

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
OPEN PUBLIC MEETING
JANUARY 10, 2023
12:00 PM**

Meeting called to order by Fund Chair. The Open Public Meeting Notice was read into record.

Emily Koval stated that the Fund has one action item to attend to from 2022. She stated, sadly, Chair Hyncik was not re-appointed to the Vo Tech for 2023. She thanked Chair Hyncik for his diligence as our Chair since this program started as a Commission in 2017. He strongly believed in the Fund culture and its objective to save taxpayer money. As a medical professional himself, he was a big proponent of the health center and continuously encouraged participation in the center, particularly from the non-County members. He always made himself available and put the Fund first. Mrs. Koval put on the record that the fund professionals appreciated his efforts and hope that this is not the last they see of him. Mrs. Koval continued the meeting on behalf of Chair Hyncik.

ROLL CALL OF 2022 EXECUTIVE COMMITTEE:

William Hyncik, Fund Chair, Somerset County VoTech	Absent
Brian Auger Fund Secretary, Somerset County Library	Present
Geoffrey Soriano, Somerset County Parks Commission	Present
Sara Sooy, County of Somerset	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Emily Koval Brandon Lodics Jordyn DeLorenzo
Program Manager	Conner Strong & Buckelew Crystal Bailey
Fund Attorney	Scholl, Whittlesey & Gruenberg, LLC Frank Whittlesey
Fund Treasurer	Yvonne Childress
Aetna	Jason Silverstein
Express Scripts	Charles Yuk
Fund Actuary	John Vataha - Absent
Integrity Health	Douglas Forrester
Fund Auditor	Mercadien, P.C.

ALSO PRESENT:

Diane Peterson
Donna Umgelter
Hiteksha Patel
John Bruno

John Lajewski
Janine Erickson
Lily Lazroe
Arge Mardakis
Raelene Sipple
Sara Sooy

MOTION TO APPROVE THE OPEN MINUTES OF OCTOBER 11, 2022:

MOTION:	Commissioner Soriano
SECOND:	Commissioner Auger
VOTE:	Unanimous

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ROLL CALL OF COMMISSIONERS OF SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND

ELECTION OF OFFICERS

Recommended Slate

Colleen Mahr, Chair
Brian Auger, Secretary
Geoffrey Soriano, Commissioner
Adam Beder, Commissioner

MOTION TO APPROVE THE SLATE AS PRESENTED:

MOTION:	Commissioner Soriano
SECOND:	Commissioner Auger
VOTE:	3 Ayes, 0 Nays

ROLL CALL OF THE 2023 EXECUTIVE COMMITTEE

Colleen Mahr, Chair	Present
Brian Auger, Secretary	Present
Geoffrey Soriano, Commissioner	Present
Adam Beder, Commissioner	Absent

OATH OF OFFICE

EXECUTIVE DIRECTOR'S REPORT

FINANCIAL REPORTS - COMMISSION AND HEALTH INSURANCE FUND

- 1. Skylands Fund Financial Fast Track** - as of October 31, 2022
- 2. Ratios Report** - as of October 2022

Ms. Koval reviewed the financials through October 31 stating that they continue to be very strong. Preliminary December results for the fund will end the year roughly 2% over budget. She stated that the Financial Fast track shows this month brought in a little over \$400,000 in surplus. Year to date, the Fund is running about \$3 million under budget. The surplus position went from less than ½ month of claims in retention to almost 1.25 months of claims over those 10 months. November

and December also appear to have run under budget so we will end the year with the strongest surplus this Fund has seen.

2023 REORGANIZATION RESOLUTIONS:

Ms. Koval reviewed the following Resolutions:

Resolution 1-23 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 2-23 sets meeting dates and times which will be posted on each entity's public bulletin board. The meetings will start to be in person starting in March and the resolution will be amended to reflect that decision. Members will always be notified of any.

Resolution 3-23 sets for the Cash Management Plan and bank depositories for 2023. 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 4-23 is the 2023 Risk Management Plan which outlines the Commission's stop loss limits, underwriting procedures, claim appeal processes, etc. The only change to this resolution is the new specific retention limit, which was approved in December.

Resolution 5-23 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.

Resolution 6-23 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 7-23 designates the elected Secretary as the Custodian of Fund Records. All records are retained at the Administrator's office and handle all OPRA request on behalf of the Secretary.

Resolution 8-23 Designates the Courier News as the Official Fund Newspaper.

Resolution 9-23 changes will be made in light of the election.

MOTION TO APPROVE RESOLUTION 1-23 THROUGH 9-23:

MOTION:	Commissioner Soriano
SECOND:	Commissioner Auger
VOTE:	3 Ayes, 0 Nays

2023 STOP LOSS – Mrs. Koval that the stop loss for 2023 was provided after the last meeting. The incumbent carrier, HCC, provided a strong renewal increase of 6% over last year. Resolution 10-23 awards the stop loss contract between HCC and the Fund.

MOTION TO APPROVE RESOLUTION 10-23 STOP LOSS CONTRCT:

MOTION: Commissioner Soriano
SECOND: Commissioner Auger
VOTE: 3 Ayes, 0 Nays

WELLNESS - Mrs. Koval stated as in previous years, the Aetna contract includes a \$50,000 wellness credit. The below allocates the money for all members, based on the total annual census. The Fund will reimburse groups for all expenses and receive reimbursement from Aetna at the end of each year. Vouchers with approved wellness expenses can be submitted to Jordyn DeLorenzo by 12/31/2023.

Wellness Grant Allotment	Lives	Total
Somerset County	16,692	\$ 38,941.77
Somerset County Library	1,356	\$ 3,163.49
Somerset County Parks	2,220	\$ 5,179.17
Somerset County Vo Tech	1,164	\$ 2,715.57

PROGRAM MAMAGERS REPORT:

Program Manager Crystal Bailey reviewed the agenda reports.

The Food & Drug Administration has approved 2 oral antiviral medications for Emergency Use Authorizations (EUA). With a EUA certification, plan sponsors are expected to cover the medications with a \$0 copay. The Government will be purchasing the medications and distributing to local pharmacies for adjudication through Pharmacy plans (Express Scripts). The approved functions of these medications is to assist in reducing the severity of complications as a result of COVID-19 in individuals who test positive with present symptoms. As of today, the medications will require a prescription from a physician for access.

- 1- Pfizer- Paxlovid
- 2- Merck- Molnupiravir

Express Scripts has proactively begun updating their adjudication systems to ensure plans meet the expectations of the Federal Government:

- Associated Costs:
 - o Plan - \$0 Ingredient cost during the period that the medications are purchased by the Federal Government
 - o Member - \$0 copay
 - o Program Fee- \$2.50 per prescription
 - o Dispensing Fee- TBD; additional legislative guidance is

needed for local pharmacies

- Plan Impact
 - Addition of medications to covered Formulary
 - Member educational pieces (included in agenda)
 - Quantity Limit - 1 course of treatment every 180 days

EXPRESS-SCRIPTS UPDATE

ESI's 2023 SaveOn list has been released. The Program Manager sent the listing to all brokers on November 14th. The drugs highlighted on the listing in red are excluded effective January 1, 2023. Southern Skylands had no members impacted by the exclusions listed.

OPERATIONAL UPDATES:

End of Year/Wellness Incentive Program Reporting

In addition to the End of Year report, a Wellness Incentive Program report has been provided reflecting employees who received a gym reimbursement in 2022, as this is taxable income. Wellness incentives provided directly to members that do not go towards their health insurance premiums are considered taxable income regardless of the amount. It is the employer's responsibility to report any wellness incentive as income on the employee's W-2 and withhold all appropriate income tax.

Please note the following:

- The report includes the participant's full name and total amount received in 2022
 - Aetna - up to \$240 per eligible participant
- Initial report will be for reimbursements issued for the time period of **January 1, 2022 through October 31, 2022**
 - Reports were sent to group billing contacts the week of January 2nd
- An additional report will be provided in late January 2023 for reimbursements issued for the time period of **November 1, 2022 through December 31, 2022**
 - Employers are responsible for updating an employee's W-2 withholdings once received
- All eligible employees, spouses and dependents (those over age 18) who received a reimbursement will be included in the report separately
 - We recommend groups confirm with their tax advisor if reimbursements for spouses and dependents should be included in the employee's reporting

Please note there is not an option to receive the latter report sooner than late January as the data is not available

2022 LEGISLATIVE REVIEW

COVID -19

1. National Emergency Declaration - Extended through March 2023. A decision to terminate the declaration or let it expire will be provided with a 60 days' notice prior to termination.
 - Qualified Beneficiaries may wait one year to elect COBRA but must then start to make premium payments
 - Individual has a maximum of one year from date of payment originally would have due, including any applicable grace period

2. At Home COVID-19 Testing- On January 10th, the Biden Administration issued a mandate that takes effects on January 15, 2022, requiring the coverage of At Home/Over the Counter COVID-19 test kits by Employer sponsored health plans. As outlined in the communication sent on January 14, 2022, the HIF will cover the kits under the pharmacy plan (ESI). For groups contracted outside of HIF for their pharmacy benefit, the group should contact their PBM or broker to implement a coverage solution.

Reporting has been requested for those groups that have ESI pharmacy through the HIF, updates will be shared at the next meeting.

Coverage Highlights:

- o Date - Starting on January 15, 2022, going forward
- o Network - the legislation encourages healthcare insurers to develop a network of locations at which the tests can be purchased with \$0 member cost share at point of service
- o Dollar Limit- Up to \$12 per test
- o Quantity Limit- Up to 8 tests per individual per 30 days

FREE Tests from the Government - **No longer available** effective September 2, 2022, due to lack of funding

ESI Highlights:

- o Point of service option is now available for members to get tests at the pharmacy counter.
- o Mail order options is also available through ESI.
 - Ordering for more than one participant must be done separately.
- o ESI will allow up to 8 tests per covered individual per 30 days, regardless of the source used to obtain the kits.
- o Communication update was sent on February 11, 2022, outlining the retail and mail order process through ESI. Member communications were included for distribution.

3. Vaccine Mandates - November 4, 2021, OSHA released the *Emergency Temporary Standard*. Which implemented a “vaccine or test,” requirement for Employers over 100 Employees. The Mandate is still not in effect as it has gone through multiple State and Federal Court appeals. Most recently, on January 13, 2022, the US Supreme Court blocked the enforcement of vaccine or testing mandate for businesses with at least 100 employees.

As a reminder testing as an occupational requirement are not covered under Employer Health Plans.

Medical and Rx Reporting

Federal Extension Granted - the Centers for Medicare and Medicaid Services (CMS), U.S. Departments of Labor, Health and Human Services, and the Treasury published an FAQ that

provided an extension to the filing period for 2020 and 2021 prescription drug and health care spending reporting. The Departments have provided a submission grace period through January 31, 2023 and will not consider a plan or issuer to be out of compliance with the requirements provided a good faith submission of 2020 and 2021 data is made on or before the date. Carriers will be filing their full reporting on behalf of clients prior to January 31, 2023.

The Medical and Rx Reporting provision (section 204) of the Consolidated Appropriations Act (CAA) requires health plans and payors to report information on plan medical costs and prescription drug spending to the Secretaries of Health and Human Services, Labor, and the Treasury on an annual basis. This requirement applies to insurers and self-funded health plans offering group or individual health insurance coverage.

On Aug. 20, 2021, the government released additional guidance on Consolidated Appropriations Act (CAA) implementation in a [Frequently Asked Questions \(FAQs\)](#) document. In the FAQ, the Departments of Health and Human Services, Labor, and Treasury indicated that enforcement of the first Medical and Rx report submission will be deferred, pending the issuance of regulations or further guidance. Until regulations or further guidance is issued, the Departments strongly encouraged plans and issuers to start working to ensure that they are in a position to be able to begin reporting the required information with respect to **2020 and 2021 data by Dec. 27, 2022.**

On Nov. 17, 2021, the departments released an interim final rule with request for comments (IFC). Based on the IFC guidance, Express Scripts will submit an aggregated file for Rx data only to the government during the mandated filing period of Dec.1 – Dec.27, 2022. The Program Manager Team has provided ESI with the requested information to submit the filing.

Aetna and AmeriHealth will submit filings to the government on behalf of the HIFs using information in their system.

Mental Health Parity and Addiction Equity Act (MHPAE)

In December of 2020 Congress passed into Law the Consolidated Appropriateness Act. The Law addresses how the DOL, HHS and IRS will assess how well plan sponsors and insured plans are keeping up with compliance requirements under MHPAE (passed in 2008).

Plans and plan sponsors will be required to complete a detailed analysis of the plan, confirming compliance.

On behalf of all self-insured groups, Conner Strong & Buckelew, is working with our TPA and PBM partners to request assistance for our clients in providing the analysis. We will continue to keep you updated on the progress and efforts on the Fund's next steps.

<https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/self-compliance-tool.pdf>

No Surprise Billing and Transparency Act- Continued Delays

Medical carriers will provide the HIF with a unique URL/hyperlink to post to the HIF's main public

website. The URL/hyperlink is required to be posted by July 1, 2022. The link will automatically refresh each month with any updated information. The Program Manager recommends all groups link their website to the HIF's public website, <https://hifundnj.com/>, there will not be a link sent to the groups. By doing so, this will satisfy the group's obligation for this requirement. The Program Manager sent communication on June 14th to all brokers to share with their groups.

The Health Insurance Funds, including Skylands protect plan members from surprise billing with involuntary out of network balance bills with a hold harmless clause:

- Example: an in-network surgeon contracts with an out of network anesthesiologist. Should the out of network anesthesiologist balance bill the patient, the Funds would hold the member harmless, paying up to the invoiced amount.

The law also imposes certain requirements on the Carriers, PBMs and healthcare providers. Many of these requirements continue to be delayed, but we will continue to work with the insurance providers to assure the Skylands HIF remains compliant.

- Issuing updated ID Cards with additional out of pocket information
- Providing transparency in coverage machine-readable files
- Providing price comparison tools
- Healthcare providers should work with insurance carriers to provide potential patients with good faith estimates of costs

2023 Specialized Audits (Appendix II)

As approved through an RFP through the Executive Director's contract, the HIFs has acquired the services of AIM to conduct specialized audits for Southern Skylands Regional Fund (SSRF). AIM will begin to complete audits for the Mental Health Parity and Addiction Equity Act (MHPAEA) and No Surprises Act (NSA) requirements. Aim will review plan language and Aetna's NQTL analysis performed for the (SSRF) to determine compliance with the MHPAEA. Aim will review SSRF claims to determine if Aetna is adjudicating claims in accordance with the requirements and mandates of the No Surprises Act.

Later in 2023 Aim will review Gene Therapy cost for Southern Skylands Regional Fund, confirming the claims carrier is administering the necessary care management programs specific to Gene Therapy.

Appeals/IRO Submissions: None

TREASURER – Fund Treasurer said the treasurer's report is included in the Agenda.

MOTION TO APPROVE RESOLUTION 11-23 APPROVING THE TREASURERS REPORT AND BILLS LISTS FOR NOVEMBER AND DECEMBER 2022:

MOTION:	Commissioner Mahr
SECOND:	Commissioner Auger
VOTE:	Unanimous

ATTORNEY - Fund Attorney stated he has no reports to give.

INTEGRITY - Douglas Forrester reviewed the report for the month of November 2022. He stated that utilization continues strong. He stated that at the March meeting there will be a new report that highlights a new type of services including chiropractic and pain management. He stated that he believes that the health center has been keeping the health plan costs low.

AETNA: Jason Silverstein reviewed the paid claims for the month of September, October and November. He stated there were 4 high claimant for the month of September, 1 for October and 4 for November. He reviewed the dashboard report and noted all metrics continue to perform well. He also reviewed the COVID reporting distributed with the Agenda.

EXPRESS SCRIPTS: Charles Yuk reviewed the report included in the agenda through the month of November 2022. Mr. Yuk stated that there is a formulary update on Humira. He stated that the FDA has approved 10 new biosimilars for the drug Humira. At this time ESI has decided to keep Humira as a preferred drug so that there will be no disruption in their treatments. Mr. Yuk stated that they are letting biosimilars to be prescribed as they become available on the market. He stated that overall this is good news and they expect the plan costs for specialty drugs to go down in the future due to these changes.

OLD BUSINESS - None.

NEW BUSINESS - None.

PUBLIC COMMENT - None.

MOTION TO ADJOURN:

MOVED:	Commissioner Soriano
SECOND:	Commissioner Auger
VOTE:	Unanimous

MEETING ADJOURNED: 12:45pm

NEXT MEETING: March 14, 2023 at 9:30am

Minutes prepared by:

Jordyn DeLorenzo, Assistant Account Manager