

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND  
OPEN PUBLIC MEETING  
MAY 9, 2023  
9:30 AM  
SOMERSET COUNTY**

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

**ROLL CALL OF 2023 EXECUTIVE COMMITTEE:**

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

**FUND PROFESSIONALS PRESENT:**

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

**ALSO PRESENT:**

Theresa Tiedge  
John Lajewski  
Arge Mardakis  
Janine Erickson  
Raelene Sipple

**MOTION TO APPROVE THE OPEN MINUTES OF MARCH 14, 2023:**

<b>MOTION:</b>	Commissioner Auger
<b>SECOND:</b>	Commissioner Beder
<b>VOTE:</b>	1 Abstention

**MOTION TO APPROVE THE OPEN MINUTES OF THE MARCH 14, 2023 CLOSED SESSION:**

**MOTION:** Commissioner Auger  
**SECOND:** Commissioner Beder  
**VOTE:** All In Favor

**CORRESPONDENCE:** None.

## **EXECUTIVE DIRECTOR'S REPORT**

**FINANCIAL REPORTS - COMMISSION AND HEALTH INSURANCE FUND - Mrs. Koval** reviewed the financial fast track through February shows a slight gain to the overall surplus position. Then in March it is showing a loss of about \$147,000 which is a trend throughout the state. Year to date there is a loss of about \$348,054. She stated that this isn't a concern, and the financials are stable. The overall statutory surplus is a little over 5 million which is just about 2 months' worth of claims.

**2022 SOUTHERN SKYLANDS REGIONAL HEALTH INSURANCE FUND AUDIT - Fund Auditor Jack Hammell from Mercadian completed the 2022 internal audit of the Southern Skylands Regional Health Insurance Fund. The full audit will be distributed prior to the meeting, along with a summary presentation. Jack presented the finding from the audit stating that there are no comments or recommendations.**

**MOTION TO APPROVE RESOLUTION 13-23 ACCEPTING THE 2022 AUDIT AND FILE WITH THE STATE:**

**MOTION:** Commissioner Auger  
**SECOND:** Commissioner Soriano  
**VOTE:** All In Favor

Once this audit is filed, PERMA recommends the closure of Fund Year 2021. All IBNR has been expensed and there are no outstanding accounts receivable or payable.

**MOTION TO APPROVE RESOLUTION 14-23 CLOSING FUND YEAR 2021:**

**MOTION:** Commissioner Auger  
**SECOND:** Commissioner Soriano  
**VOTE:** All In Favor

**PAYMENT OF PERFORMANCE GUARANTEE -** At the last meeting during closed session, the Executive Committee approved a Performance Guarantee payout to Integrity Health per the 2020 contract in the amount of \$110,400. Resolution 15-23 includes this payment. PERMA will ask the treasurer to initiate payment after this approval.

**MOTION TO APPROVE RESOLUTION 15-23:**

**MOTION:** Commissioner Auger  
**SECOND:** Commissioner Soriano  
**VOTE:** All In Favor

**REQUEST FOR PROPOSALS** - Over the course of the next few months, the Fund will need to release RFPs. For discussion at the meeting:

**1. Shared Services Agreement with the Municipal Reinsurance Health Insurance Fund (MRHIF)** - the MRHIF is the reinsurance Fund for most health insurance funds in the State administered by PERMA. The Skylands HIF has looked at the MRHIF for reinsurance to replace the stop loss contract, but pricing had not been competitive.

Although, due to the size and scale of the MRHIF, the Fund is able to leverage preferred pricing on certain contracts rather than at the local HIF level. It is the recommendation of PERMA to have the Skylands HIF enter a shared services agreement with the MRHIF for the following RFPs that expires 12/31:

- A. Health Center
- B. Medical TPA
- C. Dental TPA

Chair Mahr stated that she does not feel comfortable moving forward with this as they have not had a relationship in the MRHIF. Mrs. Koval stated that allowing the MRHIF to go out for RFP would allow the Funds across the state to get the contract under the MRHIF level. Mrs. Mahr asked if we could table this until having a separate conversation.

**2. QPA Services through The Canning Group** - The MRHIF also has a contract with a QPA to facilitate contract procurements for the local Funds. The QPA is recommending that the above mentioned services and all Professional Services use competitive contracting to give the option for longer contract terms and a more transparent evaluation process. The cost for his services is \$2,500. The HIF can absorb this cost from the contingency line in the 2023 budget. The Health Center RFP will need to be reviewed by a committee of the Executive Committee. We ask for volunteers to meet virtually next week. Mrs. Koval stated that we do not have a QPA on staff at PERMA and having this additional service for the large proposals will allow us to stay compliant and simplify the process. Mrs. Mahr asked if this service is new for all funds in which Mrs. Koval stated that it is new as of 1/1/23. Mrs. Mahr would also like to hold this conversation until there is a discussion. Mr. Graham, a representative from Fairview asked about what the impact on the numbers would be if they were to join with the MRHIF or not. Mrs. Koval along with Jason Silverstein from Aetna stated that admin fees would be the most effected. Mrs. Koval stated going out to RFP allows the fund to see what services are available and pricing on the large scale if that is what is decided.

Mr. Forrester asked if the Fund has decided to not extend the Health Center Contract. Mrs. Mahr stated that they will discuss the extension at a later time. Mrs. Mahr asked if herself and Adam can set up a meeting to discuss these topics.

**NEW MEMBER OFFERINGS -PEAPACK - GLADSTONE, SOMERVILLE, & HILLSBOROUGH -**

Mrs. Koval stated that our Program Manager will include a full new business report later in the agenda, yet there are 3 possible new members for the Fund to make an offer of membership. Underwriting details are included in the agenda. Mr. Forrester stated that in the Health Center Contracts there is a phasing in the new member fees as Emily mentioned. Mr. Forrester asked about data keeping and if the members who are not paying for the health center are reaping benefits from

the health center. Mrs. Koval stated that if they are not paying health center fees, they are separated out.

**MOTION TO APPROVE RESOLUTION 16-23:**

<b>MOTION:</b>	Commissioner Auger
<b>SECOND:</b>	Commissioner Soriano
<b>VOTE:</b>	All In Favor

**PROGRAM MANAGERS REPORT:**

Mrs. Crystal Bailey reviewed the informational report in the agenda.

**ELIGIBILITY/ENROLLMENT**

System training (new and refresher) is provided to all contacts with WEX access **every 3<sup>rd</sup> Wednesday at 10AM**. Please contact Austin Flinn, [aflinn@permainc.com](mailto:aflinn@permainc.com) for additional information or to request an invite.

**COVERAGE UPDATES: None**

**EXPRESS SCRIPTS UPDATE**

Due to the recent fraud and abuse issue identified for the drug Ozempic, ESI has changed their requirements for members prescribed the drug. The drug is only FDA approved for patients with Type 2 diabetes, however, it has been prescribed for weight loss which is not approved by the FDA. Weight loss drugs are not covered by the Fund. Effective 4/1/23 those who were given a new script for Ozempic will be required to go through the prior authorization process to confirm they have met the criteria to be prescribed the drug. Those who were taking the drug prior to 4/1/23 will be grandfathered, prior authorization will not be required unless the member's script for the drug has changed.

**1Q2023 SaveOn Savings** - In the 1Q2023 (1/1/2023 - 3/19/2023), Southern Skylands Regional HIF saved \$126,765 for members enrolled in SaveOn. There were 46 participants in the program, for an average savings per prescription of \$1,083.

The following member communications are included in the Appendix of the agenda

- 2023 Basic Formulary
- 2023 SaveOn List
  - Drugs highlighted in red are excluded effective January 1, 2023
- SaveOn member communication

**OPERATIONAL UPDATES:**

**COVID National Emergency** - On April 10, 2023, President Biden signed legislation to end the COVID National Emergency immediately. As a result, the outbreak period for extended COBRA/HIPAA Special Enrollment Period deadlines will end July 10, 2023.

**2023 LEGISLATIVE REVIEW: COVID -19**

1. **National Emergency Declaration** - On January 30, 2023, the federal government announced the two national emergencies addressing COVID-19, the public health emergency (PHE) and the national emergency will end May 11, 2023. As a result, the Program Manager recommends the

following effective July 1, 2023:

- COVID-19 vaccines, including boosters – cover at \$0 copay at in network locations only. (Previously covered at any location).
- COVID-19 At Home Testing Kits – no longer covered by the plan at any retail location or mail order through ESI. Members would be responsible for the full costs of the kit.
- Diagnostic testing and providers – covered at member cost share.

2. **At Home COVID-19 Testing - Covered through June 30, 2023.** 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. In 2022 Southern Skyland Regional HIF paid \$5,133.60 in total plan costs for At Home Covid-19 test kits; \$3,583.60 in retail costs and \$1,550 in mail order costs.

**FREE Tests from the Government – COVID-19 at home test kits are available through the government. Every U.S. household is eligible to order 4 free COVID-19 at home tests.**  
<https://www.covid.gov/tests>

3. **Vaccine Mandates – Covered at \$0 at in network location.** 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**

**2022 Filings** – Deadline for carriers to submit the filings for 2022 plan year is June 1, 2023. Aetna and ESI will submit on behalf of the HIFs. The Program Manager will provide carriers all information needed for submission. Groups do not need to file on an individual basis.

**2020 and 2021 Filings - 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 ESI will submit filings to the government on behalf of the HIFs using information in their system.

**No Surprise Billing and Transparency Act – Continued Delays**

The Health Insurance Funds, including Southern Skyland Regional HIF 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 Southern Skyland Regional 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**

As approved through an RFP through the Program Manager’s contract, the HIFs has acquired the services of AIM to conduct specialized audits for the Southern Skyland Regional HIF. AIM will complete medical claims audits for claims administered by Aetna. The claim audit being performed will determine Aetna’s claim processing and financial accuracy of medical claims. AIM will also perform an Operation Review. Aim will perform an in-depth evaluation of the controls employed by the Aetna to ensure quality administration. **See Appendix.**

**Carrier Appeals:**

<b>Submission Date</b>	<b>Appeal Type /Carrier</b>	<b>Appeal Number</b>	<b>Reason</b>	<b>Determination</b>	<b>Determination Date</b>
3/22/2023	Medical/Aetna	SSRHIF-2023-03-01	Out-of-Network Provider Billing	Upheld	4/14/2023

**IRO Submissions: None**

**MOTION TO APPROVE RESOLUTION 17-23:**

**MOTION:** Commissioner Auger  
**SECOND:** Commissioner Soriano

**VOTE:**

All In Favor

**TREASURER** – Fund Treasurer reviewed the Bills Lists and Treasurer’s report through December 2022 is included in the Agenda.

**MOTION TO APPROVE RESOLUTION 18-23 APPROVING THE TREASURERS REPORT AND BILLS LISTS FOR APRIL AND MAY 2023:**

<b>MOTION:</b>	Commissioner Auger
<b>SECOND:</b>	Commissioner Beder
<b>VOTE:</b>	<b>Unanimous</b>

**ATTORNEY** – Fund Attorney no report.

**INTEGRITY** – Mr. Forrester reviewed the report for the month of March 2023. He stated that the numbers continue to remain strong as well as utilization numbers. He stated that chiropractic and mental health services are increasing in utilization. He stated that he is pleased with the turnout and its important that mental health is just as important as other primary care services. Mrs. Bailey asked the difference between telemedicine and telephone. He stated that one option has with or without video.

**AETNA:** Jason Silverstein reviewed the paid claims for the month of February and March 2023. He stated there were 6 high claimants for the month of February and 3 for March. He reviewed the dashboard report and noted all metrics continue to perform well. He stated that the top 25 conditions were sent to the County HR and Broker as a request from the last meeting.

**EXPRESS SCRIPTS:** Mrs. Patel reviewed the report included in the agenda through the first quarter of 2023. She stated that the total plan costs per member per month is \$211.63. The generic fill rate total is 81.6%. Compared to this month last year the Change in Plan costs PMPM is up 8.3%. She stated this is typical year over year as prices change. Mrs. Koval stated that these numbers are net of rebates.

**OLD BUSINESS** - None.

**NEW BUSINESS** – Chair Mahr inquired on new members who are interested in joining the Fund. Mrs. Koval stated that there are a few perspectives who are potentially going to join sometime this year. Mrs. Koval stated that once the town wants to join and takes action, there will be a committee meeting that reviews the entity and the data that will be implemented. It will have to be approved at the Executive Committee Level at the meetings.

**PUBLIC COMMENT** - None.

**MOTION TO ADJOURN:**

<b>MOVED:</b>	Commissioner Auger
<b>SECOND:</b>	Commissioner Soriano
<b>VOTE:</b>	<b>Unanimous</b>

**MEETING ADJOURNED: 11:00am**

**NEXT MEETING: September 12 at 9:30am**

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Minutes prepared by:

Jordyn DeLorenzo, Assistant Account Manager