual entity loss ratio adjustments based upon recommendations from the Fund actuary. The Fund may also adopt mid Fund year rate changes to reflect changes in plan design, participation in lines of coverage, or a budget amendment. Additionally, if a member terminates a line of coverage but continues membership for other lines of coverage, the rates for the other lines of coverage may be adjusted and the member shall not be eligible for membership in the dropped line of coverage for up to three years.

The County of Somerset has created a Patient Centered Health Center for its employees. The financial impact of this service model will be evaluated by the Fund actuary and prospective rates and assessments may be modified to reflect savings. To the extent that there are measurable savings or other impacts that can be attributed to Health Center's impact on the population, such savings/impact shall be attributed the member's claims.

Loss experience data used by the Fund to determine loss ratio adjustments will be made available twice per year to members at no additional cost. "Loss experience data" is defined as monthly claims and assessments for a three year period including de-identified specific claims at 50% of the Fund's self insured retention. Requests for additional claims data from Fund members will be considered based upon the availability of data, the feasibility of extracting the data, and conditioned upon the member reimbursing the Fund or its vendors for data extraction and formatting costs.

8.) FACTORS IF RATES FOR MEMBERS JOINING THE FUND DURING A FUND YEAR ARE TO BE ADJUSTED.

Unless otherwise authorized as part of the offer of membership, where a member joins during a Fund year, the member's initial rates are only valid through the end of that Fund year or, for schools, fiscal year, at which time the rates are adjusted for all members to reflect the new budget.

10.) PROVISION FOR PLAN DESIGN OPTIONS

The Fund offers employees the option of selecting various plans depending upon member bargaining agreements. Generally, it is the policy of the Fund to encourage selection of lower cost plan designs as opposed to traditional indemnity plans, and the Fund provides promotional material to assist members in employee communication programs concerning optional plan designs.

11.) OPEN ENROLLMENT PROCEDURES

Open enrollment periods shall be scheduled by the Fund at least yearly for each member and as is otherwise required to comply with plan document requirements and to effectuate plan design, network changes, and plan migrations.

12.) COBRA AND CONVERSION OPTIONS

The Fund provides COBRA coverage at a rate equal to the member's current rate and benefit plan design, plus the appropriate administrative charge. The Fund has arranged for a COBRA administrator to enroll eligible participants and to collect the premium. The Fund's coverage for individuals covered under COBRA shall terminate effective the date the member withdraws from the Fund, or otherwise ceases to be a member of the Fund.

13.) DISCLOSURE OF BENEFIT LIMITS

The Fund discloses benefit limits in plan booklets provided to all covered employees.

14.) PARTICIPATION RULES WHEN ALL OR PART OF THE PREMIUM IS DERIVED FROM EMPLOYEE CONTRIBUTIONS

All assessments, including additional assessments and dividends, are the responsibility of the member, not the employee or former employee. Employee contributions, if any, are solely an internal policy of the member which shall not impact on the member's obligations to the Fund or confer any additional rights to the employees. Where the Fund directly bills an employee, (i.e. COBRA, etc.), this shall be considered as a service to reduce the member's administrative burden, and the member shall be responsible in the event of non-payment.

15.) RETIREES

The Fund duplicates coverage for eligible retirees not eligible or enrolled in a Medicare Advantage Plan. The Fund's coverage of a retiree shall terminate effective the date the member local unit withdraws from the Fund for a specific line of coverage, or otherwise ceases to be a member of the Fund.

16.) NEWBORN CHILDREN

You may remove family members from the policy at any time, but you may only add members within sixty (60) days of the change in family status (marriage, birth of a child, etc.). It is your responsibility to notify your employer of needed changes. If family members cease to be eligible, claims will not be paid. The actual change in coverage (and the corresponding change in premium) will not take place until you have formally requested that change. Newborn children, but not grandchildren of an eligible employee, shall be automatically covered from birth for thirty-one (31) days, even if not enrolled within the required sixty (60) days. In the event of an eligible dependent giving birth to a child, (a grandchild) benefits for any hospital length of stay in connection with childbirth for the mother or newborn grandchild will apply for up to 48 hours following a vaginal delivery, or 96 hours following a cesarean section. However, the mother's or newborn grandchild's attending provider, after consulting with the mother, may discharge the mother or her newborn grandchild earlier than 48 hours (or 96 hours as applicable).

17.) PLAN DOCUMENT

The Fund contracts for the preparation of a detailed plan document for each member local unit (or each employee bargaining group within a member local unit as the case may be), and an employee handbook provides a summary of the coverage provided by the plan. Each booklet (or certificate) shall contain at least the following information and be provided to all covered employees.

A.) General Information

- Enrollment procedures and eligibility.
- Dependent eligibility.
- When coverage begins.
- When can coverage be changed.
- When does coverage end.
- COBRA provisions.
- Conversion privilege.

B.) Benefits

- Definitions.
- Description of benefits.

Eligible services and supplies.
Deductibles and co-payments.

Examples as needed.
Exclusions.
Retiree coverage, before age 65 or after (if any).

C.) Claims Procedures

- Submission of claim.
- Proof of loss.
- Appeal procedures.

D.) Cost Containment Programs

- Pre-admission.
- Second surgical opinion.
- Other cost containment programs.
- Application and level of employee penalties.

18.) PROCEDURES FOR THE CLOSURE OF FUND YEARS

Approximately six months after the end of a Fund year, the Fund evaluates the results to determine if dividends or additional assessments are warranted. Most claims are paid within twelve months of year end, and at that time the Fund begins to consider closing the year, unless excess insurance recoveries are pending or litigation is likely. A member entity will be eligible to participate in the dividend provided that its pro rata share of the Fund's surplus account is greater than two (2) months of said member entity's projected claims expense (the "retention amount") and shall be paid from amounts in excess of the established retention amount.

When the Fund determines that a Fund year should be closed:

- A reserve is established by the actuary to cover any unpaid claims or IBNR
- The Fund decides on the final dividend or supplemental assessment.
- A closure resolution is adopted transferring all remaining assets and liabilities of that Fund year to the "Closed Fund Year/Contingency Account".
- Each member's pro rata share of the residual assets are computed and added to its existing balance in the Closed Fund Year/Contingency Account. Any member who has withdrawn from the Fund shall receive its remaining share of the Closed Fund Year/Contingency Account six years after the date of its withdrawal.

19.) "RUN-IN" or "RUN-OUT" LIABILITY

The Fund covers the “run-out” liability of all members - i.e., liability for claims incurred but not reported by a former Fund member during the period it was a member. Upon approval by the Commissioners, the Fund may also cover the run-in liability of a prospective member (i.e., the liability for claims incurred but not reported by a prospective member in connection with the provision of health benefits during the period prior to joining the Fund). When the Fund covers run-in liability, the prospective member shall be assessed the expected ultimate cost of run-in claims, as certified by the Fund’s actuary and approved by the Commissioners.

20.) CLAIM AUDIT

The Fund retains a claim auditor experienced in auditing self-insured health plans. The audit will be conducted every three years.

21.) CLAIM APPEAL PROCESS

- The Third Party Administrator (TPA) shall initially review all appeals and shall prepare a memo summarizing the relevant facts and issues involved in the appeal.
- The TPA shall provide the Executive Director (or his or her designee) and the Fund Attorney with a copy of the memo, which has been prepared concerning the appeal.
- The TPA, Executive Director (or his or her designee) and Fund Attorney shall confer concerning the merits of an appeal and they shall render a decision concerning the appeal provided that the appeal is
 - (a) In an amount not greater than \$5,000.00 and/or
 - (b) Has been reviewed and recommended for approval by an independent, third party medical review consultant..
- If the decision of the TPA, Executive Director (or his or her designee) and Fund Attorney is to pay the claim, then the TPA is hereby authorized to issue the necessary check in payment of the claim.
- The Fund shall formally confirm the decision of the TPA, Executive Director (or his or her designee) and Fund Attorney to pay the claim and ratify the payment issued pursuant to that decision at the next meeting of the Fund.
- If the decision of the TPA, Executive Director (or his or her designee) and Fund Attorney is to deny the claim, the appeal shall be subject to the “adverse benefit determination” appeal process that is required pursuant to applicable law. The plan participant (hereinafter sometimes referred to as “claimant”) shall at that time be advised that the adverse benefit determination may be appealed to the Fund's Independent Review Organization (“IRO”). The claimant's identity shall be revealed only upon the written request of the claimant. A

copy of such written request with respect to disclosure of the claimant's name shall be sent to the Executive Director (or his or her designee).

a. An appeal of an adverse benefit determination must be filed by the claimant within four (4) months from the date of receipt of the notice of the adverse benefit determination. The claimant shall submit a written request to the Executive Director (or his or her designee) to appeal an adverse benefit determination and/or final internal adverse benefit determination made by the TPA and the written request shall be accompanied by a copy of the determination letter issued by the TPA.

1. The Executive Director (or his or her designee) will conduct a preliminary review within five (5) business days of the receipt of the request for an external review. There is no right to an external review by the IRO if (i) the claimant is or was not eligible for coverage at the time in question or (ii) the adverse benefit determination or final internal adverse benefit determination is based upon the failure of the claimant or covered person to meet requirements for eligibility under the Plan or (iii) the claimant is not eligible due to the benefit/coverage being an excluded benefit or not included as a covered benefit. The Executive Director (or his or her designee) shall notify the claimant if (a) the request is not eligible for external review; (b) that additional information is needed to make the request complete and what is needed to complete the request; or (c) the request is complete and is being forwarded to the IRO.

2. The Executive Director (or his or her designee) shall then forward an eligible, complete request for external review to the IRO designated by the Fund who shall be required to conduct its review in an impartial, independent and unbiased manner and in accordance with applicable law.

3. The assigned IRO will provide timely written notice to the claimant of the receipt and acceptance for external review of the claimant's request and shall include a statement that the claimant may submit, in writing and within ten (10) business days of the receipt of the notice, additional information which shall be considered by the IRO when conducting the external review. Upon receipt of any information submitted by the claimant, the IRO, within one (1) business day, shall forward the information to the Executive Director (or his or her designee) who may reconsider the adverse benefit determination or final internal adverse benefit determination and, as a result of such reconsideration, modify the adverse benefit determination or final internal adverse benefit determination. The Executive Director (or his or her designee) shall provide prompt written notice of any such modification to the claimant and the IRO.

4. The Executive Director (or his or her designee), within five (5) business days of the assignment of the IRO, shall deliver to the IRO any documents and information considered in making the adverse benefit determination or the final internal adverse benefit determination. The IRO may terminate the external review and decide to reverse the adverse benefit determination or final internal adverse benefit determination if the Executive Director (or his or her designee) does not provide such

information in a timely manner. In such event, the IRO shall notify the claimant and the Executive Director (or his or her designee) of the decision within one (1) business day.

5. The IRO shall complete the external review and provide written notice of its final external review decision within forty-five (45) days of the receipt of the request for the external review. In the case of a request for expedited external review of an adverse benefit determination or final internal adverse benefit determination where delay would seriously jeopardize the life or health of the claimant or the ability to regain maximum function, the IRO shall provide notice of the final external review decision as expeditiously as possible but in no event more than 72 hours after the receipt of the request for an expedited external review. If the notice is not in writing, the IRO must provide written confirmation of the decision to the claimant and the Executive Director (or his or her designee) within 48 hours after providing that notice in the case of an expedited external review. The IRO shall deliver notice of its final external review decision to both the claimant and the Executive Director (or his or her designee) for all external reviews conducted. The notice of decision shall contain:

(i) a general description of reason for the external review with sufficient information to identify the claim, claim amount, diagnosis and treatment codes and reason for previous denial;

(ii) the date the IRO was assigned and date of the IRO's decision;

(iii) reference to the documentation/information considered;

(iv) a discussion of the rationale for the IRO's decision and any evidence-based standards relied upon in making the decision;

(v) a statement that the decision is binding on the claimant and the Fund subject to the claimant's right to seek judicial review of the same; and

(vi) that the claimant may contract the New Jersey health insurance consumer assistance office at NJ Department of Banking and Insurance, 20 West State Street, PO Box 329, Trenton, NJ 08625, phone (800) 446-7467 or (888) 393-1062 (appeals) website: <http://www.state.nj.us/dobi/consumer.htm> e-mail: ombudsman@dobi.state.nj.us/

ADOPTED:

BY: _____
CHAIR

ATTEST: _____
Secretary

RESOLUTION NO. 5-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
ESTABLISHING PLAN FOR COMPENSATING PRODUCERS LICENSED PURSUANT TO
N.J.S.A. 18:22A-1 ET SEQ AND REPRESENTING MEMBER ENTITIES**

WHEREAS, The Southern Skyland Regional Health Insurance Fund permits member entities that designate a producer or risk manager to represent them in dealings through the Fund; and

WHEREAS, Pursuant to N.J.A.C. 11:15-3.6 (e) 15, producer arrangements must be formally determined by the Fund and filed with the Department of Banking and Insurance; and

NOW THEREFORE BE IT RESOLVED, that the Southern Skyland Regional Health Insurance Fund establishes the following producer plan for 2020;

1. The Fund will include producer compensation in each entity's assessments using the compensation levels as disclosed to and approved by the member entity.
2. Each producer shall contract with the Fund.
3. The following sub-producers with the designated compensation levels are approved for 2020:

Group Name	Broker Firm	PEPM Rate	Annual Fee
Somerset County Library	Assured Partners	\$36.94	\$66,492
Somerset County Parks	Assured Partners	\$11.13	\$27,647
Somerset County Vo Tech	Conner Strong & Buckelew	\$28.57	\$35,655

4. This schedule may be amended upon written notification of each listed member entity.

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND

ADOPTED: January 14, 2020

BY: _____
Chair

ATTEST:

Secretary

RESOLUTION NO. 6-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
AUTHORIZING FUND TREASURER TO PROCESS
CONTRACTED PAYMENTS AND EXPENSES**

WHEREAS, the Executive Committee has deemed it necessary and appropriate to provide authorization to the Treasurer to pay certain Fund contracted payments and expenses during the month(s) when the Fund does not meet; and

WHEREAS, payment by the Treasurer of contracted payments and expenses for the month(s) in which the Fund does not meet shall be ratified by the Fund at its next regularly scheduled meeting; now, therefore,

BE IT RESOLVED by the Executive Committee of the Southern Skyland Regional Health Insurance Fund that the Treasurer is hereby authorized to process the contracted payments and Fund expenses for all months in which the Fund does not meet during the year 2020.

BE IT FURTHER RESOLVED that the Executive Committee of the Southern Skyland Regional Health Insurance Fund shall ratify the contracted payments and Fund expenses so paid by the Treasurer pursuant to the Resolution at its next regularly scheduled monthly meeting.

ADOPTED by Southern Skyland Regional Health Insurance Fund at a properly noticed meeting held on January 14, 2020 .

ADOPTED:

BY: _____
Chair

ATTEST:

Secretary

RESOLUTION NO. 7-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
DESIGNATING CUSTODIAN OF FUND RECORDS**

BE IT RESOLVED that _____ the Secretary of the Southern Skyland Regional Health Insurance Fund is hereby designated as the custodian of the Fund records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07054.

ADOPTED: January 14, 2020

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY

RESOLUTION NO. 8-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
DESIGNATING
THE COURIER NEWS
THE OFFICIAL NEWSPAPER FOR THE FUND YEAR 2020**

BE IT RESOLVED by the Executive Committee of the Southern Skyland Regional Health Insurance Fund that the Courier News is hereby designated as the official newspaper for the Southern Skyland Regional Health Insurance Fund for the year 2020 and that all official notices required to be published shall be published in this paper and on the Fund website (www.southernkylandhif.com)

BE IT FURTHER RESOLVED that in the case of special meetings or emergency meetings, the Secretary of the Southern Skyland Regional Health Insurance fund shall give notice of said meetings to the **Courier News** and Fund website (www.southernkylandhif.com)

ADOPTED: January 14, 2020

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY

RESOLUTION NO. 9-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
RESOLUTION DESIGNATING
AUTHORIZED SIGNATURES FOR FUND BANK ACCOUNTS**

BE IT RESOLVED by the Southern Skyland Regional Health Insurance Fund that all funds of the Southern Skyland Regional Health Insurance Fund shall be withdrawn from the official named depositories by check, which shall bear the signatures of at least two (2) of the following persons who are duly authorized pursuant to this Resolution.

_____ -
_____ -
_____ - Treasurer

ADOPTED: January 14, 2020

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY

RESOLUTION NO. 10-20

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
APPROVAL OF THE JANUARY 2020 BILLS LIST**

WHEREAS, the **Southern Skyland Regional Health Insurance Fund** held a Public Meeting on **January 14, 2020** for the purposes of conducting the official business of the Fund; and

WHEREAS, The Treasurer for the Fund presented bills lists to satisfy outstanding costs incurred for operating the Fund during the month of January 2020 for consideration and approval of the Executive Committee and

WHEREAS, a quorum of the Commissioners was present thereby conforming with the Policies and Procedures of the Fund to conduct official business of the Fund,

NOW THEREFORE BE IT RESOLVED the of the Southern Skyland Regional Health Insurance Fund hereby approve the Bills List for January 2020 prepared by the Treasurer of the Fund and duly authorize and concur said bills to be paid expeditiously, in accordance with the laws and regulations promulgated by the State of New Jersey for Insurance Funds.

ADOPTED: January 14, 2020

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY

**SOUTHERN SKYLAND REGIONAL
HEALTH INSURANCE FUND
BILLS LIST**

Resolution No. 10-20

JANUARY 2020

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Southern Skyland Regional Health Insurance Fund hereby authorizes the Fund Treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2020

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001371			
001371	AETNA HEALTH MANAGEMENT LLC	AE466551-0001 & AE 430471-0001	35,415.54
			35,415.54
001372			
001372	CORESOURCE, INC.	MEDICAL 1/20	1,150.00
			1,150.00
001373			
001373	AQUARIUS CAPITAL	ACTUARY FEE 1/20	833.33
			833.33
001374			
001374	COURIER NEWS	ACCT:ASB-187377 - NOTICE - 1.2.20	47.04
			47.04
001375			
001375	INTEGRITY HEALTH	FUNDING REIMBURSEMENT 1/20	78,137.88
			78,137.88
001376			
001376	SOMERVILLE URBAN RENEWAL, LLC	46 EAST MAIN STREET RENT 1/20	16,228.10
			16,228.10
		Total Payments FY 2020	131,811.89
		TOTAL PAYMENTS ALL FUND YEARS	\$131,811.89

Chairperson

Attest

Date:

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer



Somerset County

Nov 2019

Partnership Health Center Utilization Report

PHC Visits

Subscriber/Dependent Category	01_Subscriber		02_Dependent		Total	
	Month	L12M	Month	L12M	Month	L12M
County of Somerset	609	6,146	429	3,705	1,038	9,851
Somerset County Library	73	658	28	293	101	951
Somerset County Park Commission	88	823	32	381	120	1,204
Somerset County Vocational & Technical S...	23	255	9	111	32	366
Total	793	7,882	498	4,490	1,291	12,372

PHC Patients

Subscriber/Dependent Category	01_Subscriber		02_Dependent		Total	
	Month	L12M	Month	L12M	Month	L12M
County of Somerset	290	682	209	496	499	1,178
Somerset County Library	34	72	16	39	50	111
Somerset County Park Commission	42	98	18	66	60	164
Somerset County Vocational & Technical School	12	47	5	27	17	74
Total	378	899	248	628	626	1,527

Specialized Service

Subscriber/Dependent Service	01_Subscriber		02_Dependent		Total	
	Month	L12M	Month	L12M	Month	L12M
Rx	323	3,602	222	2,186	545	5,788
PhyNrs	195	2,476	148	1,433	343	3,909
PT	81	742	43	319	124	1,061
Lab	38	436	13	181	51	617
CC	52	280	21	193	73	473
BH	22	153	18	128	40	281
FluShot	82	199	33	52	115	251
XRy		12		3		15
CS		8		6		14
Pain		1		1		2
Total	793	7,909	498	4,502	1,291	12,411

Rx Drugs Dispensed

Subscriber/Dependent Category	01_Subscriber		02_Dependent		Total	
	Month	L12M	Month	L12M	Month	L12M
County of Somerset	396	4,568	282	2,906	678	7,474
Somerset County Library	56	488	10	191	66	679
Somerset County Park Commission	60	647	20	236	80	883
Somerset County Vocational & Technical School	15	140	6	60	21	200
Total	527	5,843	318	3,393	845	9,236

Care Coordination Patients

Subscriber/Dependent Category	01_Subscriber		02_Dependent		Total	
	Month	L12M	Month	L12M	Month	L12M
						7
County of Somerset	41	185	23	135	64	320
Somerset County Library	4	11	2	8	6	19
Somerset County Park Commission	7	30	5	19	12	49
Total	55	236	30	172	85	415



Somerset County Insurance Commission

Monthly Claim Activity Report

January 14, 2020



Somerset County Insurance Commission

	<u>Medical CLAIMS PAID 2019</u>	<u># OF EES</u>	<u>PER EE</u>
JANUARY	\$589,935	1,734	\$340
FEBRUARY	\$1,321,343	1,734	\$762
MARCH	\$1,314,432	1,729	\$760
APRIL	\$1,885,477	1,729	\$1,091
MAY	\$2,079,319	1,727	\$1,204
JUNE	\$1,872,521	1,738	\$1,077
JULY	\$2,434,427	1,726	\$1,410
AUGUST	\$2,184,932	1,730	\$1,263
SEPTEMBER	\$1,871,236	1,733	\$1,080
OCTOBER	\$2,110,813	1,729	\$1,221
NOVEMBER	\$1,983,714	1,728	\$1,148
DECEMBER			
TOTAL	\$19,648,149		
	2019 Average		\$1,032



Somerset County Insurance Commission

1/1/2019 through 11/30/2019

Medical Claims Paid Per Member: January 19 – August 19

Total Medical Paid per EE: \$1032

Network Discounts

Inpatient:	62.7%
Ambulatory:	62.6%
Physician/Other:	64.9%
TOTAL:	63.7%

Provider Network

% Admissions In-Network:	97.4%
% Physician Office:	96.0%

Aetna Book of Business:
Admissions 96.9%; Physician 90.7%

Top Facilities Utilized (by total Medical Spend)

- RWJUH Somerset
- Hunterdon Medical
- Morristown Medical
- RWJUH New Brunswick

Catastrophic Claim Impact

Number of Claims Over \$50,000: **61**
 Claimants per 1000 members: **15.8**
 Avg. Paid per Claimant: **\$115,311**
 Percent of Total Paid: **35.8%**

- Aetna BOB- HCC account for an average of 44.1% of total Medical Cost

Aetna In Touch Care Nurse Case Member Outreach: January – August 2019

Participating in 1:1 Support (includes outreach in process) : **150**
 Participating in Digital Support: **941**
 Total Participation: **1091**

Avg Age of High Risk: **52.9**
 Avg Age of Moderate Risk: **55.5**
 Avg Age of Low Risk: **55.5**

Somerset County Insurance Commission Plan Performance: Q2 2019 Metrics

Customer Service

Abandonment Rate:	1.68%
Avg. Speed of Answer:	41.5 sec

Claims Performance

Financial Accuracy:	98.63%
Total Claim Accuracy:	98.96%
Turnaround w/in 15 days:	4.2 days

Performance Goals

Abandonment Rate less than:	3.5%
Average Speed of Answer:	31sec

Financial Accuracy:	98%
Total Claim Accuracy:	94%

Turnaround Time

90% processed w/in:	15 days
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Proprietary



EXPRESS SCRIPTS®

Somerset County Insurance Commission

Total Component/Date of Service (Month)	201901	201902	201903	2019Q1	201904	201905	201906	2019Q2	201907	201908	201909	2019Q3	201910	201911	201912	2019Q4	2019YTD
Average Member Age - 40.3																	
Membership	3,841	3,843	3,852	3,845	3,846	3,843	3,854	3,848	3,832	3,839	3,847	3,839	3,838	3,843			
Total Days	170,027	146,831	169,207	486,065	178,842	164,409	178,725	521,976	175,216	170,412	175,316	520,944	178,938	171,501			
Total Patients	1,555	1,463	1,593	2,391	1,542	1,547	1,540	2,340	1,559	1,537	1,532	2,358	1,603	1,555			
Total Plan Cost	\$667,337	\$622,214	\$648,323	\$1,937,874	\$700,826	\$646,323	\$735,128	\$2,082,276	\$689,420	\$722,111	\$684,577	\$2,096,107	\$679,908	\$729,221			
Generic Fill Rate (GFR) - Total	82.1%	82.0%	82.4%	82.2%	82.0%	81.9%	80.8%	81.6%	81.8%	80.4%	79.8%	80.7%	80.3%	81.0%			
Plan Cost PPM	\$173.74	\$161.91	\$168.31	\$167.98	\$182.22	\$168.18	\$190.74	\$180.39	\$179.91	\$188.10	\$177.95	\$181.99	\$177.15	\$189.75			
Total Specialty Plan Cost	\$286,008	\$252,557	\$220,249	\$758,814	\$259,413	\$225,991	\$281,655	\$767,059	\$244,118	\$287,019	\$270,619	\$801,756	\$226,444	\$322,156			
Specialty % of Total Specialty Plan Cost	42.9%	40.6%	34.0%	39.2%	37.0%	35.0%	38.3%	36.8%	35.4%	39.7%	39.5%	38.2%	33.3%	44.2%			

APPENDIX I

**SOMERSET COUNTY INSURANCE COMMISSION
OPEN PUBLIC MEETING
CONFERENCE CALL
NOVEMBER 1, 2019
3:00 PM**

**OPEN PUBLIC MEETINGS ACT STATEMENT OF COMPLIANCE READ BY
MS.KAMPRATH**

ROLL CALL OF COMMISSIONERS:

William Hyncik, Chairman	Present **
Donald Rica, Vice Chairman	Present **
Brian Gallagher	Absent

** Present VIA Conference Call

COMMISSION PROFESSIONALS PRESENT:

Executive Director Services	PERMA Risk Management Emily Koval
Benefits Manager	Brandon Lodics
Commission Attorney	Frank Whittlesey
Commission Treasurer	Yvonne Childress
Express Scripts	Ken Rostkowski
Aetna	Jessica Ortiz

ALSO PRESENT:

Karen Kamprath, PERMA
Carrie Spect, Assured Partners
Donna Umgelter, SC Parks
Donna Mozet, Somerset County
Paul Malarcher, Somerset County
Arge Mardakis, Somerset County
Angela Goldberg, Integrity Health
Greg D’Orazio, Assured Partners

MOTION TO APPROVE OPEN PUBLIC MEETING MINUTES FROM OCTOBER 8, 2019

Moved:	Commissioner Rica
Second:	Commissioner Hyncik
Vote:	All in Favor

EXECUTIVE DIRECTOR'S REPORT
FINANCIAL FAST TRACK

Executive Director said the approximate amount of rebates from Express Scripts through Q2 is about \$800,000. She said that was included in the financials for this month and they are looking much better. She said at this time the total surplus is about \$2.5 million.

2020 SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND BUDGET AMENDMENT

Executive Director said the Executive Committee adopted a budget in the amount of \$39,199,216 (+6.39%) at the previous meeting. She said since then the RFP results were received, the Fund is also rolling out a fully insured Medicare Advantage plan for the County employees, and a new Actuary will be saving about \$15,000 which brings the amended total of the 2020 budget to \$38,594,394 (+4.74%)

REINSURANCE RFP RESULTS

Mr. Lodics said he is recommending that the Commission renew with HCC which will provide an increase of +10.4%. He said HCC came in most competitive financially and they also removed a \$1.3 million lazer. They also added 2 new contract features to include no new lazars and a 2021 rate cap of 50%. He said Due to benefits of program participation, such as contract strength and negotiations, we believe the MRHIF should be revisited in future RFPs, however, this year it is not an option financially.

Below is a high level side by side comparison of the current SL plan and our recommendation:

	Current	Recommendation
	2019 HCC	2020 HCC Proposal
	SCIC	Skylands HIF
Deductible	\$275,000	\$300,000
Lasers	2	1
Laser 1	\$400,000	\$400,000
Laser 2	\$1,300,000	REMOVED
Additional Claims Risk on Laser(s) (Laser - Specific Deductible)	\$1,150,000	\$100,000

No New Lasers 2021 Rate Cap	New Contract Features	
	Not Included	Included
	N/A	50%
Premium	\$ 1,386,615	\$ 1,531,090 10.4%

- Noteworthy Comments on: 2020 HCC Recommendation:
 - +\$25K Deductible Increase is recommended each year
 - \$300K Deductible is reasonable based on size of group and risk. Premium savings offsets added risk based on 2019 claimants (Through 9/30)
 - Elimination of \$1.3M Laser from 2019= significant claims risk reduction
 - New Contract Features:
 - No New Lasers- In future years HCC cannot laser any individuals other than accepted Laser 1) \$400K
 - 50% Rate Cap- 2021 Renewal cannot exceed +50%

COUNTY MEDICARE ADVANTAGE ENROLLMENT

The County has resolved to begin the transition of its retirees from the self-insured Aetna and Coresource plans to a fully insured Medicare Advantage plan through United Healthcare. The Commission Actuary reviewed and approved a medical claims fund reduction of about \$544,000.

This savings is applied to the County assessment ONLY.

ACTUARY

As a result of the decision from last month, the Actuary line was decreased to \$20,000 from \$35,000.

ASSESSMENTS

The changes in the budget resulted in the below assessment changes:

	Updated 2020 Budget Renewals By Entity			
	County	VoTech (6 Months)	Library	Parks
Adopted 10/8	7.90%	4.10%	8.24%	8.23%
Updated for Adoption 11/1	4.45%	3.30%	6.82%	6.58%
Change	-3.45%	-0.80%	-1.42%	-1.65%

RESOLUTIONS

Executive Director said there are 3 resolutions to be moved today.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2020 BUDGET

Moved: Commissioner Rica
Second: Commissioner Hyncik
Vote: All in Favor

MOTION TO CLOSE THE PUBLIC HEARING ON THE 2020 BUDGET

Moved: Commissioner Rica
Second: Commissioner Hyncik
Vote: All in Favor

MOTION TO APPROVE RESOLUTION 19-19 ADOPTING THE AMENDED 2020 BUDGET IN THE AMOUNT OF \$ 38,594,394

Moved: Commissioner Rica
Second: Commissioner Hyncik
Vote: All in Favor

MOTION TO APPROVE RESOLUTION 20-19 APPROVING A CONTRACT BETWEEN SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND AND UNITED HEALTHCARE MEDICARE ADVANTAGE

Moved: Commissioner Rica
Second: Commissioner Hyncik
Vote: All in Favor

MOTION TO APPROVE RESOLUTION 21-19 BINDING REINSURANCE COVERAGE BETWEEN SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND AND HCC INSURANCE CO.

Moved: Commissioner Rica
Second: Commissioner Hyncik
Vote: All in Favor

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO ADJOURN:

MOVED:
SECOND:
VOTE:

Commissioner Rica
Commissioner Gallagher
All in Favor

MEETING ADJOURNED: 3:15 PM

Minutes prepared by:
Karen Kamprath, Assistant Account Manager

APPENDIX II

SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
9 Campus Drive, Suite 216
Parsippany, NJ 07054
Tel: (201) 881-7632

January 14, 2020

Memo to: Southern Skyland Regional Health Insurance Fund Commissioners
From: PERMA
Re: Bylaw Amendment

The Southern Skyland Regional Health Insurance Fund held a Public Hearing on _____ on a proposed bylaw amendment. Following the public hearing, the Executive Committee approved the proposed wording.

PROPOSED AMENDMENT

ARTICLE I - DEFINITIONS to be amended as follows:

“PROGRAM MANAGER” means an individual, partnership, association or corporation, that has contracted with the Fund to provide, on the Fund’s behalf, those functions designated by the Fund Commissioners to include the day to day client service, claims resolution’ collective bargaining assistance with the individual entities; assistance with member communication and education, new applicant data collection and implementation assistance with new entrants to the Fund and such other duties as shall be designated by the Fund’s Commissioners.

ARTICLE III - ORGANIZATION to be amended as follows:

D. Fund Professionals

As soon as possible after the beginning of each year, the Executive Committee shall meet and select persons to serve in the following professional positions. No professional nor any employee, officer or director, or beneficial owner thereof, shall be a Commissioner of the Fund. All professionals shall be retained pursuant to the “Local Public Contracts Law.” Nothing in this section shall prohibit the positions of Executive Director and Program Manager from being administered by one individual or business entity, so long as the specified qualifications for each position is met.

The Executive Committee is asking members to adopt a resolution (sample enclosed) and return to the Fund office as soon as possible. Members have six months to return the adopted resolution or retain the right to withdraw from the Fund if the bylaw change is unacceptable.

If you have any questions regarding this matter, please don't hesitate to contact the Fund office.

cc: Fund Attorney
Insurance Producers

SAMPLE RESOLUTION FOR LOCAL UNITS

**FOR
APPROVAL OF A BYLAW AMENDMENT
FOR THE
SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND**

WHEREAS, the _____ is a member of the Southern Skyland Regional Health Insurance Fund; and

WHEREAS, an Amendment to the Bylaws of the Southern Skyland Regional Health Insurance Fund has been approved by the Executive Committee following a public hearing on _____; and

WHEREAS, pursuant to NJSA 40A:10-43, the Amendment must be approved by the Governing Body of 75% of the participating members

NOW THEREFORE BE IT RESOLVED by the Governing Body of the Southern Skyland Regional Health Insurance Fund that the Bylaw Amendment previously approved by the Executive Committee of the Southern Skyland Regional Health Insurance Fund, and annexed hereto as Schedule "A" be and the same are hereby approved.

ADOPTED: _____

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY