

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
June 23, 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	Absent
Tom Russo	Town of Newton	Absent
Dina Valente - Stoel	Borough of Lincoln Park	Absent
Tammy Smith	Knowlton BOE	Present
Executive Committee Alternates:		
Cathy Shanahan	Township of West Milford	Present
Carinne Piccolo- Kaufer	Township of Hardyston	Present

Fund Commissioners		
Mike Sondermeyer	Borough of Bloomingdale	Present
Michael Restel	Township of Wantage	Present
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	Absent
Perry Mayers	Borough of Lincoln Park	Absent

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

APPOINTED OFFICIALS PRESENT:

Executive Director	PERMA Risk Management Services	Jordyn DeLorenzo
Program Manager	Vozza Agency	David Vozza Randi Gerber
Attorney	Dorsey & Semrau	Ed Pasternak
Claims Administrator	Aetna	Absent
Dental Administrator	Delta Dental	Brian Remlinger
Prescription Administrator	Express Scripts	Absent
Treasurer	Michael Soccio	Michael Soccio
Auditor	Nisivoccia	Bud Jones
Actuary	John Vataha	
Wellness Coordinator	Cavitas	Marianne Eskilson

PRESENT FUND PROFESSIONALS:

Brittany Vozza
 Renee Gear
 Frank Covelli
 Heather Watson
 Candy Bronco
 Greg Poff
 Carmella Kluse
 Brittney Weiss
 Marie Marro

FLAG SALUTE

APPROVAL OF OPEN April 28, 2022 MINUTES:

MOTION TO APPROVE OPEN MINUTES OF April 28, 2022:

MOTION:	Commissioner Mountain
SECOND:	Commissioner Smith
VOTE:	Unanimous

Chairman Esposito stated that there are some technical difficulties while connecting to Executive Director Brandon Lodics but Jordyn DeLorenzo from PERMA will be filling in.

EXECUTIVE DIRECTOR'S REPORT

PRO FORMA REPORTS

- **Fast Track Financial Reports** as of April 30, 2022

Ms. DeLorenzo reviewed the Financial Fast Track through April 30, 2022. She said overall a very positive month with an earned surplus of about \$216,000 for the month which brings the overall surplus to just under \$16 Million which is about 5.5 months of claims. Aetna has made an effort to catch up on the Claims Processing lag which led to better claims this month.

AUDITOR AND ACTUARY YEAR-END REPORTS

Ms. DeLorenzo introduced Bud Jones from Nisivoccia to review the 2021 Audit. Mr. Jones reviewed the Audit report that was handed out at the meeting. He stated that there were no recommendations or findings. He made himself available for any questions.

DIVIDEND CAP POLICY

Ms. DeLorenzo stated that the Finance Committee met this week to discuss the dividend cap policy. She said according to the Risk Management plan, the targeted surplus range is between 2.5 months of claims to 5 months of claims. When the surplus exceeds the 5 months, the Finance Committee is to review the possibility of releasing 50% of this excess surplus. The Committee reviewed position of the Fund and although the surplus position is about 5.63 months, they are recommending to hold off on releasing a dividend at this time and review again during budget development. She stated that Commissioner Brewer was on the call for any additional comments.

OPERATIONS COMMITTEE

Ms. DeLorenzo stated that the Operations Committee met last week to discuss topics brought up at the prior meeting. Minutes from this meeting are included. The Committee is not requesting any action, but will update the Fund with what was discussed. Commissioners Mountain stated that the committee will keep everyone updated if anything comes up. He stated they were pleased with the professionals involved and with Aetna's response as well.

REQUESTS FOR PROPOSALS

Ms. DeLorenzo stated that the Fund's RFP policy has been to release RFPs on a 3 year, staggered cycle. At the end of this year, the Executive Director will be on its last 1 year extension and will need to go to RFP. She stated that the Committee has the option to extend the current professional contracts Actuary, Auditor, Attorney, Program Manager, Wellness Coordinator and Treasurer for 1 additional term from January 1, 2023 – December 31, 2023 or issue and RFP for a 1 year term for these positions. Ms. DeLorenzo asked if the Committee will approve the one additional year extension for those contracts. They agreed. Ms. DeLorenzo asked for a Motion.

MOTION: *Motion to issue and advertise Requests for Proposals for professional services contracts on behalf of the Fund for Executive Director and extend the contracts for Actuary, Auditor, Attorney, Program Manager, Wellness Coordinator and Treasurer for one additional year.*

MOTION: Commissioner Piccolo-Kaufer

SECOND: Commissioner Mountain

VOTE: Unanimous

MRHIF MEETING

Ms. DeLorenzo stated that the MRHIF met on June 9 to approve the 2021 Fund Audit. There were no findings or recommendations. In addition, a contract was awarded to NIIS for claims management and to audit the Statewide dental program. She stated that RFPs were released for a QPA to handle Requests for Proposals for all Funds, a data warehouse provider and the Fund Professional Service Contracts. A report will be provided after the results are reviewed in September.

RETAINED DIVIDENDS

Ms. DeLorenzo stated that a few members still have retained dividends with Fund for future release. There is a list included in the agenda Appendix. She stated that the dividends are available to the members at any time via a retained dividend form.

NO SURPRISES ACT

Ms. DeLorenzo stated that the No Surprises Act requires certain involuntary out of network providers/claims be processed and paid at a “qualified payment amount” (QPA). The QPA is the average in network contracted amount for the provided service(s) in the provider’s geographical region. Aetna has provided an impact report showing the North’s last 3 years of NSA eligible Out of Network claims. She stated that included in the analysis is a \$50 per claim processing charge for Aetna. Overall, if the QPA amount is accepted by the out of network providers, the Fund would be saving money. Ms. DeLorenzo stated that the program managers office will go into more detail on that later in the meeting.

PCORI FEE

Ms. DeLorenzo stated the Fund will continue to pay this fee on behalf of the members in July

PRORAM MANAGER REPORT

Program Manager stated that there is an online enrollment system training made available by PERMA if anyone is interested.

Mr. Voza reviewed the year end claims overview included in the agenda. He said they notices lower network discounts. We asked Aetna to review and advise on the decrease in the discounts. Aetna performed an analysis on the Medicare relativity rates to show how the change in the provider mix (more utilization of more expensive facilities and procedures in 2021) may have affected discount savings for the year.

RETIREE LETTER - MEDICARE Q & A

Mr. Voza stated his office has developed and attached an “Annual Retiree Update Letter” for your use. The letter can be placed on municipal letter head and distributed annually to track any changes in retirees coverage, address, Medicare eligibility, etc. He stated that a copy of the Retiree Medicare

Q&A we developed and distributed some time ago. This can also be placed on municipal letter and be modified as needed.

WELLNESS PROGRAM

Ms. Vozza stated that they have been reviewing the health profiles for the fund and continue our focus on our top disease states, how to educate our members on these topics and how to screen and provide tools to track and monitor fluctuations. Prevention and early detection are key to treat these before they become a chronic condition and to control future claims cost. According to the Centers for Disease Control and Prevention, 6 in 10 U.S. adults have a chronic disease and 4 in 10 adults have two or more conditions. Chronic diseases are the leading drivers in annual health care costs. The top causes of chronic conditions are tobacco usage, unhealthy diet, and a lack of physical activity. Ms. Vozza stated Valley health has been providing great educational seminars open to all members which address these topics or the lifestyle choices that can lead up to them. We encourage all members to sign up for an onsite seminar with Aetna's resilience program, Marianne is working with NJ trail conference to allow access in the Fall for our members to keep up their physical activity. We are also looking into tools and phone apps that may help with tracking heart rate, blood pressure etc.

Motion to approve the Wellness Committee to be able to RFP as needed.

MOTION:	Commissioner Mountain
SECOND:	Commissioner Smith
VOTE:	Unanimous

Ms. Vozza stated that if you are interested in joining the wellness program for 2023, we will need your application and estimated participation by July 15th, 2022. Please email bvozza@vozza.com or Marianne Eskilson - msmith@civitasnj.net for more information on the wellness program.

Mrs. Gerber reviewed the following information about the NSA:
FEDERAL NO SURPRISE ACT

In December 2020, Congress passed the No Surprises Act (NSA) to protect plan participants from surprise medical bills by out of network providers. The new law applies in certain circumstances, including:

- Emergency situations, and
 - Non-emergency services when provided by an out of network provider at certain participating facilities when the plan participant doesn't have a choice or is unaware that the provider is out of network.

The law protects plan participants by limiting cost sharing to the preferred benefit level and prohibits balance billing by out of network providers.

For NSA eligible claims, Aetna will pay the out of network provider an initial payment amount. In most cases, the initial payment will be an amount equal to the qualifying payment amount as defined

in NSA regulations (generally, the median contracted rate for a specific service in a geographic area). A provider may choose to go to independent dispute resolution (IDR) if the provider does not accept Aetna's payment as payment in full. During the IDR process, Aetna may pay more than the qualified payment amount in order to reasonably settle the matter when it appears expedient to do so. For calendar year plans, this payment practice applies to NSA eligible claims with dates of service on or after January 1, 2022.

Aetna has established a fee schedule to be charged to the fund for the administration of the NSA claims. The fees will be as follows:

- 1) NSA – eligible per claim fee: \$50.00
- 2) IDA (Independent Dispute Resolution) Arbitrator fee: \$200 - \$600

Aetna will not mark up these fee's – they are a total pass through.

Aetna estimates that NSA-eligible claims will represent about 1% of their total claim volume. In most cases, the per claim administrative fees are anticipated to be more than offset by a reduction in claim dollars as a result of the qualifying payment amount. However, based on Aetna's modeling of the costs associated with the NSA, the NJHIF will see a net combined Impact of \$136,000.00.

A copy of their modeling / analysis is attached.

The law also requires group health plans to disclose on a public website detailed pricing information in machine readable files (MRFs).

- In network Provider negotiated rates for covered items and services (the **In-Network Rate File**).
- Historical payments to and billed charges from out of network providers (the **Allowed Amount File**) and;
- In-Network negotiated rates and historical net prices for covered prescription drugs (the **Prescription Drug File**) – *this particular MRF requirement is delayed until further notice.*

Aetna has provided the NJHIF with a unique URL, or hyperlink which has been posted to the Fund's public website. The link will automatically refresh each month with any updated information. The link will not be populated with information until July 1, 2022.

The link can be accessed on the funds web-site at njmebf.com

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND.

Listed below is the unique link (URL) for your machine-readable file.

https://Health1.Aetna.com/app/public/#/one/insurerCode=AETNACVS_I&brandCode=ALICSI/machine-readable-transparency-in-coverage?searchTerm=2006588&lock=true

The federal guidance allows for digital ID cards, which means that there will not be a mass reissue of

plastic ID cards for compliance. The new digital ID cards will be released on a staggered schedule. Member's have started receiving targeted emails to those registered on Aetna Navigator to advise them that the new digital cards are available to download.

We continue to work with the carriers on the implementation of the NSA and will continue to provide additional information as it is received.

Commissioner Tammy Smith thanked the professionals for working with Aetna and making this an easy process. She stated that for \$50 a claim this is a good deal to assure our members are not stuck with a surprise bill.

WELLNESS COORDINATOR - Marianne Eskilson stated that she is happy to see almost all of the participating towns are present at the meeting. She reviewed the Wellness report that she provided at the meeting. This included the wellness newsletter, member participation outreach, seminars, webinars and wellness resources. She introduced Lori from Valley Health who discussed the upcoming year and the robust programs that will be available. She stated that a lot of members are interested in what Valley Health has to offer especially when it comes to health screenings. Valley Health is assisting all members in this process. Ms. Eskilson stated that herself and Lori have been working together on the content of the programs and it has been going strong. Participation continues to grow from the broad outreach they are able to have with the North Fund.

TREASURER: Fund Treasurer reviewed the treasures report and bills list for May and June as well as the Treasurer's report for the month of April.

AETNA: Mr. Silverstein was absent.

EXPRESS SCRIPTS: Charles Yuk reviewed the April 2022 data.

DELTA DENTAL: Mr. Remlinger reviewed the Claims summary report for the 2021 year.

ATTORNEY: Fund Attorney Mr. Pasternak stated that there is no report.

MOTION TO APPROVE THE CONSENT AGENDA:

MOTION:	Commissioner Mountain
SECOND:	Commissioner Piccolo-Kaufer
VOTE:	10 ayes, 0 nays

OLD BUSINESS: None.

NEW BUSINESS: Chairman Esposito announced the retirement of Commissioner Mountain and thanked him for all he has done for the fund. Mr. Mountain said it has been great working in the Fund and it has been a pleasure to serve on the fund. He introduced Greg Poff who will be taking over his roll at the Twp of Randolph.

PUBLIC COMMENT: None.

EXECUTIVE SESSION:

MOTION TO ADJOURN :

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

MEETING ADJOURNED AT: 10:30 am

NEXT MEETING: September 22, 2022, 9:30 am
RANDOLPH MUNICIPAL BUILDING

Jordyn DeLorenzo
For

Scott Heck, Secretary

Date Prepared: 9/14/2022

APPENDIX II

NJHIF Finance Committee

September 12, 2022

Via Zoom

Attendees:

Tom Russo, Committee Chair
Scott Heck, Committee Member
Adam Brewer, Committee Member
Brandon Lodics, PERMA
Emily Koval, PERMA
Dave Voza, Voza Agency
Randi Gerber, Voza Agency

1. **Budget Presentation** – Mr. Lodics reviewed the Power Point presentation for the 2023 Budget. Overall increase is just under 4%. The Claims came in just over 3% and the rebates continue to come in strong for Prescription which gives us a good renewal. Dental is flat. MRHIF is coming in +14.81, which will be discussed later in the presentation. Medicare Advantage is 2.25%, Wellness is separate between the Coordinator fee and the actual program. There was an increase for wellness for new members. Expenses are up 4.64% which will also be discussed later.

Member Assessments were reviewed. Medical is +4.3%, and Rx and dental are flat. With the Medicare Advantage at 3% which is an average +2.94%. He said there are loss ratios being attributed again this year. Overall, the dental only groups are 0%, the highest renewal is 6.67%. There were a few groups that used dividends towards last year's rate which is not illustrated for this year, but will impact their billing for those groups only.

Mr. Lodics reviewed the 5 year performance of the fund for renewals and dividends, which he said was very strong, considering a pandemic.

Mr. Lodics reviewed the claims development process. This Fund did not see the overall impact in 2021 for COVID, whereas many other Funds in the State did see. He said the average increase was about 5-8% for testing, vaccines, etc.

As for Reinsurance, Mr. Lodics said the MRHIF is coming in 14%. The MRHIF does use a 25/75 blend for prior experience. We use a 5 year lookback and there will be a poor year coming off next year. This year's MRHIF budget will likely be adding a Data Warehouse program. This program will allow us to take all the claims to do predictive modeling, gas in care, specialized strategies which will be very beneficial for this Fund. As the Fund's grow, we are also adding a QPA to assist with the contracting processes.

Lastly, Mr. Lodics reviewed the expenses included in the budget. He said that the Executive Director was the only contract to RFP this year as we are on a 3 year RFP cycle. The RFP included 2% fees, but also a \$40,000 audit for specialty areas. He said in this Fund, it would be best to do an audit on out of network, large surgery claims. In addition, there is an NAP program for out of network claims that would be good to audit, as well.

Mr. Voza included that there is a 25,00 spec increase for reinsurance.

Mr. Heck said that with the state, this is a great budget. He suggested we show dental only groups seerpate. Mr. Heck also suggested we show how the assessments are developed. Mr. Heck said that the MRHIF is a large increase. Mr. Lodics said there is experience affecting this group significantly and the 5 year look back is significant. He said that there will be a dividend that will be issued which net it is a competitive renewal. Mr. Vozza reviewed a few claims that were impacting this renewal, of which one is no longer on the Fund. The Fund was profitable to the MRHIF in

2. **Dividend** – Ms. Koval reviewed the dividend Mr. Russo appreciates the policy we have and thinks 50% is too conservative with the trending for growth. Mr. Heck appreciates the additional retention, but thinks this is surplus for the current members. Mr. Vozza said we could see 15-20% if we get some larger groups. Existing dental only members looking to include

Mr. Heck said its surplus on surplus. Mr. Russo said he'd prefer to see it come to the membership. The policy is the policy. Mr. Heck could said we could be conservative this year then have more last year.

Mr. Russo suggested \$4.5 million. Mr. Brewer agreed. Ms. Koval will include the dividend resolution in the agenda.

Mr. Heck asked that we bring the Aetna Ad hoc committee discussions back up.

APPENDIX III

NJHIF WELLNESS COMMITTEE MEETING
Conference Call
September 13, 2022 9am

Attendees:

Carinne Picollo-Kaufer, Committee Member
Michael Sondermeyer, Committee Member
Marianne Eskilson, Civitas
Brittany Vozza, Vozza Agency
Randi Gerber, Vozza Agency
Emily Koval, PERMA
Jordyn DeLorenzo, PERMA

Mrs. Eskilson started the meeting by talking about the education participation for this current wellness year. She stated that she had broken out Valley's participation spreadsheet into individual town participation pages in a new spreadsheet and sent it to each member participating. She said we had a great deal of participation and lots of great feedback. Mr. Sondermeyer stated that he was very pleased with the program and the convenience of it. He stated that there was a lot of participation with the videos which helped a lot of members to be able to participate. Ms. Vozza stated that some people make classes out of these videos so that people like the DPW and workers who are not in the office can participate as well.

Mrs. Eskilson stated that she takes all the feedback into consideration and anticipate a few changes for the next year which will hopefully get more people involved. She stated that Lori left Valley Health and she has been working with Stephanie now. Mrs. Eskilson stated that she wants to focus on any new groups that come into the fund. Up-to-date flyer of all of the webinars that have been broadcast, with links to view the recorded versions and their corresponding survey links, so that people who view them after the fact can get credit for viewing.

Mrs. Eskilson stated that in addition to the recorded links there will be an additional 3 additional live webinars offered before November 30 for employees to participate in before the close of the programming year. Two additional webinars will be offered in December that could into the 2023 requirement column.

Mrs. Piccolo-Kaufer stated that she thought that DermDetect was very beneficial and had a lot of value. She stated that since we are still under contract we should continue with it with the original towns and then maybe move forward with the newer group with something different. Ms. Vozza stated there has been changes in technology so she believes that it would be beneficial to keep it for the existing towns.

Ms. Vozza explained the Aetna Attain App which could be a one stop shop for the members. She said the app is currently being updated to be more friendly to other devices, partnering with CVS and looking to open up to non-members as well. They are interested in this app but the problem is that about 80 members are not enrolled with Aetna Health Insurance so this app wouldn't be available to them. However, other carriers have similar apps. The issue with Carrier wellness apps is the tracking. There may not be a way to track what the members are doing, it is more on the members themselves to do the activities and hold themselves accountable. She said we would continue to provide the education, but this would be more of a component to challenge yourself. Ms. Vozza stated that they are doing a demo with ESI next week that they will be looking into which will bring a lot to the members. They will keep everyone updated after this demo on if they chose to partner with ESI for that particular program. She stated that if this is a program that the fund may way to go with it, they may chose one group to test it out to make sure that this is something people will want.

Mrs. Eskilson stated that she was going to pass out surveys to the ambassadors and wellness members to gage what people are still willing to do or interested in doing.