

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
March 28, 2024
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 2023 EXECUTIVE COMMITTEE AND FUND COMMISSIONERS

2024 Executive Committee		
Scott Heck, Chair	Borough of Ringwood	Present
Tom Russo, Secretary	Town of Newton	Present
Barbara Russo	Township of Berkeley Heights	Present
Tammy Smith	Knowlton BOE	Present
Silvio Esposito	Township of Hanover	Absent
Carinne Piccolo- Kaufer	Township of Hardyston	Present
Greg Poff	Borough of Randolph*	Present
Executive Committee Alternates:		
Adam Brewer	Township of Pequannock	Present
Cathy Shanahan	Township of West Milford	Absent
Dina Valente - Stoel	Borough of Lincoln Park	Present

Fund Commissioners		Absent
Mike Sondermeyer	Borough of Bloomingdale	Absent
Michael Restel	Township of Wantage	Present
James Zepp	Township of Sparta	Present

Patricia Bussow	Andover Township*	Absent
Ralph Blakeslee	Borough of Netcong*	Absent
Keith Kazmark	Borough of Woodland Park	Absent
Rey Julve	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
	Township of Prospect Park*	Absent
John Shepherd	Township of Roxbury*	Absent
Debra Millikin	Township of Jefferson*	Absent
James Freda	Kinnelon	Absent
Gabby Evangelista	Borough of Wharton	Present
Karen Fornaro	Borough of Chatham	Present
	Township of Vernon	Absent
	Town of Boonton	Absent
	Madison Housing Authority	Absent
Mitchell Stern	Mountain Lakes	Absent
Claudia Quinn	Mt. Olive	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	Absent
Perry Mayers	Borough of Lincoln Park	Absent
Jasmin Azcona	Township of Bloomingdale	Absent
Michele Lantau	Township of Sparta	Absent
	Borough of Netcong*	Absent
Victoria Dobrusin	Township of Dover	Present
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

APPOINTED OFFICIALS PRESENT:

Executive Director	PERMA Risk Management Services	Brandon Lodics Emily Koval
Program Manager	Vozza Agency	David Vozza Randi Gerber
Attorney	Dorsey & Semrau	Fred Semrau Ed Pasternak
Claims Administrator	Aetna	Jason Silverstein
Dental Administrator	Delta Dental	Luhra Ebarle
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
Sandra Olivola, Woodland Park
Liz Vastola, Henry O Baker
Candy Bronco, Skylands Risk Management
Joe Riede, EBCSG
Lois Manzella Marchietta, Fitness Knocking

FLAG SALUTE

Chair Heck said there were no minutes available but the January minutes will be approved at the next meeting.

CORRESPONDENCE - None

REPORTS:

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports as of December 2023 and January 2024 – Executive Director said there was a substantial surplus loss in December, but there was a large dividend so it was actually not a loss. We there was a large IBNR update from the actuary, moving \$255,000 from surplus to IBNR. It was a move to cover additional liability he projected. This may change that after another review in the first quarter. Overall, the fund did operationally make \$440k. There was large investment income which is good, thanks to the Treasurer and also a MRHIF dividend.

January also showed a loss at the end of the month. Executive Director said that claims were higher than budgeted and the IBNR is always higher in the beginning of the year. He said the Program Manager will be addressing claims in his report.

Chair Heck said that the Fund is still retaining the minimum surplus retention of the retention policy. The Finance Committee will continuously be reviewing.

COOPERATIVE PRICING SYSTEM - JOINING MEMBER - Executive Director said that in 2023, the MRHIF and its affiliates sought approval from the NJ Office of the Comptroller to issue an RFP for TPA Services for the local Funds. Approval was not given, as the Comptroller's office felt that MRHIF did not have the authority to procure a claims agent being utilized by the local Funds. To secure TPA services for PY 2024, the local Funds each performed a 1-year contract for TPA services in the hopes that group purchasing would be permitted for a longer contract starting in 2025.

We have reviewed with the MRHIF QPA and Attorney who agree that the Funds may enter into a Cooperative Pricing Agreement with a lead agent. The SNJREBF will be the lead agent as they currently have existing contracts with both HIF TPAs and Medicare Advantage providers.

The concept of the HIF Cooperative Pricing System was presented to the MRHIF Commissioners by the MRHIF Attorney and received full support.

Two entities are needed to form - the Southern HIF and BMED will be the initial members of the System. A resolution to join is included, along with the agreement to be signed by the Fund Chair.

Fund Attorney said this is very similar to the Morris County Cooperative. He applauded the team for their efforts. Commissioner Smith volunteered to be the representative.

MOTION TO APPROVE RESOLUTION 24-15 TO JOIN THE COOPERATIVE PRICING SYSTEM :

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

DIRECT MEMBER BILLING – Executive Director said that we are aware that some of our entities, their risk managers and the Program Manager’s Office have been contacted by direct bill enrollees regarding delays and incorrect 2024 rates they’re being billed. 2024 coupon payment information were sent the first week of March.

On behalf of our office and WEX (North HIF Benefits Administrator), we apologize for any concerns or challenges this may have created for you and your members. Most importantly, please be assured that no member coverage was impacted by these delays/errors.

PERMA is working with WEX to take the following corrective steps to improve this experience going forward:

- 1) Senior leadership meeting with PERMA and WEX.
 - a. Customer Service
 - b. Resources
 - c. Project plan tool
 - d. Suppressing automated communications
- 2) Evaluation of current process for improvement.
- 3) Creation of additional tools to streamline process and eliminate manual intervention.
- 4) Proactive HIF outreach to membership in Executive Committee meetings and direct to membership.

As we continue to evaluate processes and implement improvements, we will keep the Executive Committee updated.

We want to recognize and thank, the Program Manager’s office for fielding the related service outreaches, which was beyond the normal volume.

Chair Heck said if a member does have an issue to not wait to contact the Executive Director and Fund Leadership. He said the system needs improvement but PERMA is working to correct.

I response to Commissioner Smith, asking for 3 months of premium at once, Executive Director said that cash is important, although no one lost coverage. We recommended that everyone pay their 2023 rates and then the additional 5% for those three months would be requested at this time. Unfortunately, there were many automated letters from Wex that have been suppressed. We will work with the operations committee on next steps in 2025.

FEBRUARY MRHIF MEETING - The MRHIF had their reorganization meeting on February 15, 2024. Commissioner Esposito was present to represent the Fund.

Below are some of the key highlights:

1. The Fund Attorney provided an overview of the **Cooperative Pricing System Initiative**.
2. Approval was granted for the Fund Attorney to manage the **Cooperative Pricing System** filing.
3. Approval to go out to RFP for a **Data Warehouse system** was approved.
4. Approval to go out to **RFP for Reinsurer** for multi-year contract was approved.

FINANCIAL DISCLOSURE STATEMENTS - The Financial Disclosure notice emails will be sent out in April. The deadline for filing is April 30, 2024. Please file as soon as you get the email.

Reminder: A separate filing will need to be done for each position – HIF Fund Commissioner, JIF Fund Commissioner, Local Elected Official, etc.

PRORAM MANAGER REPORT

Program Manager Dave Vozza reviewed the report included in the agenda.

Program Manager said that as a follow up to the Financials that were reviewed with the Executive Director, the enrollment did increase due to new membership. Therefore, the illustrations are being presented as a pepm rather than dollar amounts. There was an increase in January of larger claims. Hospital and medical surgery is up significantly. This trend started in 2023 through 2024. Generally, January is claims from the prior year. He said there is a 7.7% increase YOY, which was more than budgeted. Program Manager said he is discussing with Aetna regarding hospital contracts as they renew.

Overall, medical trend has been lower in most recent years. He said the in network utilization is slightly lower, but can significantly impact the claims. He said there were more high risk pregnancies and length of stay was higher, as well. He said that new weight loss drugs may be impacting prescription increases. He said many of these high claimants are still in our layer, and not getting reimbursements. Hopefully there will be a good renewal for this fund, though of the reinsurance.

Program Manager said that the prescription is running well as there were 2 large prescription scripts that were termed to the Fund, but being replaced by the GLP -1 drugs and weight loss drugs. 3 of the top 5 expensive drugs is weight loss. He will continue to work directly with Executive Director and finance committee to continue monitoring.

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 northernnj enrollments@permainc.com

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

Online Enrollment System Training Schedule - 2024

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

Please email Austin Flinn at PERMA to join a training session.

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.

- **Email:** aflinn@permainc.com

NEW MEDICAL MEMBER SUBMISSIONS

The Twp of Mount Olive was successfully transitioned to the NJHIF effective 3/1/2024. This now completes the transition of 8 municipal groups who have transitioned from the SHBP to the NJMEBF since 1/1/2023. Just as a recap – the 8 new groups and effective dates are as follows:

Jefferson Twp – January 1, 2023
Madison Borough – April 1, 2023
Madison Housing Authority – May 1, 2023
Town of Boonton – May 1, 2023
Chatham Borough – August 1, 2023
Vernon Twp – September 1, 2023

Kinnelon Borough – October 1, 2023
Mount Olive Twp – March 1, 2024

DATA MANAGEMENT

Our office / data analyst has provided the data necessary for the actuary to complete the IBNR projections for the NJHIF.

MRHIF REINSURANCE RFP

Last year's RFP for the MRHIF contract was awarded as a single year contract since a multiyear contract, as has been the terms in the past, would need prior approval of the OSC which, according to our QPA wasn't feasible due to time constraints last year. So that we would be able to issue a multiyear award, we requested and received authorization to start the RFP process early this year in conjunction with our QPA by sending the required documents to OSC to obtain the required pre-approval which would put us on course to issue the formal RFP mid-year.

AETNA

New York Presbyterian Healthcare System – Possible Termination

Our office has been notified of the possible termination of New York Presbyterian Healthcare System.

There are 10 NJHIF members that have accessed the healthcare system within the last 12 months and may be affected by the termination. Attached separately is a copy of the notification letter Aetna has sent to any affected member.

Below is a list of Facilities that would be affected by the termination.

Columbia University Irving Medical Center
NewYork - Presbyterian Allen Hospital
NewYork - Presbyterian Westchester
NewYork - Presbyterian Morgan Stanley Children's Hospital
Weill Cornell Medical Center
NewYork - Presbyterian Lower Manhattan Hospital

NewYork - Presbyterian Westchester Division
NewYork - Presbyterian Brooklyn Methodist Hospital
NewYork - Presbyterian Queens
NewYork - Presbyterian Hudson Valley Hospital
Gracie Square Hospital

On 2/26/2024, NewYork-Presbyterian (NYP) Healthcare System sent notices to impacted members by email and/or mail advising them of the negotiation and potential termination. NYP has also created the following site to provide information for members: <https://www.nyp.org/aetna>. You can access a copy of NYP's letter from the site.

Aetna continues to negotiate with NewYork-Presbyterian Healthcare System in good faith, but the parties remain far apart. Aetna will provide an update on the negotiations with the facility during our fund meeting.

EXPRESS - SCRIPTS

SAVEON SP

The NJMEBF has saved a total of \$406,236 through the SAVEON SP Program for the 2023 calendar year with a total of 74 plan participants enrolled in the program. Drugs for the treatment of Inflammatory conditions continues to be the top expense for specialty in this program. The full SaveOn report is attached separately and provides additional information on other specialty medications and the savings associated with each.

TREASURER: Mr. Soccio reviewed the bills lists and CIR report. He noted that Citizens replaced Investors and is noted in the Cash Management Plan. In response to Commissioner Brewer, Mr. Soccio said he does not have any issues.

ATTORNEY: Fund Attorney said there were 2 claims that went through the Claims committee that we will be going forward with a resolution at the next meeting. There are 2 new lawsuits that also came in. He said most of these, if not all, are out of network disputes. We will keep you posted on those. He did not request action today on these claims.

WELLNESS PROGRAM - Commissioner Kaufer said that Marianne's report is in the packet. She said that the Committee has begun scheduling with the vendors and wrapping up with Ms. Smith's position at the end of the month. The Fund did not receive any responses to the RFP for coordinator, we discussed with the wellness committee to have the Vozza agency and we are working on contract with the contracts committee.

Ms. Vozza reviewed the coordinator's report. She said there were 2 individuals that did biometrics and were high risk and are working with their primary doctor. Chair. Heck said his town is enjoying the program and encourages the new members to join..

AETNA: Mr. Silverstein reviewed the Aetna report included in the agenda. The Fund does have excellent in-network utilization. Good news is that NY Pres was finalized and there will be no disruption in service. He said Hackensack meridian is up in July. They are challenging and requesting double digit increases. There is a good chance that could go to the very end of this contract term.

Chair Heck said that there was concern about NY Pres, although sure that there will be increase in cost. In response to Chair Heck, Mr. Silverstein said that the contracts are staggered, but they are getting larger and purchasing smaller groups now. He said that NY Pres is only one year contract. But, started more negotiations already. We also just complete Deboarah Cancer and there are a handful in NY that are up, as well. Executive Director said since we are self insured, the Fund is able to be creative. It does seem that post – covid there are many hospital contracts getting more challenges. Aetna is negotiating on our behalf. But these groups are getting larger and larger and the bigger player. Chair Heck said there are still out of network benefits. Mr. Silverstein said that doctors do have admitting privileges to many hospitals.

EXPRESS SCRIPTS: Mr. Yuk reviewed the monthly utilization tracking report for the month of January and are in tandem with what the Program Manager reported.

DELTA DENTAL: Ms. Ebarle reviewed the chart included in the Delta Dental agenda.

OLD BUSINESS: None.

NEW BUSINESS: None

PUBLIC COMMENT: None.

EXECUTIVE SESSION:

MOTION TO ADJOURN :

MOTION:	Commissioner Brewer
SECOND:	Commissioner T. Russo
VOTE:	All in Favor

MEETING ADJOURNED AT: 10:26 am

NEXT MEETING: May 23, 2024, 9:30 am
RANDOLPH MUNICIPAL BUILDING

Emily Koval For

Tom Russo, Secretary

APPENDIX II

NJHIF Operations Committee Meeting

May 1, 2024, 9:00am

Zoom

Adam Brewer, Committee Chair
Scott Heck, Fund Chair
Carrine Kauffer, Committee Member
David Vozza, Program Manager
Brittany Vozza, Vozza Agency
Randi Gerber, Vozza Agency
Brandon Lodics, Fund Executive Director
Emily Koval, Fund Assoc. Executive Director

Mr. Vozza opened the meeting by reviewing the impact of the GPL-1 drugs and the associated cost to the Fund. He said weight loss drugs are the top 3 drug spend in the Fund. He introduced ESI that has a program for these specific drugs.

Mr. Yuk said that these drugs are a problem across the state and ESI are developing a way to save the fund money but also give these drugs to those who truly need it.

Ms. Patel reviewed the specific drug brands that are in question, which were included in the presentation distributed. The cost, drug timing and the FDA approved condition they are to be used for. There are some that are only indicated for weight loss, while others for diabetes. Mr. Yuk said that ZepBound is a new weight loss drug that was only becoming more popular in late 2023. The NJHIF has 47 fills this year for this Fund and no reduction in Wegovy.

In response to Mr. Vozza, Ms. Patel said that Zepbound is becoming more popular because of the cost and ease. Mr. Vozza suggested including this drug on the formulary. Mr. Yuk said Wegovy has not been removed from the formulary mostly because of drug shortage, but may in the future should the supply and demand level out.

Mr. Yuk said there is a three prong approach to this program: There is a financial guarantee to the Fund. First, there is clinical criteria. The BMI is increasing and additional documentation. Second, there is a lifestyle program that must be taken and ESI will be monitoring the data with the Fund. Third, the off-label script control will be monitored to ensure there is no fraud and prescribers are prescribing as the FDA intends.

Ms. Patel said the current PA does not include any documentation and the BMI is increasing from 30 to 32. There are also co-morbidities must be followed up with documentation, such as diabetes and hypertension. Mr. Yuk said that BMIs between 32-40 are 3x higher to have a cardiovascular issue. If there is diabetes, the drug will be approved but must have documentation.

Current member can be grandfathered into the new PA, which would start September 1. Mr. Yuk said the NJHIF has 257 PAs currently for this classification of drug. If we started this program, there would be a large disruption. The recommendation would be to allow active PAs to run out then run the new Prior Authorization when their script runs out. The financial guarantee will not be active until all 257 PAs expire. Ms. Pavel reviewed the lifestyle modification engagement program which is mandatory. Should a member not engage or meet the requirements, the medication will

not filled the next month. In response to Mr. Heck, Ms. Pavel said that if there is a comorbidity, they will always get the medication. Mr. Heck asked if there was some other reason a member cannot do the exercise requirement, will they not be able to get the medication. Ms. Pavel said it does not require daily exercise, there are many aspects in the application, such as choosing a better meal and weigh ins 4 times a month and go into the application 4 times a month. The member will receive a scale from Omada. Should a member not have access to an application, the member can go directly to the website. Mr. Yuk said overrides can be made, per a Fund directive. In addition, the scale is connected to the app so weigh ins are automatically collected.

In response to Mr. Brewer, Ms. Patel said that today is the first day it has been impended for ESI clients so there has not yet been any reactions to share. Ms. Gerber said that this is not a huge ask for a member taking for weight and no other comorbidities. Mr. Brewer said the decrease of those with diabetes will be a financial gain for the Fund. Ms. Gerber said this program is trying to steer this medication to the appropriate population and not keep it from those who need it. Ms. Patel agreed that these drugs need to be reserved for those need it. Diabetics only need to show documentation, they do not need join the lifestyle management program.

Ms. Patel said the anti-fraud portion of this program is through data analytics. Mr. Yuk said there is a \$1 to \$1 match for the \$1.45 pepm program cost. The lower program cost would be charged while the prior authorization is grand-fathered for current prescribers. In modeling the NJHIF data, Mr. Yuk said that after 2 years not doing anything, there would be a cost of \$35 pepm in 2025; whereas with this program, the cost projection would be about \$16 pepm for this drug spend. In addition, Mr Yuk said the Fund has \$9,500 in pharmacy management fund that can be used towards this program. The total cost for one year would be \$45,000. Mr. Lodics said it is a small investment for a large problem. Although the Fund cannot eliminate the drugs, it is important to control what the Fund can. Mr. Brewer said that if this program eliminates 2-3 people from being prescribed, the Fund saves.

The Committee agreed that the program should be implemented. ESI will provide the communication samples for the Fund.

NJHIF Operations Committee Meeting

May 15, 2024, 9:00am

Zoom

Adam Brewer, Committee Chair
Scott Heck, Fund Chair
Carrine Kauffer, Committee Member
David Voza, Program Manager
Brittany Voza, Voza Agency
Randi Gerber, Voza Agency
Dave Voza, Voza Agency
Emily Koval, Fund Assoc. Executive Director

New Member – Mendham Township - Mr. Voza said this group has been in process for a while, waiting for additional information. The group does not look very competitive but asking for new plan designs with low cost options for the group to help them possibly come to the Fund if the State is as high as it is projected for 1/1/2024.

Dave reviewed the demographics of the group. He said the broker has some lower cost plans that he'd like to implement. The earliest we could bring this group in would be September and renew on 7/1/2025. At this point, the group would be about 8% over the current State Plan. Mr. Brewer said that essentially, the Fund would be offering a quote and giving options, but it sounds like they would be unlikely to move. Mr. Voza agreed. Mr. Heck agreed that it is unlikely anyone would move for 8%, as long as it is not costing the Fund anything then to proceed with the offering. Mr. Voza said the 5% margin would continue over time. The Committee agreed to release the information and recommend to offer membership.

In addition, Mr. Voza said that there was an inquiry from a broker with some very small groups in Warren County. The broker would need updated information, but asked the Committee if they would consider. These groups can be very volatile. Mr. Voza also said that the Fund is getting closer to the 2.5 surplus retention policy and these small groups could affect it. The Committee said they would not like to pursue this at this time. Although, in the future could discuss the option of banding the small groups together but this would be a legal, binding agreement of all groups.

Mr. Voza said that Montville's broker has reached out, as well. The Committee agreed to review the data but be selective of who we offer membership to.

Mr. Brewer said that scheduling committee meetings should be made with the Program Manager and PERMA prior to coming to the Committee.

In reference to the wellness coordinator services, Mr. Brewer said that the Wellness Coordinator RFP could have been written better and released more broadly. The Voza agency did not respond to the RFP. He said that Wellness needs to be re-reviewed and maybe Voza is the right contract, but needs to be reviewed and this was not the correct way to go about this. Voza said that there were no responses to the RFP and he was asked to help with the process, not

particularly something they would like to undertake. Mr. Brewer said that the Vozza agency is already getting paid for wellness. Mr. Heck said that this will be pulled from the agenda for next week.

