

**SOUTHERN SKYLAND REGIONAL HEALTH INSURANCE FUND
OPEN PUBLIC MEETING
OCTOBER 20, 2020
12:00 PM**

Meeting called to order by Executive Director. The Open Public Meeting Notice was read into record.

ROLL CALL OF 2020 FUND COMMISSIONERS:

Brian Auger, Somerset County Library	Present
Geoffrey Soriano, Somerset County Parks Commission	Present
William Hyncik, Somerset County VoTech	Present
Shanel Robinson, County of Somerset (alternate)	Present

FUND PROFESSIONALS PRESENT:

Executive Director/Program Manager	PERMA Risk Management Services Emily Koval Brandon Lodics
Fund Attorney	Scholl, Whittlesey & Gruenberg, LLC Frank Whittlesey
Fund Treasurer	Yvonne Childress
Aetna	Jason Silverstein
Express Scripts	Kyle Colalillo
Fund Actuary	Absent
Integrity Health	Doug Forrester
Fund Auditor	Absent

ALSO PRESENT:

Karen Kamprath, PERMA
Sam Zabawa, Somerset County
Greg D’Orazio, Assured Partners
Diane Peterson, Conner Strong & Buckelew
Marybeth Visconti, Conner Strong & Buckelew
Sharon Vaughn, Integrity Health
Arge Mardakis, Somerset County
Raelene Sipple, Somerset County Votech
John Bruno, Somerset County

MOTION TO APPROVE THE OPEN SSRHIF MINUTES OF MAY 12, 2020:

MOTION: Commissioner Soriano
SECOND: Commissioner Auger
VOTE: 3 Ayes, 0 nays, 1 Abstain (Commissioner Robinson)

EXECUTIVE DIRECTORS REPORT

FINANCIAL FAST TRACK - SCIC and SSRHIF - as of September 2020 – Executive Director said September was a good month, with the Fund slightly under budget overall. She said we are starting to see claims return to a pre Covid level. She said the Commission fast track shows a surplus of about \$1.8 million of which about \$1.4 million is cash. She said the recommendation is to start to transfer some of that surplus over to the Fund. She said resolution 19-20 approves a transfer of \$700,000 to the SSRHIF closed years account.

2021 BUDGET PRESENTATION

Executive Director said the 2021 proposed budget was distributed to the Commissioners. She said overall the budget is increasing by 5.86%. She said the actuary reviewed the Fund data through August 2020 and are recommending increasing the medical claims line 6.26% and prescription by 15%. She said we do include prescription rebates which are about 20% of our prescription spend the overall rx increase is about 8.76%. She said the coresource population will be going to Aenta or UHC Medicare advantage. She said the Medicare Advantage line for the County and the library has been reduced due to the elimination of the Health Insurer fee. She said the reinsurance has not been finalized but industry wide it has been about 15%. The Health Center fee was left flat, but this will be discussed further in closed session.

Program Manager said the savings opportunities were included as part of the presentation because there are potential claims lines that would be impacted. He said for Rx they are currently investigating 2 programs offered by ESI which are SaveonSP which is a copay assistance program and the national preferred formulary. He said currently the Fund is in the basic preferred formulary, but through the national preferred formulary, ESI has targeted certain medications that are more cost efficient. He said both programs are utilized in other Funds across the state and they have produced significant savings.

Executive Director said the increase included for the Votech is the actual annual increase, it would not need to be doubled this year.

RFP - ONSITE HEALTH CENTER

Executive Director said earlier this month, a subcommittee met with the professionals to review the qualifications and interview both respondents. The Committee asked for a “best and final” pricing offer, of which the Fund received this week. We will be going into closed session to discuss the results of the RFP for the onsite health center at the conclusion of the meeting. A separate zoom number has been sent to the Executive Committee.

RFPs - PROFESSIONAL SERVICES

Executive Director said Requests for Proposals for the Attorney, Actuary and Auditor positions were issued in June with responses received on July 6th. She said Competing responses were received for

all positions. The subcommittee also reviewed these responses and are recommending Scholl, Whittlesey & Gruenberg LLC for Attorney and Actuarial Solutions LLC for Actuary.

The committee requested “best and final pricing” from both of the Auditors which has been included in the summary. Our recommendation is to stay with the incumbent, which is only \$360 more than the competing proposal. Resolution 18-20 appoints the Attorney, Actuary and Auditor, if the Committee approves this recommendation and is included in the consent agenda.

Program Manager said with the introduction of the budget today, they will start discussions regarding open enrollment and they will be working directly with the Risk managers. He said the over 65 population should have received their notice of credible coverage letters.

2021 BUDGET - INTRODUCTION

The 2021 draft budget has been included for introduction for the Southern Skylands Regional Health Insurance Fund.

Some highlights:

Overall, the budget is increasing 5.86%.

Claims: The Actuary has reviewed the Commission’s data through August 2020 and is recommending an overall increase of 6.26% for medical and 15% for prescription, but including prescription rebates, the overall Rx claim increase is 8.76%

The Coresource population will completely transfer to Aetna or United Healthcare Medicare Advantage. Those lives have shifted in this presentation in the claims line and administrative fee.

Medicare Advantage and Reinsurance: The Medicare Advantage renewals for the County and Library have reduced due to the removal of the health insurer fee in 2021.

The reinsurance has not been finalized. Industry average is about 15%, which is being reflected in this budget.

Partnership Health Center: This line may change subject to the results of the RFP. For illustrative purposes, this line has been left flat.

Loss Fund Contingency: There is no contingency included in this budget.

Administrative Fees and Taxes: The expenses are updated, as per RFP results.

Savings Opportunities: The program manager is investigation two prescription programs utilization management opportunities– SaveOn SP and the National Preferred Formulary. They will be reporting back in future meetings to discuss their recommendation(s).

1. *SaveOn SP*- a specialty medication copay assistance program that utilizes prescription manufacture dollars to minimize the high costs of specialty medications for the Fund and its members.
2. *National Preferred Formulary* - Express Scripts exclusive formulary developed to steer members to the most clinically, cost efficient medications in various drug categories.

The following illustrates the billing increase by line. The claim fund increase and the assessments may vary by line due to allocation of fixed expenses.

Medical +5.1%
Prescription +10.1
Medicare Advantage - Flat

Assessments: The annualized assessments by member are illustrated below. They will vary by member, depending on line of coverage.

Southern Skyland Regional Health Insurance Fund					Print date	19-Oct-20
2021 Certified Budget						
Census:	Monthly	Annual				
Medical Aetna	1,580	18,960				
Medical Coresource (Moving to AETNA 1/1/2021)	8	96				
Rx ESI	1,797	21,564				
Rx Coresource	8	96				
Medicare Advantage - Medical	363	4,356				
Rx No Medical (Incl in Rx above)	240	2880				
Medicare Advantage - Only (Incl above)	31	372				
LINE ITEMS	2020 Annualized Budget	2021 Proposed Budget	\$ Change	% Change		
1 Medical Claims (Aetna)	\$ 23,354,656	\$ 24,909,425	\$ 1,554,769	6.66%		
2 Medical Claims (Coresource)	\$ 87,583		\$ (87,583)	-100.00%		
3 Subtotal Medical Claims	\$ 23,442,239	\$ 24,909,425	\$ 1,467,186	6.26%		
4 Prescription Claims (Express Scripts)	\$ 8,816,740	\$ 10,146,532	\$ 1,329,792	15.08%		
5 Prescription Rebates (Express Scripts)	\$ (1,373,512)	\$ (2,029,152)	\$ (655,640)	47.73%		
6 Prescription Claims (Coresource)	\$ 20,052		\$ (20,052)	-100.00%		
7 Prescription Claims Subtotal	\$ 7,463,280	\$ 8,117,380	\$ 654,100	8.76%		
8 Subtotal Claims	\$ 30,905,519	\$ 33,026,805	\$ 2,121,286	6.86%		
9						
10 Medicare Advantage- AETNA-MA	\$ 243,072	\$ 219,108	\$ (23,964)	-9.86%		
11 Medicare Advantage - UHC-MA	\$ 426,394	\$ 400,815	\$ (25,580)	-6.00%		
12 Subtotal Medicare Advantage	\$ 669,466	\$ 619,923	\$ (49,544)	-7.40%		
13						
14 Horizon Dental	\$ 1,214,026	\$ 1,214,026	\$ -	0.00%		
15						
16 Partnership Health Center - Integrity Management	\$ 710,736	\$ 710,736	\$ -	0.00%		
17 Partnership Health Center - Expenses	\$ 2,279,790	\$ 2,279,790	\$ -	0.00%		
18 Subtotal PHC	\$ 2,990,526	\$ 2,990,526	\$ -	0.00%		
19						
20 Reinsurance						
21 Specific	\$ 1,365,172	\$ 1,569,948	204,776	15.00%		
22						
23 Total Loss Fund	\$ 37,144,709	\$ 39,421,227	\$ 2,276,518	6.13%		
24						
25 Contingency	\$ -	\$ -	0	0.00%		
26						
27 Expenses						
28 Legal	\$ 10,000	\$ 10,000	0	0.00%		
29 Executive Director/Program Manager	\$ 401,544	\$ 401,544	0	0.00%		
30 Enrollment Vendor	\$ 89,232	\$ 89,232	0	0.00%		
31 TPA - Aetna	\$ 752,143	\$ 755,952	3,808	0.51%		
32 TPA - Coresource	\$ 2,976	\$ -	\$ (2,976)	-100.00%		
33 Actuary	\$ 20,000	\$ 8,000	\$ (12,000)	-60.00%		
34 Auditor	\$ 16,320	\$ 15,360	\$ (960)	-5.88%		
35 Consulting	\$ 128,917	\$ 128,917	0	0.00%		
36						
37 Subtotal Expenses	\$ 1,421,132	\$ 1,409,005	\$ (12,128)	-0.85%		
38						
39 Miscellaneous						
40 Miscellaneous and Contingency	\$ 19,279	\$ 12,035	\$ (7,244)	-37.57%		
41 Claims Auditor	\$ -	\$ -	0	0.00%		
42 GASB 75 Reporting	\$ 7,500	\$ 7,500	0	0.00%		
43 A4 Surcharge	\$ 29,958	\$ 31,923	\$ 1,965	6.56%		
44 ACA Taxes	\$ 11,000	\$ 11,000	\$ -	0.00%		
45 Subtotal Miscellaneous	\$ 67,737	\$ 62,458	\$ (5,279)	-7.79%		
46						
47 Total Expenses	\$ 1,488,869	\$ 1,471,463	\$ (17,406)	-1.17%		
48						
49 Total Budget	\$ 38,633,578	\$ 40,892,690	\$ 2,259,112	5.85%		
51 Total Billing	\$ 38,570,482	\$ 40,829,594	\$ 2,259,112	5.86%		

Southern Skyland Regional Health Insurance Fund												
2021 PROPOSED vs ANNUAL ASSESSMENTS BY MEMBER												
Group Name	Annualized Assessments FY2020			Proposed Assessments FY2021			Difference \$			Difference %		
	Member Billed	Direct Billed	Total	Member Billed	Direct Billed	Total	Member Billed	Direct Billed	Total	Member Billed	Direct Billed	Total
Somerset County	29,352,523	480,076	29,832,600	31,065,713	505,818	31,571,531	1,713,190	25,742	1,738,932	5.84%	5.36%	5.83%
Somerset County Library	2,675,101	34,701	2,709,802	2,825,042	33,338	2,858,380	149,941	(1,364)	148,578	5.61%	-3.93%	5.48%
Somerset County Parks	3,612,204	1,224	3,613,428	3,833,878	1,302	3,835,180	221,674	78	221,752	6.14%	6.37%	6.14%
Somerset County Vo Tech	2,403,132	11,520	2,414,652	2,552,207	12,296	2,564,503	149,075	776	149,851	6.20%	6.74%	6.21%
Totals	38,042,960	527,522	38,570,482	40,276,841	552,753	40,829,594	2,233,880	25,232	2,259,112	5.87%	4.78%	5.86%

TREASURER – Fund treasurer said the report is included in the agenda.

SSRHIF AUGUST 2020 – CONFIRMATION OF PAYMENT

FY2020	\$661,395.31
Total	\$661,395.31

SSRHIF SEPTEMBER 2020- CONFIRMATION OF PAYMENT

FY2020	\$709,939.93
Total	\$709,939.93

SSRHIF OCTOBER 2020- RESOLUTION 20-20

FY2020	\$527,419.02
Total	\$527,419.02

ATTORNEY – Fund Attorney said there is 1 item to discuss in closed session.

INTEGRITY HEALTH – Mr. Forrester said the utilization numbers continue to increase. He said the numbers for August indicate over 1100 visits and the September numbers are up closer to 1400. He said the flu shots are significantly above last year.

AETNA – Mr. Silverstein said the pepm for July was \$962 and \$1,375 for August. He said there were 5 claims over \$50,000 for August. He reviewed the dashboard metrics and noted that all metrics continue to perform well, however the financial accuracy metric through august is slightly below target and they are taking measures to correct that. He reviewed the covid reporting that was distributed with the Agenda. He said there is a heat map of the United States included to track where the outbreaks are throughout the country.

EXPRESS SCRIPTS – Mr. Colalillo said the trend is continuing to slowly decrease and is currently at 16%. He said they did see increased utilization in August. He provided an update on the vaccine trials and therapeutics related to Covid.

MOTION TO APPROVE THE COSENT AGENDA WHICH INCLUDES RESOLUTIONS 17-20, 18-20, 19-20 AND 2020:

MOVED: Commissioner Soriano
SECOND: Commissioner Auger
VOTE: 4 Ayes, 0 Nays

OLD BUSINESS - None

NEW BUSINESS - None

PUBLIC COMMENT - None

MOTION TO GO INTO CLOSED SESSION:

MOVED: Commissioner Auger
SECOND: Commissioner Hyncik
VOTE: Unanimous

MEETING ADJOURNED: NEXT MEETING November 20, 2020

Minutes prepared by:
Karen Kamprath, Assisting Secretary