

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
APRIL 28, 2022
RANDOLPH MUNICIPAL HALL 9:30 AM**

Meeting of Fund Commissioners called to order by Silvio Esposito, Chair. Open Public Meetings notice read into record.

ROLL CALL OF 2022 EXECUTIVE COMMITTEE AND FUND COMMISSIONERS

2022 Executive Committee		
Silvio Esposito, Chair	Township of Hanover	Present
Scott Heck, Secretary	Borough of Ringwood	Present
Stephen Mountain	Township of Randolph	Present
Barbara Russo	Township of Berkeley Heights	Present
Tom Russo	Town of Newton	Absent
Dina Valente - Stoel	Borough of Lincoln Park	Absent
Tammy Smith	Knowlton BOE	Absent
Executive Committee Alternates:		
Cathy Shanahan	Township of West Milford	Absent
Carinne Piccolo- Kaufer	Township of Hardyston	Present

Fund Commissioners		
Mike Sondermeyer	Borough of Bloomingdale	Present
Michael Restel	Township of Wantage	Absent
Neil Spidaletto	Township of Sparta	Absent
Diana Francisco	Andover Township*	Absent
Ralph Blakeslee	Borough of Netcong*	Absent
Keith Kazmark	Borough of Woodland Park	Absent
John Bennett	Township of Dover	Absent
Andrew Fiore	Borough of Harding	Absent
Katie Yanke	Borough of Montville*	Absent
Joe Sabatini	Township of Byram*	Absent
James Burnett	Borough of Madison*	Absent
Open	Borough of Mountain Lakes*	Absent
Open	Township of Prospect Park*	Absent
John Shepherd	Township of Roxbury*	Absent
Debra Millikin	Township of Jefferson*	Absent
Open	Kinnelon	Absent
Adam Brewer	Township of Pequannock	Present
Fund Commissioner Alternates		
Ashleigh Frueholz	Township of Byram*	Absent
Jennifer Dodd	Town of Newton	Absent
Lisa Spring	Township of Roxbury*	Absent
Gabby Evangelista	Borough of Wharton	Present
Perry Mayers	Borough of Lincoln Park	Absent

Sherry Gallagher	Township of Bloomingdale	Absent
Michele Landtau	Township of Sparta	Absent
Rey Julve	Township of Dover	Present
Open	Borough of Netcong*	Absent
Sandra Emmerich	Borough of Madison*	Absent
* Dental Only		

APPOINTED OFFICIALS PRESENT:

Executive Director	PERMA Risk Management Services	Brandon Lodics Emily Koval Jordyn DeLorenzo
Program Manager	Vozza Agency	David Vozza Randi Gerber
Attorney	Dorsey & Semrau	Fred Semrau Ed Pasternak
Claims Administrator	Aetna	Jason Silverstein
Dental Administrator	Delta Dental	Brian Remlinger
Prescription Administrator	Express Scripts	Absent
Treasurer	Michael Soccio	Michael Soccio
Auditor	Nisivoccia	
Actuary	John Vataha	
Wellness Coordinator	Cavitas	Absent

PRESENT FUND PROFESSIONALS:

Brittany Vozza
Kasia Fausto
Joe Rude
Renee Gear
Frank Covelli

FLAG SALUTE

APPROVAL OF OPEN FEBRUARY 24, 2022 MINUTES:

MOTION TO APPROVE OPEN MINUTES OF February 24, 2022:

MOTION:	Commissioner Brewer
SECOND:	Commissioner Piccolo-Kaufer
VOTE:	Unanimous

EXECUTIVE DIRECTOR'S REPORT
PRO FORMA REPORTS

○ **Fast Track Financial Reports** as of January 31, 2022

Executive Director reviewed the Financial Fast Track through January 31, 2021. He said that financials for January break even. Even with the IBNR adjustment the fund is doing very well with a surplus of a little over \$15 Million. He stated that Aetna is also reporting monthly and their numbers are slowly improving which is what we want to see.

REVISED RESOLUTION 2-22

Ms. Koval stated the Township of Sparta changed their local broker contract to Skylands Risk Management from Brown and Brown. A fee change was also negotiated. Revised Resolution 2-22 reflects this change, which is included in consent.

IBNR CERTIFICATION

Enclosed was the Fund Actuary's IBNR certification, which reflects the changes to the IBNR that had been discussed at the previous meetings.

2020 MRHIF CLAIMS

In February, the MRHIF has paid the majority of its 2020 high claimant reimbursements in the amount of \$6,181,742.18, of which the NJHIF received \$426,545.97. The MRHIF expects to close this year in June with no outstanding liabilities to the Fund.

FINANCIAL DISCLOSURE STATEMENTS

The Financial Disclosure notices have been sent. Enclosed(appendix III) is the status of filings through 4/25/2022. Please file before April 30 to avoid a fine.

2022 MEL/MRHIF EDUCATIONAL SEMINAR

The 11th annual seminar will be conducted virtually on 2 half day sessions: Friday, April 29th and Friday, May 6th from 9 am to 12 noon. There is no fee for employees and insurance producers associated with MEL and Municipal Reinsurance Health Insurance Fund (MR HIF) members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs. Attached a copy of the ad which will appear in the League of Municipalities "Power of Collaboration". The seminar qualifies for Continuing Educational Credits for designated positions as outlined within the ad. Registration will be posted to the MEL website at www.njmel.org.

GASB 75 REPORTS

The Fund contracts with an Actuary to provide GASB 75 reports on behalf of its medical members. Please reach out to Emily Koval if your audit requires a full report or update to last year's report. During its 'busy' season, reports can take up to 4 weeks to turn around.

RESOLUTION 17-22 was handed out to the Executive Committee. This Resolution is to authorize settlement of a claim in the amount of \$31,500. This resolution will be discussed in Executive Session towards the end of the meeting.

PRORAM MANAGER REPORT

Program Manager reviewed the year end claims overview included in the agenda. He said the overall combined Aetna medical and capitation claims were up 9.3% YOY 2021 from 2020. This was driven primarily by increased utilization for: Specialist Office Visits which contributed 3.6% to trend such as Plastic Surgery represented \$1.1M (breast reconstruction) and breast cancer is top condition and primarily an OON provider.

Surgeries and ambulatory surgeries are also up from the prior year.

Program Manager reviewed the top 25 diseases by paid amount in 2021. He stated our wellness coordinator has also been working to help with some of these diseases. In addition, he stated that about 64% discounts were achieved in 2021. The Fund noticed that the out of network is 36% down for inpatient facility usage which is down from last year so we are having Aetna look into that.

WELLNESS PROGRAM

Ms. Vozza stated that the Wellness Committee met via conference call on April 7th to discuss the dental requirement of the fund's wellness program and two new programs available through Aetna: The Workplace Resilience Program through Aetna's EAP and the Able To Program through Aetna's Behavioral Health.

She said Aetna's EAP Workplace Resilience program provides on-site seminars and / or webinars. The seminars would be available to all groups who have their medical health benefits through the NJMEBF. The Fund will contract directly with Aetna's Resources for Living (EAP) to allow member access to select and schedule seminars directly on topics relevant to their employee population. Each seminar will cost \$500.00. Aetna currently provides the Fund with a \$1 PEPM wellness benefit which is payable at the end of the year and can be used to offset the cost of these seminars. Each of the qualifying members can schedule up to two seminars.

Program Manager also discussed the AbleTo program. The flyers were handed out as an attachment with the agenda.

Ms. Gerber reviewed the following informational portion of the report listed below:

Dental Cleaning Frequency

The funds Dental Plans currently vary in the frequency allowance for routine exams / cleanings. Some NJHIF plans are built to allow for 2 cleanings in a calendar year while others are built to allow 2 exams / cleanings in a 12 month period. Modifying these plans to allow 2 times per calendar year will alleviate the scheduling issue and provide consistency among all of the funds dental plans. We also feel that the change in frequency will help encourage members to schedule their 2nd annual exam / cleaning and help promote a healthy lifestyle and keeping in line with the funds wellness initiatives. Any new dental plans would be built to allow the routine exams / cleanings at 2 times per calendar year. It is our recommendation to update the current plans that are built to allow the routine exams / cleanings at 2 times in a 12 month period to 2 times per calendar year.

MOTION TO APPROVE THE RECCOMENDATION TO CHANGE THE DENTAL CLEANING TO TWO TIMES PER CALENDAR YEAR

MOTION:
SECOND:
VOTE:

Commissioner Mountain
Commissioner Piccolo-Kaufer
All in Favor

Delta Dental Optional Programs

Oral Health Enhancement Option – Eligible members who have been previously treated for periodontal (gum) disease receive up to four dental cleanings and / or periodontal maintenance procedures per benefit period. Managing Periodontal disease may help reduce tooth loss and avoid the pain and expense of tooth replacement. Please refer to the attached flyer for additional information about the program.

The cost to implement this program would be an additional 0.5% to your current dental rates.

Carry Over Maximum Program – The Carry Over Max Program would allow members to carry over up to 25% of the unused portion of the members standard annual maximum up to a maximum of \$500.00.

In order to qualify for the Carry Over Max, members must receive at least one cleaning or one oral exam during the plan year. If you don't receive a cleaning or exam, you will not be eligible to carry over any of your benefit dollars the following year. If you fail to do so, any accumulated carryover will be lost.

The accumulated amount can never exceed your standard annual maximum. Standard annual maximum dollars are used first. Carryover Max dollars are used after the standard annual maximum is met. Please refer to the attached brochure for additional information about the program.

The cost to implement this program would be an additional 1.0% to your current dental rates.

Please contact our office if you are interested in implementing either of these two programs.

WELLNESS COORDINATOR – The Wellness Coordinator was absent. Report included in agenda.

TREASURER: Fund Treasurer reviewed the treasures report and bills list for February, March and April as well as the Treasurer's report for the month of January.

AETNA: Mr. Silverstein reviewed the Aetna report in the agenda. Mr. Silverstein reviewed the January and February claims. The high cost claimants report showed there was 5 high claimants for the month of January and 1 for the month of February over the threshold of \$50,000. Mr. Silverstein stated that the dashboard metrics continue to perform well although the average speed to answer is below target level but they are working toward improving that metric back to pre-pandemic levels. Claims turn

around time is also improving and there is a monthly report on the dashboard. He reviewed the COVID-19 reports attached in the agenda.

EXPRESS SCRIPTS: Mr. Stahl was absent.

DELTA DENTAL: Mr. Remlinger reviewed the Claims summary report.

ATTORNEY: Fund Attorney Mr. Semrau wanted to inform the public that there is an executive session today to discuss a claim. Although, the Fund does not have many claims that ever reach this level of discussion. He stated that in about 10 years the fund has seen about 20 claims that made it this far. When you look at our total paid claims which was 600 Million Dollars over many years vs what we are discussing, its only because every claim that reaches this level we have to have a discussion. The Fund is very successful and rarely see claims that come close to this level for discussion.

MOTION TO APPROVE THE CONSENT AGENDA WHICH INCLUDES RESOLUTION 17-22:

MOTION:	Commissioner Mountain
SECOND:	Commissioner Smith
VOTE:	9 ayes, 0 nays

OLD BUSINESS: Mr. Heck stated completed the Fund's processes but has a few concerns about Aetna's performance with slow processing, people being taken off insurance plans, PCP's being changed without out notice and other complaints he has been hearing from members. Mr. Heck wants members to know that they can call for help and they do not have to deal with the insurance company alone. Members have benefits consultants who are in place to assist all members. Mr. Heck suggested that the Program Manager's office as well as the Executive Director's office work together and create a FAQs area for members to go when they are experiencing trouble with their insurance processes.

Program Manager stated that we strive everyday to improve and he agrees with the idea of a FAQ section for members to reference.

Mr. Silverstein is also working with the Vozza Agency to actively improve their customer service and holding their standards high. Fund Attorney Mr. Semrau also agreed that FAQ is a good way of giving our members a point of reference when they need assistance.

NEW BUSINESS: None

PUBLIC COMMENT: None.

EXECUTIVE SESSION:

MOTION TO GO INTO EXECUTIVE SESSION:

MOTION:	Commissioner Piccolo Kaufer
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SECOND: Commissioner Heck
VOTE: Unanimous

MOTION CLOSE EXECUTIVE SESSION:

MOTION: Commissioner Piccolo Kaufer
SECOND: Commissioner Heck
VOTE: Unanimous

**MOTION TO AUTHORIZE FUND ATTORNEY TO SETTLE PRE-LITIGATION MATTER
AT AN AMOUNT NOT TO EXCEED \$75,000:**

MOTION: Commissioner Piccolo Kaufer
SECOND: Commissioner Heck
VOTE: Unanimous

MOTION TO ADJOURN :

MOTION: Commissioner Piccolo Kaufer
SECOND: Commissioner Mountain
VOTE: All in Favor

MEETING ADJOURNED AT: 10:30 am

**NEXT MEETING: June 23, 2022, 9:30 am
RANDOLPH MUNICIPAL BUILDING**

Jordyn DeLorenzo
For

Scott Heck, Secretary

Date Prepared: 6/15/2022

APPENDIX II

NJMEBF Operations Committee Meeting

June 13, 2022

Zoom

Brandon Lodics
Emily Koval
Jordyn DeLorenzo
Dave Vozza
Randi Gerber
Carrine Piccolo-Kaufer
Steve Mountain
Scott Heck

Emily started the meeting by stating that this meeting was requested at our April meeting in response to some topics that Mr. Heck brought up and the thought was to have the Ops committee meet a few times a year to discuss any issues that our members may be experiencing, not just with Aetna directly, but could be with any of our professionals. This will allow the discussion to occur at the committee level, then update the Executive Committee at the next meeting. There is no formal agenda, basically leaving this as an open forum discussion and allow for the professionals to work together to perfect the Fund process.

Scott Heck was concerned about Aetna making decisions about coverages and what is acceptable and not acceptable without bringing it to the committees or fund professionals. He stated that Aetna is acting like the insurance company when it really the Fund that is the fiduciary. Mr. Heck is suggesting if we could have a check and balance with them to see what they are doing.

Mr. Vozza stated that to his knowledge there are not aware of any complaints about Aetna's processes. He stated that they have a website that they usually will list any plan changes or clinical policies.

Randi stated that they do receive calls about appeals but they do not get many calls about their processes or preauthorization issues. Many times it is on the side of the provider to provide additional information to the insurance company and that is not usually communicated with the patient and that does not fall under Aetna.

Randi stated that they do not get many complaints from in network, they usually have issues with the out of network benefits with the members. She stated of course there are issues but does not appear to be a chronic issue. She stated she is also working on the Q&A document working together and the members can go online and get clinical policies or answers to FAQ. Randi said there are various reasons why a claim or pre-authorization would be denied and we don't not have access to.

Mr. Heck is concerned that members are just accepting Aetna's initial response. He asked if we can get a report of amount of claims denied. He stated that Aetna makes changes without informing the fund.

Randi stated that we don't have a tracking system or reporting mechanism for tracking claims that go through Aetna. Dave Vozza said that they have a customer service log. Randi said most customer service issues are easily resolved by her. The calls they get are mostly just everyday phone calls, not big complaints. For example, people call about bills they received that should have been covered or general claim information. They are able to get those calls cleaned up very quickly.

Steve asked for a refresher on the issues, which Mr. Heck reviewed. He said that most members do not know that there is an additional process. Steve said that Randolph has provided a process at the town level for the employees and has a

point person to handle all items. All employees are aware to go to this person, who then go to Steve, Randi and Dave. The employees have been told to not necessarily take no for an answer.

Dave said that the appeal process is a benefit of the Fund that they can't get direct at a company or State level. Mr. Heck said that Aetna appears to be making all the decisions and we should have more control over policy and procedures.

Dave said they are working on a Q&A for Commissioners and then an employee version.

Mr. Heck stated that his goal from this would be to open more communication with Aetna and to set the standards for them instead of the fund conforming to their ways. He stated that they change formulary changes and procedure requirements without informing us. He wants to track this so that we can inform our members before issues arise.

Brandon stated that claims turnaround time, average speed to answer and financial accuracy in claims processing are some of Aetna's performance guarantees. Mr. Lodics just wanted everyone to remember that contractually there are metrics set in place that Aetna needs to follow. Mr. Lodics stated that Aetna should be able to provide us with disruption reports just as ESI has when there is formulary changes.

Mr. Mountain asked for a report which pinpoints what kind of claims are being denied and for what reasons in particular.

Mr. Heck asked that these topics be further investigated: People's PCP being changed without notice, collection notices, and why peoples were taken off certain plans.

Randi agreed that she is working with Jason Silverstein, and she will bring that up with him and see if there is something they can do.

Mr. Mountain also stated that since he is retiring July 1st 2022, his successor, Greg Poff, is more than willing to step in on Executive Committee and Operations committee.