

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND  
OPEN MINUTES  
OCTOBER 24, 2024  
RANDOLPH MUNICIPAL HALL- 9:30 AM**

Meeting of Fund Commissioners called to order by Chair Scott Heck. Open Public Meetings notice read into record.

**ROLL CALL OF 2024 EXECUTIVE COMMITTEE AND FUND COMMISSIONERS**

<b>2024 Executive Committee</b>		
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	Absent
Silvio Esposito	Township of Hanover	Absent
Carrine Piccolo- Kaufer	Township of Hardyston	Absent
Greg Poff	Borough of Randolph*	Present
<b>Executive Committee Alternates:</b>		
Adam Brewer	Township of Pequannock	Present
Dina Valente - Stoel	Borough of Lincoln Park	Present

<b>Fund Commissioners:</b>		
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
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*	Absent
John Shepherd	Township of Roxbury*	Absent

Debra Millikin	Township of Jefferson*	Present
James Freda	Kinnelon	Absent
Gabby Evangelista	Borough of Wharton	Present
Karen Fornaro	Borough of Chatham	Present
Tina Kraus	Township of Vernon	Present
	Town of Boonton	Absent
	Madison Housing Authority	Absent
Mitchell Stern	Mountain Lakes	Absent
Claudia Quinn	Mt. Olive	Absent
Michele Dale	Twp of West Milford	Present
Craig Ambrosio	Borough of Kinnelon	Present
<b>Fund Commissioner Alternates:</b>		
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	Absent
Jasmin Azcona	Township of Bloomingdale	Absent
Michele Lantau	Township of Sparta	Absent
	Borough of Netcong*	Absent
	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

**APPOINTED OFFICIALS PRESENT:**

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

**PRESENT FUND PROFESSIONALS:**

Renee Gear, World Insurance  
Frank Covelli, World Insurance  
Candy Bronco, Skylands Risk Management  
Staci Grant, Acrisure

**FLAG SALUTE**

Mr. Lodics noted the September minutes stated that Commissioner Brewster's report was under the Finance Committee instead of Operations Committee.

**MOTION TO APPROVE OPEN MINUTES FOR SEPTEMBER 26, 2024, as amended.**

<b>MOTION:</b>	Commissioner Poff
<b>SECOND:</b>	Commissioner Russo
<b>VOTE:</b>	Unanimous

**CORRESPONDENCE - None**

**MONTHLY COMMITTEE REPORTS -**

**CLAIMS COMMITTEE-** No Report

**CONTRACTS COMMITTEE-** Commissioner Poff represented the contract committee since Commissioner Smith was absent and reviewed three items discussed during the Contracts Committee meeting. The first item discussed was the Fund issued an RFP for QPA services, receiving a single response from The Canning Group, LLC. The committee

recommends advancing the agreement with The Canning Group, LLC, as outlined in Resolution 24-32. The second item discussed was the committee reviewed the RFP for Program Manager services and recommends removing the section regarding the Risk Manager. This change would allow entities joining the Fund to independently choose their own Risk Manager. This is to ensure the language clarifies that Program Manager services are distinct from Risk Management services. Additionally, it was recommended that the Executive Director collect organizational resolutions identify each entity's Risk Manager on an annual basis. The third item discussed was a potential opportunity for the Fund to join an insulin related class action lawsuit through a contingency agreement. One law firm contacted the Fund Attorney, and two other firms were mentioned by committee members. The committee recommended that the Fund Attorney consult with other Fund Attorneys to determine if additional firms have expressed interest in representing other HIFs.

The Fund Attorney elaborated on the insulin litigation, explaining it involves allegations of price-fixing and could be a class action lawsuit of interest to the Fund. Mr. Semrau clarified that no payment would be required to engage a law firm. As proposals from other additional firms are received, the goal is to select the best representation for the Fund. He requested, since it is the last meeting of the year, if the Contracts Committee could make the final decision of attaining counsel. Chair Heck stated since this affects different entities and members, for transparency purposes, he recommends after the Contracts Committee provides a recommendation, to schedule a Zoom meeting to finalize with the Executive Committee. Commissioner Brewer and Commissioner T. Russo agreed with Chair Heck.

#### **FINANCE COMMITTEE – No report**

**WELLNESS COMMITTEE –** Ms. Vozza represented the Wellness Committee since Commissioner Piccolo-Kaufer was absent and noted there is nothing at this time. She noted there will be a Wellness Committee meeting after the 2025 budget is adopted.

#### **PROFESSIONAL REPORTS:**

#### **EXECUTIVE DIRECTOR'S REPORT**

**FAST TRACK FINANCIAL REPORT** as of August 2024 – Executive Director reviewed Financial Fast Track through August, noting the trend of claims running higher than budget continue and showing a surplus deficit. He noted there is still a 1.5 ratio of surplus which shows we have an adequate renewal. Executive Director commented it is the hope that some of these concerning trends turn to see some surplus generation in next year.

Chair Heck remarked that these trends had been anticipated and observed previously, noting that they are now affecting the entire market. He recalled that in past years, dividends were issued with the understanding that there would eventually come a time when they would need to be held. While acknowledging that the 2025 budget is not ideal, he emphasized that the Fund is taking proactive measures to address the situation in real-time.

**2025 NJHIF BUDGET ADOPTION** – Executive Director mentioned there were two minor adjustments since the adjustments. The first adjustment was the MRHIF renewal came in lower than anticipated, which was recommended that this differential be moved into the claims contingency to help add a margin. The second adjustment was a formula error that was presented for the United Healthcare Medicare Advantage, which was corrected. He apologized for the formula error, stating the groups that were affected was notified and appreciated their understanding and report. Ultimately, the Aetna Medicare Advantage group assessments did decrease. The new rates were recently released and reflect this correction.

**MOTION TO OPEN THE PUBLIC HEARING ON 2025 BUDGET**

<b>MOTION:</b>	Commissioner Brewer
<b>SECOND:</b>	Commissioner Valente – Stoel
<b>VOTE:</b>	16 Ayes, 0 Nays

**MOTION TO CLOSE THE PUBLIC HEARING ON 2025 BUDGET**

<b>MOTION:</b>	Commissioner Brewer
<b>SECOND:</b>	Commissioner Poff
<b>VOTE:</b>	16 Ayes, 0 Nays

**MOTION TO APPROVE RESOLUTION 24-31, ADOPTING THE 2025 NORTH JERSEY MUNICIPAL EMPLOYEES BENEFITS BUDGET.**

<b>MOTION:</b>	Commissioner Brewer
<b>SECOND:</b>	Commissioner Russo
<b>VOTE:</b>	16 Ayes, 0 Nays

The Executive Director expressed gratitude to the Finance Committee, Executive Committee, Program Manager, and Risk Managers for their support and collaboration in communicating this challenging budget. He noted that based on the market trend, everyone has been receptive.

**MRHIF REPORT** – Executive Director stated the MRHIF budget was introduced in their October meeting, noting that the MRHIF renewal for NJHIF came in lower than expected, as previously discussed during the 2025 budget adoption.

**QPA APPROVAL** – Executive Director noted that Commissioner Poff covered the recommendation of the QPA approval.

**MOTION TO APPROVE RESOLUTION 24-32 TO AUTHORIZE THE HIRING OF THE CANNING GROUP, LLC FOR FUND QPA**

<b>MOTION:</b>	Commissioner Valente – Stoel
<b>SECOND:</b>	Commissioner Russo
<b>VOTE:</b>	All in favor

**OUT OF NETWORK PROVIDERS** – Executive Director noted that following the lengthy discussion about the Out-of-Network Providers during the previous meeting, the Operations Committee convened to explore ways to better manage costs and exposure. One of the solutions discussed was capping specific CPT codes at the highest in-network regional negotiated rate, which Aetna has confirmed it can accommodate. At the recommendation of the Operations Committee, the Fund Attorney reviewed the resolution and deemed it a prudent course of action. The Executive Director emphasized that while this change would affect only a small population, the financial impact would be significant. He also noted that similar measures have already been implemented in two other Funds.

**MOTION TO APPROVE RESOLUTION 24-33 TO AUTHORIZE THE REVISION OF OUT OF NETWORK RATES FOR MEMEBR PLAN DOCUMENTS**

<b>MOTION:</b>	Commissioner Poff
<b>SECOND:</b>	Commissioner Brewer
<b>VOTE:</b>	16 Ayes, 0 Nays

**OUT OF NETWORK MEMO** – Executive Director noted there was a previous memo that was released a couple months ago to the Commissioners, but further investigations found out that these providers are approaching union leadership. He stated a second memo was developed to address the union leadership, which has been reviewed by the Operations Committee, Fund Attorney and Program Managers office.

**DIRECT BILL ENROLLEES** – Executive Director shared that due to the timeline of the budget introduction, there are challenges with direct bills being released before January

1, 2025. Based on the feedback, letters have been developed to take a proactive approach. The draft letters provide language to the direct bill members that there will be no coverage impact and continue to pay as is for it be reconciled at a later date.

In response to Chair Heck's question, the Executive Director explained that MRHIF handles the procurement of the benefits administrator for all Funds. An RFP was issued last year, resulting in competitive responses. Given the complexity of the HIFs, it was decided to award a one-year extension to WEX, with the contract now set to expire in 2025. Commissioner Brewer requested the inclusion of an additional contact for WEX to help reduce frustrations stemming from customer service issues.

**IDEMNITY AND TRUST AGREEMENTS** - Executive Director stated that there are two entities with outstanding indemnity and trust agreements. Executive Director mentioned any help from brokers and community would be helpful in getting these rectified.

### **PRORAM MANAGER REPORT**

Program Manager Mr. Dave Vozza and Ms. Randi Gerber reviewed the report included in the agenda.

### **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 [northernnjnjenrollments@permainc.com](mailto:northernnjnjenrollments@permainc.com).

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

### **Online Enrollment System Training Schedule - 2024**

**UPDATE NOTICE FOR ALL WEX USERS:** There has been a new update to the WEX system that could affect your member termination process, where the "Quick Term"

option has been removed. To accommodate this change, we have provided updated termination instructions attached separately for your reference. Going forward, please review these instructions and follow the updated process when terminating a member. Afterward, you can access the quick look feature to confirm coverage is ending on the desired date. You can also reach out to the enrollment team if you need assistance.

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 - 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: [HIFTraining@permainc.com](mailto:HIFTraining@permainc.com)

I have also attached an updated enrollment team contact list for your reference.

### **2024 OPEN ENROLLMENT**

- The NJMEBF will be holding open enrollment for the 2025 plan year from 10/28/2024 – 11/08/2024. All changes must be processed online in Benefits Express by 11/18/2024 in order for ID cards to be generated for any members making plan changes and in member's hands by January 1, 2025. Attached separately to our report is the NJMEBF open enrollment guide for your review and distribution to members.
- Our office has distributed the open enrollment grids / materials and rate sheets for groups where Vozza is the broker. If you have an outside broker, please contact them directly for questions or materials.
- Please note that the 2025 qualified HDHP minimum annual deductible is **\$1,650 for self-only HDHP coverage** (up from \$1,600 in 2024) and \$3,300 for family HDHP coverage (up from \$3,200 in 2024). Any HDHP's not meeting these minimum requirements for 2025 will be adjusted for compliance.

### **REINSURANCE RENEWAL**



The NJHIF had a placeholder of 10% in the budget for the MRHIF reinsurance renewal. The actual renewal came in at 3.3% for the NJHIF however, we are not recommending the budget be adjusted at this time.

The local HIF SIR will be increasing by \$25,000 or to \$475,000.

## COMMITTEE MEETINGS

The Operations Committee met to discuss an issue that has been previously identified in other funds specifically related to OON surgeries and in particular, Varicose Vein surgery. Recently, we identified the same issue within the NJHIF with visits / procedures running between \$42,000 - \$45,000 per visit. Discussion(s) included actions taken by other funds to control the costs / impact of these types of emerging trends going forward. Further discussion to be held at the meeting.

## AETNA

### CVS Virtual Health

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

- On-Demand Care – Access to 24/7 quick care for minor illnesses and injuries
- Mental Health Services – counseling for conditions such as anxiety and stress, plus psychiatry services for medication management
- Referred to in-person care when needed at nearby MinuteClinic locations or in-network provider clinic

Attached is a member flyer that can be shared with Aetna covered members with instructions on how to access CVS Virtual Care, beginning January 1, 2025.

**Aetna covered members will receive new ID cards with the CVS Virtual Care information, removing any reference to Teladoc. Member ID numbers will not change.**

## EXPRESS SCRIPTS

### REMINDER:

### ENCIRCLE RX PROGRAM - GLP-1 DRUGS Update

As presented in our May report, the Encircle 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 September 1, 2024,**

Members with new prescriptions or renewing a Prior Authorization for weight loss medication(s) will need to meet the new criteria in order to be approved for a GLP-1 weight loss medication:

- BMI > 32 **OR**
- BMI between 27 < 32 **WITH** 2 or more documented comorbidities

Members who have a current PA (Prior Authorization) on file will be grandfathered until their PA expires.

**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.

**Mail Order – less than a 35-day supply:**

**Beginning October 22, 2024,** ESI will no longer dispense prescriptions written for less than 35-day supply for most medications at their mail order facilities. Members who want or need to continue filling prescriptions written for less than a 35-day supply, rather than

moving to an extended day supply will be required to fill at one of ESI retail participating pharmacies.

There will be a limited number of drug categories where ESI will continue to dispense less than a 35-day supply. These drug categories are limited to drug classes where consolidation or a longer supply is not appropriate, such as the following:

- State and federally controlled drugs
- Over-the-counter medications
- Diabetic supplies
- Some maintenance medications mood altering medications
- Sublingual nitroglycerin
- Warfarin

Members currently receiving less than a 35-day supply from ESI were notified the week of October 8th. The communication will inform the member to contact their physician to confirm if a longer day supply is appropriate, and if not, advise them they will need to transfer their existing prescription to a participating retail pharmacy.

### **SavOn SP Savings Report**

Please find attached the SavOn SP report for the period of January 1, 2024 – June 22, 2024. There was a total of 68 NJHIF members participating in the program which provided \$273,375 in savings. Please refer to the report below for more detail.

**TREASURER:** Executive Director reviewed the October bills list in the absence of the Treasurer. He noted the summary of cash transactions report, certification and reconciliation of claims and payments, and the allocation of the cash.

### **MOTION TO APPROVE RESOLUTION 24-34 APPROVING THE OCTOBER BILLS LIST AND TREASURERS REPORT**

<b>MOTION:</b>	Commissioner Brewer
<b>SECOND:</b>	Commissioner Poff
<b>VOTE:</b>	16 Ayes, 0 Nays

**ATTORNEY REPORT:** The Fund Attorney noted that Mr. Pasternak has successfully managed multiple claims, and there are currently no pending claims against the Fund, which reflects the efficiency of the Fund's claims processing. He also emphasized the importance of collaborating with the Executive Director to establish clear expectations regarding the resolutions from entities about their Risk Managers. Finally, he expressed

gratitude to Chair Heck, commending his efforts to evaluate and enhance the Fund's processes and procedures. Chair Heck responded by emphasizing that these accomplishments are the result of a team effort.

**AETNA:** Executive Director reviewed the Aetna report the absence of Mr. Silverstein, noting there was one high claimant over the threshold of \$100,000 for the month of August.

**EXPRESS SCRIPTS:** Mr. Yuk reviewed the monthly utilization tracking report for the month of August and states the trend continues to increase. He noted the top cost drivers are both Weight Loss and Pulmonary Hypertension. Mr. Yuk stated out of the top three drugs, two of them are for Weight Loss. Program Manager commented that the weight loss drugs almost tripled compared to the previous period.

In response to the Executive Director, Mr. Yuk stated there will be reporting once people will

**DELTA DENTAL:** Ms. Perkins reviewed the report in the absence of Delta Dental representative, providing overview of the special needs dental program that is detailed in the flyer attached to the report.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None

**PUBLIC COMMENT:** Mr. Covelli introduced Mr. Craig Ambrosio, who is the new administrator and Fund Commissioner for Borough of Kinnelon. Chair Heck welcomed him.

Chair Heck thanked the Executive Director and Program Manager team, noting it takes work to shift with the changes and try to increase the participation of board members and transparency. Chair Heck also thanked the Executive Committee and Fund Commissioners for their participation. He thanked the group for his opportunity to be the Chair of the NJHIF for the past two years.

**EXECUTIVE SESSION:** None

**MOTION TO ADJOURN :**

<b>MOTION:</b>	Commissioner Brewer
<b>SECOND:</b>	Commissioner Russo
<b>VOTE:</b>	All in Favor

**MEETING ADJOURNED AT: 10:16 am**

**NEXT MEETING: January 23, 2025 9:30 am**

**RANDOLPH MUNICIPAL BUILDING**

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Caitlin Perkins                      For

**Tom Russo, Secretary**

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