

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
January 23, 2025
RANDOLPH MUNICIPAL HALL- 9:30 AM

Meeting of Fund Commissioners called to order by Thomas S. Russo Jr., Chair. Open Public Meetings notice read into record.

ROLL CALL OF 2025 FUND COMMISSIONERS

Fund Commissioners		Attendance
Thomas S. Russo Jr.	Town of Newton	Present
Carrine Piccolo-Kaufer	Township of Hardyston	Present
Barbara Russo	Township of Berkeley Heights	Present
Tammy Smith	Knowlton BOE	Absent
Silvio Esposito	Township of Hanover	Present
Greg Poff	Randolph Township	Present
Scott Heck	Borough of Ringwood	Present
Dina Valente - Stoel	Borough of Lincoln Park	Present
Mike Sondermeyer	Borough of Bloomingdale	Present
Deb Millikin	Township of Jefferson	Present
Michael Restel	Township of Wantage	Present
James Zepp	Township of Sparta	Present
Patricia Bussow	Andover Township	Absent
Ralph Blakeslee	Borough of Netcong	Absent
Samuel Yodice	Borough of Woodland Park	Absent
Victoria Dobrusin	Township of Dover	Present
Andrew Fiore	Borough of Harding	Absent
Katie Yanke	Borough of Montville	Absent
Joe Sabatini	Township of Byram	Absent
James Burnett	Borough of Madison	Absent
	Township of Prospect Park	
John Shepherd	Township of Roxbury	Absent
Craig Ambrosio	Borough of Kinnelon	Present
Gabby Evangelista	Borough of Wharton	Present
Karen Fornaro	Borough of Chatham	Present
Tina Kraus	Township of Vernon	Present
	Town of Boonton	
	Madison Housing Authority	
Mitchell Stern	Mountain Lakes	Absent

Claudia Quinn	Mt. Olive	Present
Michele Dale	Township of West Milford	Absent
Julie McIver	Twp of Pequannock	Present
Fund Commissioner Alternates		
Ashleigh Frueholz	Township of Byram	Absent
Jennifer Dodd	Town of Newton	Absent
Lisa Spring	Township of Roxbury	Absent
Joseph Kovalcik	Borough of Wharton	Present
Perry Mayers	Borough of Lincoln Park	Present
Jasmin Azcona	Township of Bloomingdale	Absent
Michele Lantau	Township of Sparta	Absent
Cathy Shanahan	Township of West Milford	Present
Adam Cruz	Township of Dover	Absent
Sandra Emmerich	Borough of Madison	Absent
Nancy VanHorn	Township of Wantage	Absent
Deborah Bonanno	Randolph Township	Absent
William Egan	Township of Jefferson	Absent
Dana Vitz	Township of Hardyston	Absent
Stephen Williams	Borough of Chatham	Absent
Shawn Bennett	Mountain Lakes	Absent
James Freda	Borough of Kinnelon	Absent
Andrew Tatarenko	Mt. Olive	Absent
Adam Brewer	Twp of Pequannock	Present
Sandra Olivola	Woodland Park	Present

APPOINTED OFFICIALS PRESENT:

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

PRESENT FUND PROFESSIONALS:

Renee Gear, World Insurance

Staci Grant, Henry O Baker

Brittany Vozza, The Vozza Agency

Candy Bronco, Skylands

Ernie Reigstad, Skylands

Lois Manzella Marchitto, Fitness Knocking

FLAG SALUTE**ELECTION OF OFFICERS, EXECUTIVE COMMITTEE & ALTERNATES**

Executive Director asks for nominations. Attorney swears in Officers and Executive Committee.

MOTION TO OPEN THE FLOOR FOR 2025 EXECUTIVE COMMITTEE NOMINATIONS:

MOTION: Commissioner Heck

SECOND: Commissioner Poff

Recommended Slate:

2025 Executive Committee	
Thomas S. Russo Jr., Chair	Town of Newton
Carrine Piccolo-Kaufer, Secretary	Township of Hardyston
Barbara Russo	Township of Berkeley Heights
Tammy Smith	Knowlton BOE
Silvio Esposito	Township of Hanover
Greg Poff	Randolph Township
Scott Heck	Borough of Ringwood
Executive Committee Alternates:	
Dina Valente-Stoel	Borough of Lincoln Park
Mike Sondermeyer	Borough of Bloomingdale
Deb Millikin	Township of Jefferson
OPEN	

MOTION TO APPROVE THE RECOMMENDED SLATE AS PRESENTED

MOTION: Commissioner Heck

SECOND: Commissioner B. Russo

VOTE: All in Favor

Chair Russo thanked Commissioner Heck for his leadership and friendship, as it was a pleasure to work with him when he was Chair, noting he admired his leadership. Commissioner Heck noted the team, including the administrative staff, was a good team and could not have done it without everyone. Chair Russo noted he looks forward to a productive year, working with the professionals and the Fund Commissioners.

OATH OF FUND COMMISSIONERS
MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER

ROLL CALL OF 2025 EXECUTIVE COMMITTEE

CORRESPONDENCE - None

APPROVAL OF OPEN OCTOBER 24, 2024 & DECEMBER 17, 2024, MINUTES:

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 24, 2024 & DECEMBER 17, 2024:

MOTION:	Commissioner B. Russo
SECOND:	Commissioner Piccolo-Kaufer
VOTE:	All in favor

MONTHLY COMMITTEE REPORTS -

CLAIMS COMMITTEE- No Report

CONTRACTS COMMITTEE- No Report, Commissioner Smith was absent.

FINANCE COMMITTEE- No Report

OPERATIONS COMMITTEE- No Report

WELLNESS COMMITTEE- Commissioner Piccolo-Kaufer reported that gift cards are being distributed, participation agreements have been sent to all participating towns, and Valley Health has started its wellness seminars, with two already completed. Flyers have also been provided.

PROFESSIONAL REPORTS -

EXECUTIVE DIRECTOR’S REPORT

FAST TRACK FINANCIAL REPORT - Ms. Koval reviewed the financial fast track through November 2024, noting that it was a break-even month with a surplus of about \$38,000 but noted there is still a deficit for the year 2024. She noted this has been in constant claim review with the finance committee and will continue to meet with the finance committee to review

the entire year of 2024 to ensure the renewal is sufficient. Additionally, a moratorium on new membership was approved mid-year, which will be revisited based on the financials.

REORGANIZATION RESOLUTIONS - Ms. Koval presented the eleven resolutions related to the Fund's 2025 reorganization, including the 2025 contracts with the updated RFP responses, broker agreements, 2025 meeting dates, cash management plan, risk management plan, broker fees, authorizing Fund Treasurer to pay fees and expenses, secretary of Fund records, official newspapers and authorized signatures for bank accounts. She noted there were some updates based on the approved 2025 Executive Committee slate, stating Commissioner Piccolo-Kaufer will now be listed as the Custodian of Funds and the MRHIF representatives are Commissioner Esposito, Commissioner Smith, and Chair Russo as the alternative MRHIF representative for 2025.

2025 COMMITTEE APPOINTMENTS:

Ms. Koval noted there were updates to the Sub Committees appointed by the Chair, which are listed below.

<u>Contracts Committee</u>	<u>Finance Committee</u>
Tammy Smith, Chair	Thomas S. Russo Jr., Chair
Perry Mayers	Scott Heck
Silvio Esposito	Deb Millikin
Greg Poff	Mike Soccio
<u>Operations Committee</u>	<u>Wellness Committee</u>
Scott Heck, Chair	Carinne Piccolo-Kaufer, Chair
Barbara Russo	Mike Sondermeyer
Carrine Piccolo-Kaufer	Greg Poff
<u>Claims Committee</u>	
Thomas S. Russo Jr., Chair	
Barbara Russo	
Silvio Esposito	

2025 CONTRACTS and PROFESSIONAL/CONSULTANT RFPS - Ms. Koval reviewed RFP status updates for the 2025 contracts that was included in Resolution 25-1, highlighting the Medicare Advantage RFP where there were no budget changes necessary, Actuarial Services three-year contract award, and the Program Manager RFP that is closing at the end of January.

2025 TPA FEES - Ms. Koval stated Aetna agreed to continue their current contract for both fees and terms for 2025. The budget adopted projected an increase, which those additional savings will be collected into contingency.

AETNA NATIONAL ADVANTAGE PROGRAM (NAP) - Ms. Koval reviewed Aetna’s National Advantage Program (NAP), which addresses out-of-network billing. The program allows Aetna to negotiate large out-of-network claims, with 60% of the savings returning to the Fund and 40% retained by Aetna. The updated agreement introduces enhanced savings, a concession on fees, a claim fee cap increase, and an enrollee PEPM cap.

E-PROCUREMENT SOFTWARE VENDOR - Ms. Koval reported the Fund QPA is requesting this to be processed for a bid to go out on an e-procurement platform to be used for any RFP’s moving forward.

WEX 2025 COUPON UPDATE - Ms. Koval reported that WEX has begun processing 2025 direct bill coupons, with a projected release by the end of the month.

2025 PERMA MANAGEMENT TEAM UPDATES - Ms. Koval reported that Ms. Diane Peterson retired at the end of 2024 and welcomed the two newest additions to the PERMA team. Mr. John Lajewski has been appointed as the HIF Consulting Business Leader. Mr. Matt Rudman, an actuary, has been appointed as the HIF Chief Data Leader to assist in the data and the trends of the Fund.

PRORAM MANAGER REPORT

Mr. Dave Vozza reviewed the action items of the Program Manager’s report:

MEDICARE ADVANTAGE

The Township of Berkeley Heights Medicare Advantage plan through UHC was the only group within the fund that maintained prescription drug coverage under the self-funded plan with Express-Scripts due to the lack of an available MA Rx plan which could provide the same or better RX copays / coverage. The issue was revisited this year with the Twp as the increases in the MA products were double digits due to changes in coverages mandated by CMS and increases in RX costs. Aetna offers a similar plan with a \$1 copay which was presented to Twp as an alternative to move their RX to the Aetna MA product. Twp has requested the move to the Aetna MA plan. All Berkeley Heights retirees will move to the Aetna Medicare Advantage plan with \$1 RX copay effective 3/1/2025. We are in the process of developing transition notices to all affected retirees. Those notices will be sent within the next 7-10 days.

MOTION TO APPROVE BERKELEY HEIGHTS CHANGE IN PLANS EFFECTIVE 3/1/2025

MOTION:	Commissioner Esposito
SECOND:	Commissioner Piccolo-Kaufer
VOTE:	23 Ayes, 0 Nays, 2 Abstain

EXPRESS - SCRIPTS

GLP1 Coverage:

The Omada program became effective on 9/1/2024. Prior to 9/1/2024, our office investigated a member issue who was being denied coverage for a GLP1 for weight loss. Through the course of our investigation, it was identified that the town for which the employee was enrolled excluded weight loss medications and therefore, coverage could not be provided. Further investigation revealed that there were several towns / plans within the fund that included a weight loss or appetite suppressant exclusion. In reviewing further with ESI, they identified 16 people within four towns that were able to get GLP1 drugs for weight loss when they should not have. We were advised that the implementation of the Omada program caused weight loss exclusions to be overridden. We were subsequently advised that when Safeguard Rx was added to the care value utilization management program on 6/1/24, this program also could have overridden the same plan exclusions as the Omada program allowing members who should not have had access to the drugs fill the medications. Our office reached out to the impacted towns to discuss the issue and resolution of the same, which involved direct member contact and a special open enrollment to allow members to change plans where applicable.

Berkeley Heights has opted to include GLP1's for their members and as such, their rates were adjusted accordingly. Knowlton BOE and the Town of Newton both offer an alternate (newer) plan that does not exclude weight loss medications. Six impacted members were given the opportunity to move to the alternate plan through a special open enrollment and as of this writing, one has elected that option so far. Another is changing their coverage from family to P&C and their spouse who was using the drug will get coverage under their employer's plan.

ESI has agreed to reimburse the fund for the cost of these drugs for these members through 1/31/2025. The Fund attorney has communicated with ESI. The Operations Committee was made aware of the situation and approved holding a special open enrollment for groups who offer a plan where coverage can be provided.

In response to Mr. Kovalcik, Mr. Vozza noted that the Borough of Wharton was the additional group affected by the ESI GLP-1 overridden plan exclusions. A discussion followed regarding the coverage of a Borough of Wharton member. Mr. Vozza stated that he only became aware of this case last night and clarified that it affects only one individual. He emphasized that no action is required regarding the Borough of Wharton at this time. Program Manager will be following up with Borough of Wharton after the meeting.

In response to Mr. Semrau's request to formalize the current understanding, Mr. Vozza confirmed that all affected towns had been notified, and employees received letters providing a thirty-day notice. The same procedure will be followed for the Borough of Wharton and any other groups that may be impacted.

Chair Russo noted that, since the process has already begun for Newton and Knowlton, a vote on the motion is necessary today. However, the Borough of Wharton’s case can be addressed separately to allow sufficient time for internal discussions and communication with their staff.

MOTION TO RATIFY THE SPECIAL OPEN ENROLLMENT FOR NEWTON AND KNOWLTON BOE, ENDING ON JANUARY 31, 2025:

MOTION:	Commissioner B. Russo
SECOND:	Commissioner Esposito
VOTE:	23 Ayes, 0 Nays, 2 Abstain

Chair Heck commented that as this is progressing, the operations committee is collaborating with the Fund Attorney in these discussions to ensure that we are getting the recovery from ESI and the procedure is being completed with this new information moving forward.

Mr. Vozza introduced Ms. Mary Ventoso, a new employee at the Vozza Agency who will be working directly with Randi.

Mr. Randi Gerber reviewed the remainder of the Program Manager’s report:

TOWN VISITS/MEETINGS/PLAN CHANGE REQUESTS

Our office frequently works with towns for review of plan options for union negotiations. If anyone is entering union negotiations and needs assistance, please feel free to contact our office directly to discuss.

ENROLLMENT, ELIGIBILITY, BILLING

The funds policy is to limit retro corrections, including terminations to 60 days. Please check your monthly invoice for accuracy. If you find a discrepancy, please report it immediately to the NJHIF enrollment Team at northernnjenrollments@permainc.com.

- *Use of the WEX (formerly Benefits Express) enrollment system is mandatory.*

Online Enrollment System Training Schedule – 2025

PERMA offers virtual training and a refresher class of the online enrollment system the third Wednesday of each month. The session provides an overview of the Fund’s enrollment system and shows HR users how to perform tasks in the system. To gain access to the Fund’s enrollment system, each HR user must complete a system access form.

Wednesday, February 19th	10:00 am - 11:00 am
Wednesday, March 19th	10:00 am - 11:00 am
Wednesday, April 16th	10:00 am - 11:00 am

Wednesday, May 21st	10:00 am - 11:00 am
Wednesday, June 18 th	10:00 am - 11:00 am
Wednesday, July 16 th	10:00 am - 11:00 am
Wednesday, August 20 th	10:00 am - 11:00 am
Wednesday, September 17 th	10:00 am - 11:00 am
Wednesday, October 15 th	10:00 am - 11:00 am
Wednesday, November 19 th	10:00 am - 11:00 am
Wednesday, December 17 th	10:00 am - 11:00am

Email: HIFTraining@permainc.com

In the subject line of the email, please include *Training - Fund Name and Client Name*. Please be sure to add the date of the training you would like to attend to your email so an invite can be sent.

POCR FEE

On December 3, 2024, the IRS released Notice 2024-83, announcing that the adjusted applicable dollar amount used to determine the PCOR fee for plan years ending on or after October 1, 2024, and before October 1, 2025, is \$3.47.

The PCOR filing deadline is July 31, 2025, for all self-funded medical plans (including level-funded) and some HRAs (including ICHRAs) for plan years (including short plan years) ending in 2024. The NJHIF will be submitting the fee for all NJHIF members.

A "POCR fee" refers to the "Patient-Centered Outcomes Research" fee, which is a tax imposed on health insurance issuers and self-insured health plan sponsors under the Affordable Care Act (ACA) to fund the Patient-Centered Outcomes Research Institute (PCORI) - an organization dedicated to conducting research to improve healthcare decision-making for patients and caregivers; essentially, it's a fee used to support research on the effectiveness of different medical treatments and procedures.

MEDICARE PART B PREMIUMS

The Centers for Medicare and Medicaid Services (CMS) announced a \$10.30 increase in monthly Medicare Part B premiums for 2025.

The 2025 standard Medicare Part B premium is \$185.

In a press release, the CMS confirmed the much-anticipated Medicare Part B standard premium for 2025 is, as projected, \$185 per person per month, a hefty 5.9% increase from the 2024 standard premium of \$174.70.

This amount is paid by all individuals who have Medicare Part B (unless they receive some help from Medicaid or in plans for low-income seniors).

This year's big jump comes on the heels of another 5.9% increase Part B beneficiaries had to absorb just last year. That means the new 2025 premium is \$20 per month higher than just two years ago when the standard premium was \$164.90.

According to the CMS, the increases over the past couple of years are a result of new estimates and projections of the real costs and usage of Part B services.

Medicare Part B pays 80% of your costs when seeking healthcare services from a physician, specialist, nurse practitioner, physician's assistant, and other healthcare professionals. Part B also covers durable medical equipment such as continuous glucose monitors, walkers, and oxygen tanks. And, if you need outpatient services for chemotherapy or other infusions.

If your income exceeds certain levels on your IRS Form 1040, CMS will charge a higher premium for Part B coverage.

AETNA

Reminder: CVS Virtual Health

Beginning January 1, 2025, CVS Virtual Care will replace Teladoc for all NJMEBF Aetna active covered members.

Aetna sent out new member ID cards to all covered members with the CVS Virtual Care information, removing any reference to Teladoc. Member ID numbers did not change.

The broker of the remaining towns was advised of the issue. As of the date of this writing, we have not received any further communication on these two towns.

In addition, our office has been fielding calls for members having difficulty navigating the transition to the new Omada program. In some cases, the issues were pending members registration with the Omada program however, there has been some confusion on prior authorizations and whether or not they would be required to obtain another prior authorization again once enrolled. I have attached a FAQ for members which should help answer member questions regarding the program. Members having continuing issues accessing the Omada program can contact our office for further review and investigation.

ENCIRCLE RX PROGRAM - GLP-1 DRUGS Update

As presented in our May report, the Encircle / Omada Program establishes specific criteria that must be met for the approval of a GLP-1 drug being prescribed for weight loss such as BMI and enrollment in a lifestyle modification program.

Effective January 1, 2025,

Any new members or members who already have an approved PA for one of the GLP-1 weight loss medications will need to engage in the mandatory guidelines of the program.

- Members will receive a welcome kit from Omada free of charge. The kit includes a digital scale and information on downloading the mobile app and/or using the web browser. The scale is Pre-programmed to the member's ESI account prior to delivery. The scale will record each weigh-in by the member automatically – the member does not need to upload the data into their ESI account. **Members must weigh-in a minimum of 4 times per month.**
- Members must engage with an assigned online Omada coach via a mobile application or web browser a minimum of 4 times per month.
- If members do not adhere to the mandatory requirements of the program following the month in which they are noncompliant, they will not be able to refill their weight loss medication. Members will be required to complete the missing weigh-ins and / or online coaching engagement(s) in order to refill their medication.

2025 Formulary List

Attached is the 2025 Formulary Guide and Exclusion List for your reference.

There are 27 members affected by the new formulary changes with the majority of the affected members taking Humalog, which will remain in place for current users until 1/1/26.

Humira will be excluded for members currently taking the drug effective 7/1/25. There are 4 members impacted by this change. New Humira members will be excluded effective 1/1/25 and will be required to take the biosimilar.

SaveOn SP Savings Report

SaveOnSP, your copay assistance benefit administrator for specialty medications, continues to monitor available specialty manufacturer copay assistance programs to optimize savings opportunities. Drug list modifications for January 1, 2025, ensure alignment with research and are based on the inclusion of the copay assistance benefit in your pharmacy benefit plan design. These changes have minimal plan participant impact. The 2025 drug list is attached separately. Please see further details below:

Additions:

Highlighted in green on associated drug list

Communication plan: SaveOnSP will send a letter to impacted plan participants and place follow-up outbound calls.

Removals:

Highlighted in red on associated drug list

Communication plan: SaveOnSP will send a letter to impacted plan participants and place a follow-up outbound call.

Below is the savings report for the period of 1/1/2024 – 9/22/2024. Total net savings for this period was \$358,229.00.

Ms. Brittany Vozza reviewed the Wellness Program from the Program Managers report:

Wellness Program

We are excited to start our 11th year of the Funds wellness program for Hardyston, Randolph, and Sparta. Diverse wellness programs are one of the ways employers can offer a personalized and flexible health plan for the changing and multi-generational workforce. We anticipate over 500 participants for 2025.

Our office has worked closely with several of our vendors to develop ideas for new screenings and components of the wellness program. In September we received a proposal from Atlantic Health Systems to provide a podiatry screening/coaching with a price of \$86pp. This would be a simple amendment to their current contract which has been approved by the Fund attorney Wellness committee, and is currently with the Contracts committee for approval, we should have approval by the meeting. This amendment is resolution 25-13 in the consent agenda.

2025 Program Outline

- Hardyston, Randolph, and Sparta will be completing a podiatry screening and coaching consultations with Atlantic Health Systems.
- Bloomingdale, Hanover, Lincoln Park, Wantage, and Wharton will be completing on-site metabolism testing and coaching session with a registered dietician – Vernon Nutrition Center.
- Jefferson, Pequannock, Ringwood will be completing a sleep screening consultation and sleep hygiene coaching session with Atlantic Health Systems.
- Dover will be completing a Fitness evaluation with Fitness Knocking.
- Boonton and Mount Olive will be completing a comprehensive screening with Lifeline screening. (may change due to participation levels and minimum vendor requirements).

We will continue to focus on keeping employees healthy and providing education to help guide them to be educated health care consumers, maximize their benefits, and understand the importance of routine care. Please contact me with any questions or to start receiving these communications. Brittany Vozza bvozza@vozza.com.

Congratulations to our current members for the excellent 2024 results!
90% of participating members have completed the program.

2024 Program Results				
Member	Eligible	Enrolled	Completed	% Completed
Bloomingtondale	55	40	36	90
Dover	140	22	15	68
Hanover	103	42	42	100
Hardyston	50	24	18	75
Jefferson	103	39	31	80
Lincoln Park	69	40	38	95
Pequannock	94	16	16	100
Randolph	132	66	60	91
Ringwood	60	34	30	89
Sparta	100	81	77	95
Wantage	23	22	20	92
Wharton	44	18	14	78
Totals	973	444	397	90

TREASURER: Mr. Soccio reviewed the November 2024, December 2024, and January 2025 bills list. He noted the summary of cash transactions report, certification and reconciliation of claims and payments, and the allocation of the cash.

ATTORNEY: Mr. Semrau congratulated Chair Russo and the newly appointed board, thanking Mr. Heck for his leadership while he was Chair. He noted there are no current pending litigations in courts. He reviewed the correspondence in the agenda, stating there is additional work to do with ESI in regards to the Omada program to protect the Fund. He discussed an update on the Insulin Litigation, stating the law firm was obtained and filed timely. Mr. Semrau ended his report, noting that the NJHIF past practice of voting has been included all Fund Commissioners and questioned if Chair Russo was interested in keeping in that or changing to just the Executive Committee.

Chair Russo opened the floor to the Executive Committee on their thoughts, where Commissioner Poff stated he believes it is important to continue with all attending Fund Commissioners to have the opportunity to vote, especially since these individuals are directly affected by the HIF and take time out of their day to attend the meetings. Commissioner Piccolo-Kaufer and Commissioner Heck agreed.

MOTION OF THE EXECUTIVE COMMITTEE TO AGREE FOR ALL FUND COMMISSIONERS TO CONTINUE TO VOTE ANY FUTURE ACTIONS:

MOTION:	Commissioner B. Russo
SECOND:	Commissioner Heck
VOTE:	All in Favor

AETNA: Mr. Silverstein congratulated Chair Russo and the new Executive Committee. Mr. Silverstein reviewed the Aetna report in the agenda, highlighting the claims for September – November 2024. He noted there was one high claimant for the month of September, four high claimants for the month of October, and no high claimants for the month of November. He concluded his report by noting the dashboard metrics continues to perform well.

EXPRESS SCRIPTS: Mr. Yuk reviewed the monthly utilization tracking report for the month of November, nothing there was a 14.2% change plan cost PMPM. He noted the top cost drivers are both Weight Loss and Diabetes. Mr. Yuk stated out of the top three drugs, two of them are for Weight Loss. Mr. Yuk reviewed the new EncircleRX report included in the agenda, noting the number of rejects, subfills, and no fills.

DELTA DENTAL: No report.

CONSENT AGENDA

- Resolution 25-1: Appointment of Professional and Contractors
- Resolution 25-2: Compensating Producers
- Resolution 25-3: Designation of Service of Process
- Resolution 25-4: Designation of Secretary as Custodian of Records
- Resolution 25-5: Designation of Official Newspaper
- Resolution 25-6: Designation of Regular Meeting Times and Place
- Resolution 25-7: Designation of Bank Depositories & CMP
- Resolution 25-8: Designation of Authorized Signatories
- Resolution 25-9: Approval of Risk Management Plan
- Resolution 25-10: Appointment of MRHIF Fund Commissioners
- Resolution 25-11: Authorizing Treasurer to Process Contracted Payments and Expenses
- Resolution 25-12: E-Procurement Software
- Resolution 25-13: AHS Amendment of Services
- Resolution 25-14: November, December 2024, and January 2025 Bills List

MOTION TO APPROVE THE CONSENT AGENDA:

MOTION:	Commissioner Esposito
SECOND:	Commissioner B. Russo
VOTE:	All in Favor

OLD BUSINESS: None.

NEW BUSINESS: None

PUBLIC COMMENT: None.

Chair Russo ended the meeting stating he is honored to be in this position and thankful for all the support. He noted there is a philosophy behind what the Fund does, and we will make this year a productive year with open and honest dialogue.

MOTION TO ADJOURN:

MOTION:	Commissioner Heck
SECOND:	Commissioner Poff
VOTE:	All in Favor

MEETING ADJOURNED AT: 10:26 am

NEXT MEETING: March 27, 2025, 9:30 am
RANDOLPH MUNICIPAL BUILDING

Caitlin Perkins
For

Carrine Piccolo-Kaufer, Secretary

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
February 11, 2025
ZOOM - 11:00 AM

Meeting of Fund Commissioners called to order by Thomas S. Russo Jr., Chair. Open Public Meetings notice read into record.

FLAG SALUTE

ROLL CALL OF 2025 EXECUTIVE COMMITTEE AND FUND COMMISSIONERS

2025 Executive Committee		Attendance
Thomas S. Russo, Chair	Town of Newton	Present
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Deborah Bonanno	Randolph Township	Absent
William Egan	Township of Jefferson	Absent
Dana Vitz	Township of Hardyston	Absent
Stephen Williams	Borough of Chatham	Absent
Shawn Bennett	Mountain Lakes	Absent
James Freda	Borough of Kinnelon	Absent
Andrew Tatarenko	Mt. Olive	Absent
Adam Brewer	Twp of Pequannock	Present
Sandra Olivola	Woodland Park	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director	PERMA Risk Management Services	Emily Koval Jordyn Robinson
Program Manager	Vozza Agency	David Vozza Randi Gerber
Attorney	Dorsey & Semrau	Fred Semrau Ed Pasternak

PRESENT FUND PROFESSIONALS:

Renee Gear, World Insurance
Lisa Sabato, World Insurance
Frank Covelli, World Insurance
Staci Grant, Henry O Baker

Joe Rude, Employee Benefits Consulting
Ernie Reigstad, Skylands
Brittany Vozza, The Vozza Agency

Chair Russo opened the meeting, thanking everyone for joining.

ATTORNEY REPORT: The Fund Attorney informed the group of a resolution for consideration, in respect to the Program Manager proposals that were submitted. He noted with the guidance of the Fund QPA, Sean Canning, the requested proposals were opened and discussed with the Contracts Committee. After the reviewing of the proposals, the request is to reject the proposals and go back out for RFP for Program Manager. He stated the reason for this special meeting is to make the decision before the March meeting since this is a significant role in the Fund.

Mr. Semrau noted that after discussions with some of the Commissioners, the contract may want to be considered through the end of 2026 to give new specifications and terms a chance to transition in. The ideal date would be to begin in April and if the RFP is released again in October, it is a short turn around for the awarded contract professional. Mr. Semrau thanked the Contracts Committee, noting they work diligently to make sure the RFP was effective and clear specifications to receive the best proposals possible.

Commissioner Heck agreed with Mr. Semrau's suggestion to extend the contract until 2026 since there will be time needed for any transition operationally. Additionally, he noted after the Contracts Committee finishes their work, it should go to the Operations Committee to review and interview the candidates.

Chair Russo summarized, noting in additional to the resolution, to add clarification that we are looking for this contract to start on, or about April 1st concluding at the end of 2026. Commissioner Smith commented that Mr. Semrau covered the summary well and agrees to the contract timeframe amendment.

**MOTION TO APPROVE RESOLUTION 25-15, AMENDED TO INCLUDE
LANGUAGE ON CONTRACT TIMEFRAME, FOR PROGRAM MANAGER
CONTRACT:**

MOTION:	Commissioner Sondermeyer
SECOND:	Commissioner Esposito
VOTE:	Unanimous

Chair Russo showed his appreciation for Mr. Semrau and the Contracts Committee for their time on this, as he is aware of the lengthy discussions that have been occurring.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

Chair Heck thanked everyone for taking time out of their busy schedules to join for this meeting and wishing everyone a happy and healthy New Year.

MOTION TO ADJOURN:

MOTION:	Commissioner Poff
SECOND:	Commissioner Heck
VOTE:	All in Favor

MEETING ADJOURNED AT: 11:13 am

NEXT MEETING: March 27, 2025, 9:30 am

RANDOLPH MUNICIPAL BUILDING

Caitlin Perkins
For

Carrine Piccolo-Kaufer, Secretary

APPENDIX II

NJHIF Finance Meeting
March 7, 2025, at 11:30AM
Teams Meeting

Thomas Russo, Chair
Debra Millikin, Executive Committee Member
Scott Heck, Executive Committee Member
Michael Soccio, Fund Treasurer
Brandon Lodics, Executive Director
Emily Koval, Associate Executive Director
John Lajewski, HIF Consulting Business Leader
Matt Rudman, HIF Chief Data Leader
Caitlin Perkins, Account Manager
Dave Vozza, Program Manager
Brittany Vozza, Account Manager

Mr. Lodics opened the meeting by introducing two new senior additions to the PERMA team, John Lajewski, the HIF Consultant and Matthew Rudman, HIF Chief Data Leader. He then reviewed the year-end financial performance, acknowledging 2024 was a challenging year due to increased utilization and claims payment within budget constraints. Although there were some pre-emptive inputs regarding the need for supplement assessments, they are currently not necessary. Earlier today, Ms. Koval and Mr. Soccio discussed the cash position, with Mr. Soccio confirming an increase in cash and no recent spikes in claims. Mr. Lodics noted the intent of this conversation is what is the state of the state, discuss the 2024 deficit, and utilization in Mr. Vozza's report on how we got to this point.

Providing an overview of the budget, Mr. Lodics noted the first few months of 2025 align with the adopted budget. He highlighted ongoing concerns such as prescription drug costs and local hospital negotiations. He stated the current Fund surplus position is not an immediate issue but not ideal. Additionally, hospital negotiations continue to drive overall care costs. He said that Atlantic Health will be up for negotiation this year and could be impactful. Discussing financial performance over the past three years, Mr. Lodics pointed out that 2022 and 2023 illustrated at a deficit, but that is net of a dividend. There would be a break even or slight gain without the dividend. He noted the 2024 deficit, which Mr. Vozza will detail further, reflects both market challenges and financial trends.

Commissioner Heck commented about the suggestion of considering supplemental assessments that was included in the memo sent prior to the meeting and how it requires a response from municipalities but there is not enough information at this point to consider this option. He said that as a Township Manager, it is his duty to address a financial need should he be aware of it. He noted there is no data regarding the weight loss drugs, there is a good Fund balance with additional Funds being added in 2025, as well as the budget process starting up again in October. Mr. Vozza noted that it was listed as a suggestion since municipalities are currently putting together their budget, if extra funds are required to be added. Mr. Lodics reiterated that the supplement assessments are not a discussion at this point and the end of the year information is being shared with the Fund Actuary for a review if the current budget is sufficient, which will be shared with the Finance Committee.

Mr. Vozza reviewed his report on medical and prescription data for 2024. He highlighted the increase of medical claims driven by enrollment and the increase of high claimants compared to the enrollment increase. Additionally, he noted that the out-of-network utilization has slightly declined, payments for these claims remain high, particularly amongst newer members who have a higher out-of-network reimbursement rate than existing members. Commissioner Heck questioned if the out of network utilization is a concentration of a certain type of procedure and if another memo should be sent out, which Mr. Vozza responded that the data doesn't show specific types of procedures. Mr. Lodics added that prior actions taken regarding varicose vein claims should reduce those out of network claims. He also noted that the overall medical trend is around 10%, exceeding the industry standard of 7%, which is a challenge across the entire market. Commissioner Heck reminded the committee that growth is good but does initially take from the Fund surplus.

Mr. Vozza noted that emergency visits and surgeries remain the top drivers for 2024 claims. In response to Mr. Lodics question, Mr. Vozza stated that he is unsure of the amount of emergency visits are out of network due to travel but noted that over 90% of visits remain in-network. Additionally, Mr. Vozza noted that obesity is now the second largest disease category by total paid claims, driven by the increase of GLP-1 utilization.

Reviewing prescription drug trends, Mr. Vozza noted a 29% increase PMPM RX plan costs and a 200% rise in weight loss drug utilization. While rebates have slightly decreased, these are currently estimates. He noted gene therapy remains a financial concern, as the Fund covers it, though no claims have been filed yet. Mr. Lodics added that other Funds share similar rebate concerns, and that PERMA leadership is consulting with ESI for clarification, given that rising brand-name drug utilization should not correlate with lower rebates. Mr. Vozza reviewed the top five indications, noting that weight loss drug utilization has continued to increase, and cancer-related drug costs have risen by approximately 70%. He also detailed plan performance metrics, breaking down costs and rebates.

Closing the meeting, Mr. Lodics emphasized that these financial trends are not unique to the North Fund but part of a broader market shift and most funds across the state and the SHBP are feeling these rising trends. He reiterated that the budget remains on track for the first few months of 2025 and expressed appreciation for continued support amid a challenging financial year. While the year may be tight, ongoing monitoring will be occurring. Mr. Vozza echoed that these trends reflect broader market conditions. Commissioner Heck noted that Fund has about eight months of claims on hand, which is why a policy was developed to release dividends over the years and there were some large dividends released over the past 5 years. He acknowledged that new members contribute to the current financial strain but confirmed there is no current crisis. The Fund continues to monitor developments closely, ensuring the best product and the best price available. Mr. Lodics thanked the Fund Treasurer for his diligent oversight and timely updates on any financial concerns.

APPENDIX III

NJHIF Wellness Call
March 7, 2025, at 3:00pm
Teams Meeting

Carrine Piccolo-Kaufer, Committee Chair
Michael Sondermeyer, Executive Committee Member
Greg Poff, Executive Committee Member
Brittany Vozza, Vozza Agency
Caitlin Perkins, PERMA

Commissioner Sondermeyer opened the discussion regarding a member's inquiry about joining, asking whether there was a required waiting period for new members. Ms. Vozza explained that members typically need to be in the Fund for a full year before they can participate in the wellness program. Commissioner Piccolo-Kaufer added that new members are generally allowed to join in the next cycle and confirmed that the inquiry was for the 2026 program. Ms. Vozza clarified that membership for 2025 is closed but noted that multiple groups have expressed interest in joining the wellness program. She sought the committee's consensus on accepting new members and the program's future structure.

Commissioner Sondermeyer stated that groups in the Fund for over a year should not be excluded from the wellness program. However, he acknowledged that determining the program's long-term direction is a more complex discussion. Ms. Vozza emphasized the importance of being proactive, especially as budget constraints tighten at both the town and Fund levels. She asked whether the program should be introduced differently moving forward.

Commissioner Poff inquired about how many municipalities the HIF budget can support. Ms. Vozza responded that 13 municipalities are currently enrolled, with over 500 participants. To help manage rising costs, the program introduced lower-cost screenings this year. Commissioner Poff suggested that if the request is referred to the finance committee, any adjustments to the number of participants should be reflected in the subsequent budget.

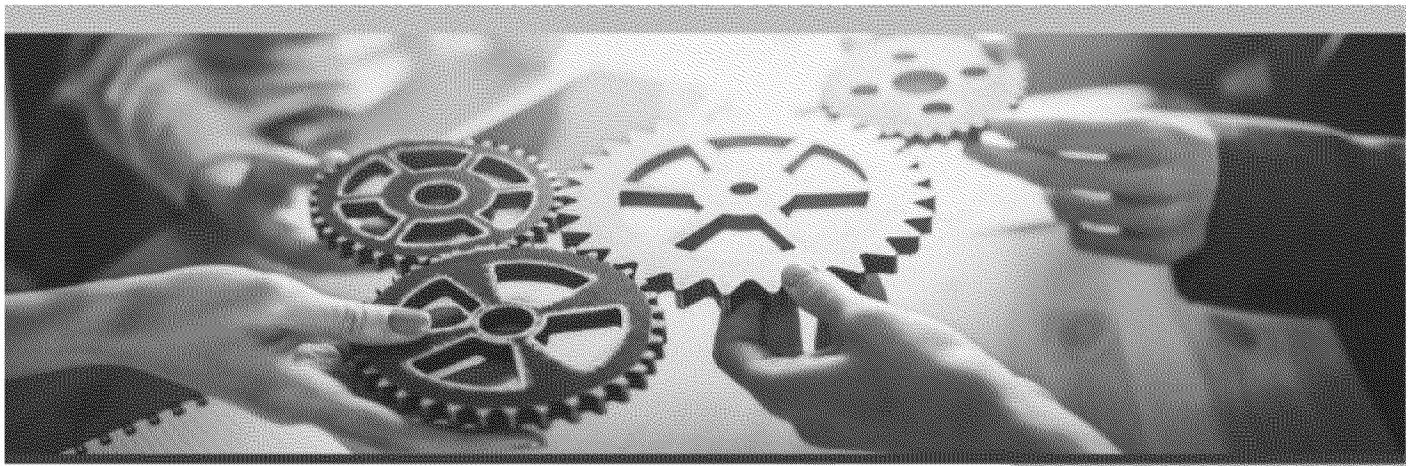
Commissioner Piccolo-Kaufer agreed, highlighting the need to assess the financial impact of increasing participation by 20%. While there is no reason to deny new members outright, financial sustainability must be considered. She proposed providing Kinnelon with an overview, with the understanding that final decisions would be subject to a review of operations and finances for the 2026 budget.

The committee agreed that their message to the interested group should be that the wellness committee supports their participation in 2026 and will recommend them for inclusion. However, approval will depend on the finance committee's review. Ms. Vozza

noted that the program might need to be adjusted to accommodate more groups, either by modifying its structure or introducing additional costs for current members. Commissioner Piccolo-Kaufer suggested providing prospective members with an outline of a typical first year to help set expectations.

Ms. Vozza also mentioned that several vendor contracts are expiring at the end of the year, with significant cost increases that may not be sustainable. As a result, structural changes will be necessary in the coming year. She concluded the meeting by stating that if additional towns express interest, the committee will reconvene as needed.

APPENDIX IV



15TH ANNUAL MEL, MRHIF & NJCE EDUCATIONAL SEMINAR

SAVE THE DATES

FRIDAY, APRIL 25 ▶ 9:00 AM – NOON

FRIDAY, MAY 2 ▶ 9:00 AM – NOON

Available Online at No Cost to Members

Designed specifically for elected officials, commissioners, municipal, county and authority personnel, risk managers and related professionals.

The seminar is pending approval for the following continuing education credits:

- CFO/CMFO Public Works and Clerks
- Insurance Producers
- Accountants (CPA) and Lawyers (CLE)
- Water Supply and Wastewater Licensed Operators (Total Contract Hours)
- Registered Public Purchasing Officials (RPPO)
- Qualified Purchasing Agents (QPA)

TO REGISTER

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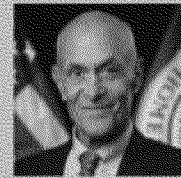


MEL



**NEW JERSEY COUNTIES
EXCESS JOINT INSURANCE FUND**

AGENDA



KEYNOTE SPEAKER

Michael Chertoff served as United States Secretary of Homeland Security. His distinguished legal career includes service as a circuit judge of the United States Court of Appeals for the Third Circuit, and as Assistant U.S. Attorney General.

FRIDAY, APRIL 25

- Keynote Address
- Ethics
- Benefits Issues

FRIDAY, MAY 2

- 1st Amendment
Claims Against
Local Government
- 1st Amendment Audits
- Emerging Claims Issues

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