

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
September 22, 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	Absent
Scott Heck, Secretary	Borough of Ringwood	Present
Barbara Russo	Township of Berkeley Heights	Present
Tom Russo	Town of Newton	Present
Dina Valente - Stoel	Borough of Lincoln Park	Present
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	Absent
Michael Restel	Township of Wantage	Absent
Neil Spidaletto	Township of Sparta	Absent
Diana Francisco	Andover Township*	Absent
Ralph Blakeslee	Borough of Netcong*	Absent
Keith Kazmark	Borough of Woodland Park	Absent
Rey Julve	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
Open	Borough of Mountain Lakes*	Absent
Open	Township of Prospect Park*	Absent
John Shepherd	Township of Roxbury*	Absent
Debra Millikin	Township of Jefferson*	Absent
Open	Kinnelon	Absent
Adam Brewer	Township of Pequannock	Present
Fund Commissioner Alternates		
Ashleigh Frueholz	Township of Byram*	Absent
Jennifer Dodd	Town of Newton	Absent
Lisa Spring	Township of Roxbury*	Absent
Gabby Evangelista	Borough of Wharton	Present
Perry Mayers	Borough of Lincoln Park	Present
Sherry Gallagher	Township of Bloomingdale	Absent

Sharon Hoeland	Township of Sparta	Present
Open	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	Brandon Lodics Emily Koval Jordyn DeLorenzo
Program Manager	Vozza Agency	David Vozza Randi Gerber
Attorney	Dorsey & Semrau	Ed Pasternak
Claims Administrator	Aetna	Absent
Dental Administrator	Delta Dental	Kim White
Prescription Administrator	Express Scripts	Charles Yuk Hiteksha Patel
Treasurer	Michael Soccio	Michael Soccio
Auditor	Nisivoccia	Absent
Actuary	John Vataha	
Wellness Coordinator	Cavitas	Absent

PRESENT FUND PROFESSIONALS:

Brittany Vozza
 Renee Gear
 Marie Marro
 Frank Covelli
 Candy Bronco

FLAG SALUTE

APPROVAL OF OPEN June 23, 2022 MINUTES:

MOTION TO APPROVE OPEN MINUTES OF June 23, 2022:

MOTION:	Commissioner B. Russo
SECOND:	Commissioner Smith
VOTE:	8 Ayes, 0 Nays, 3 Abstained

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports as of June 30 and July 31, 2022 - Mr. Lodics reviewed the Financial Fast Track for June and July 2022. Mr. Lodics stated that in February there was an IBNR adjustment due

to the Aetna claims processing slowdown. He stated that as a result of the 2023 Budget Development, the actuary had noticed that Aetna recovered. With that, the fund was able to move over \$800,000 back from IBNR into surplus. In July there was a \$250,000 loss but right now the surplus is very strong with just under \$16 Million which is just about 6 months of claims.

2023 COASTAL BUDGET - INTRODUCTION - Mr. Lodics reviewed the Power Point presentation for the 2023 Budget that was handed out to the meeting attendees. Mr. Lodics said overall increase is just under 3%. He said that during the budget development, the actuary decided that the medical claims needed a 3% increase, the Prescription claims will decrease 17% and dental rate will stay flat. In 2021 we negotiated our contract with ESI which gave us a very large increase on our rebates and the rebates exceeded our expectations.

He said Medicare Advantage with Aetna and AmeriHealth is going up 2.5%.

Mr. Lodics said Wellness is separate between the Coordinator fee and the actual program. Expenses are up 4.64% which will also be discussed later by Emily Koval. Mr. Lodics 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. Lodics reviewed the Reinsurance section of the presentation. He said the MRHIF is coming in +14.81%. He explained the Data Warehouse program that will be implemented. This program will allow the fund to take all the claims to do predictive modeling, gaps in care and plan specialized strategies which will be very beneficial for this Fund. As the Fund's grow, there will be a QPA to assist with the contracting processes.

Mr. Lodics reviewed the Member Assessments stating that Medical is +4.3%, and Rx and dental are flat. 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.

Overall the fund is seeing a good renewal. Mr. Heck thanked PERMA and the Vozza agency for all their hard work and time put into developing this budget.

MOTION TO INTRODUCE THE 2023 NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND BUDGET IN THE AMOUNT OF \$42,569,424 AND TO ADVERTISE A PUBLIC HEARING OF THE BUDGET ADOPTION ON OCTOBER 27, 2022 AT THE RANDOLPH TOWNSHIP HALL, RANDOLPH, NJ.

MOTION:	Commissioner T. Russo
SECOND:	Commissioner Piccolo-Kaufer
VOTE:	Unanimous

REQUEST FOR PROPOSALS/CONTRACTS

Mrs. Koval stated that at the last meeting, the Committee agreed to continue the 3 year RFP process and extend an additional year contract for all professionals except the Administrator. The Administrator RFP was not contested and is being recommended for approval by the Finance Committee. Resolution 21-22 approves all professional contracts at the fees listed in the most recent RFP response which are included in the 2023 budget.

Mrs. Koval stated that the Aetna contract was negotiated last year to include flat fees for 2023 and the Aetna MA and UHC MA contracts also had renewal caps from last year. The Fund will need to pass Resolution 22-22 to approve the EUS contracts and the certification to be filed with the State.

MRHIF MEETING – Mrs. Koval stated that the MRHIF met on September 15, 2022 and took the following action items:

- *Introduction of the 2023 Budget* – The MRHIF Budget was introduced at an overall increase of 9.5%. Each member's assessment is weighed 25% for 5 years experience in the Fund; and 75% weight on the average increase. The NJHIF's estimated premium is \$3,254,218 (+14.81%). She stated that this is a higher than most funds this year due to some bad years the fund has had. She said next year one of those years will drop off so they are looking for a lower percentage next year if all stays in line.
- *RFP Approvals* – the Committee approved Professional Contract RFPs for 2023 and an extension for the approval date of the Data Warehouse RFP. She expects a contract to be awarded in December.
- *Dividend Release* – the Committee approved a \$1.5 million dividend. NJHIF will receive a check for \$153,853 in October.

DIVIDEND – Mrs. Koval reviewed the dividend cap policy. She stated that the Finance Committee reviewed the dividend analysis and are recommending a \$4,500,000 dividend. She said that the dividend letters will be sent in the next week for completion.

AETNA – PERFORMANCE GUARENTEE PAY OUT - Mrs. Koval said that Aetna confirmed that the performance guarantee metric for member services was missed in 2021. The NJHIF will receive a payment of \$39,598.

INDEMNITY AND TRUST AGREEMENTS

Mrs. Koval also stated that there are a few member's Fund agreements that have expired or are expiring at the end of this year. She stated to please reach out if you need a blank form and to be sure to get that on the towns next public meeting.

PRORAM MANAGER REPORT

NEW MEMBER SUBMISSIONS – Mr. Vozza stated that since the State Health Benefits renewals came out, there have been some new member submissions who are interested in joining the fund. He said they are particularly from our existing members who are dental only and want to bring their medical over. He stated the members who are interested have to give the state 60 days notice so with the timing of everything he is looking into these members coming into the fund on 1/1/23. In order to keep things moving, Mr. Vozza asked if we could empower the Operations Committee to review these applications for Hawthorne and other members who are interested.

The Executive Committee approved.

MOTION TO ALLOW THE OPERATIONS COMMITTEE TO REVIEW AND APPROVE NEW MEMBER APPLICATIONS FOR HAWTHORNE AND OTHER INTERESTED ENTITIES

MOTION:

Commissioner T. Russo

SECOND:

Commissioner Piccolo-Kaufer

VOTE:

Unanimous

GCIT - GENE-BASED CELLULAR AND OTHER INNOVATIVE THERAPY – Mr. Vozza stated that Gene therapies are highly targeted medications that deliver and replace genetic material into a patient's affected cells and tissues. These therapies are administered in various ways, usually requiring extensive training for vendors and professionals and require specific handling procedures and equipment. Cost for drugs approved and being introduced into the market can be staggering and cost millions of dollars for the treatment.

- Luxturna – 850K treatment for inherited retinal dystrophy
- Zolgensma – 2.1M one time treatment for spinal muscular atrophy
- Zynteglo – 2.8M one time treatment for Beta Thalassemia
- Skysona – 3M Cerebral Adrenoleukodystrophy – Anticipated FDA Approval 9/16/2022
- EtranaDez – 1.5M Hemophilia B – Anticipated FDA Approval 11/24/2022

He said his office has been in discussions with both Aetna and Express-Scripts regarding GCIT solutions. The Aetna program involves a specific network of providers that would need to be utilized for the treatments. Treatments would be covered at contracted rates, much like Aetna's current Transplant network.

WELLNESS PROGRAM – Ms. Brittany Vozza stated that the wellness committee met last week to discuss the 2023 Wellness Program. It was decided that we will proceed as planned with the current vendors. The towns moving to year nine will repeat their skin cancer screening with IDermalimaging Corporation. The American Academy of Dermatology estimates that one in five Americans will develop skin cancer. Early diagnosis is key in substantially improved outcomes while reducing care / treatment costs. She said they met with Aetna and Express Scripts to review their wellness offerings. We are exploring the possibility of implementing the Aetna Attain app into our wellness components for the 2023 or 2024 program year. Aetna is still working through some changes in the program that should be more suited to our employee population.

Mrs. Piccolo-Kaufer mentioned the survey that the wellness coordinator will send out and encouraged all members to fill them out.

Miss Vozza stated that the Wellness Coordinator has been working hard on the education piece of the program. There are flyers that were sent out to reference. She reviewed the report that the Wellness Coordinator provided in her absence.

EMPLOYEE BENEFITS Q & A – Mr. Vozza stated that the office had been asked to put together a Q&A or guidance to help both benefit administrators and employees with eligibility or member issues and to provide some assistance in navigating the health care system in general. At the June meeting, we did release a draft for review allowing time for any questions / comments. The Q&A's have now been finalized and are attached for your reference.

Mrs. Gerber encouraged the members to look at that Q&A because it is very helpful.

Mr. Heck thanked the Vozza Agency and professionals for putting that together and stated it is a great addition and something that sets us apart from the others.

TREASURER: Fund Treasurer reviewed the treasures report and bills list for July, August and September 2022 as well as the Treasurer's report for the month of July.

AETNA: Mr. Silverstein reviewed the claims report for the month of May, June and July. He stated that there was 3 high cost claimants for the month of May over the threshold of \$50,000, 3 for June and 3 for July. He reviewed the dashboard report included in the agenda stating that the metrics for July are performing well. He said that the claims processing time has improved as well as the other metrics included in the report. They continue to improve and go back to target levels. He reviewed the Covid report included in the agenda stating that the numbers have increase from previous months.

EXPRESS SCRIPTS: Charles Yuk reviewed the July 2022 data included in the agenda.

DELTA DENTAL: Kim White stated there is no report for this month.

ATTORNEY: Fund Attorney Mr. Soccio stated that there are a few claims that are still out there and he plans to speak about them in executive session at the next meeting.

MOTION TO APPROVE THE CONSENT AGENDA INCLUDING:

Resolution 21-22: Professional Services Contract Award
Resolution 22-22: EUS Service Contract Award
Resolution 23-22: Authorizing Refund from Closed Year Account
Resolution 24-22: July, August and September 2022 Bills List

MOTION:	Commissioner T Russo
SECOND:	Commissioner Valente - Stol
VOTE:	9 ayes, 0 nays

OLD BUSINESS: None.

NEW BUSINESS: None

PUBLIC COMMENT: None.

EXECUTIVE SESSION:

MOTION TO ADJOURN :

MOTION:	Commissioner T. Russo
SECOND:	Commissioner Valente - Stol
VOTE:	All in Favor

MEETING ADJOURNED AT: 10:30 am

NEXT MEETING: October 27, 2022, 9:30 am
RANDOLPH MUNICIPAL BUILDING

Jordyn DeLorenzo
For

Scott Heck, Secretary

Date Prepared: 9/14/2022

APPENDIX II

Finance Committee Meeting
October 13, 2022
10:30
Zoom

Attendees:

Scott Heck
Adam Hubeny
Dave Vozza
Randi Gerber
Brandon Lodics
Emily Koval
Silvio E.

New Member Review - Mr. Lodics thanked the Committee for gathering to discuss two new prospects which was a duty granted by the Executive Committee at the last meeting. Members of the State Health Benefits Plan need 60 day notification to leave the program, so authorization to offer membership was requested prior to the next Executive Committee meeting. He said there has been an influx of prospects but we are presenting two for January 1, 2023

Mr. Lodics reviewed the underwriting process stating that the Fund collects the data from the State and perform a cursory look at each group before we do a full application. Our underwriter will look at claims ratio and will decide if its worth pursuing. We determine a per employee per month cost, then we add trend and margin to the per employee, per month projection. Mr. Lodics explained medical trends. In addition, there is 3% margin included for uncertainty. Then we have an outside actuary review and certifies the projection and provides the authorization to move forward with our underwriting. We have declined about 30 state wide since the rates were released. Mr. Vozza said that Hawthorne is running poorly was not even sent to the Actuary.

In response to Mr. Brewer, Mr. Lodics said a loss ratio is claims vs premium. Therefore, a group that is running 170%, the Fund would have to charge 70%, plus trend and margin and expenses.

Mr. Heck asked how far back does our underwriter need to provide a quote and how is COVID experience handled. Mr. Lodics said that we consulted with the actuary and there was a covid adjustment at that time, but we are now outside of that time period. We are actually seeing a heightened utilization that we are not crediting. In response to Mr. Heck, Mr. Vozza said not to grow more than 25% in any given year. These groups would not put us at that amount. Dave said both groups can expedite these implementations for 1/1, but getting close to having to wait until 2/1. Mr. Lodics said that there are only actives so the transition will be easy and we have State defector plans set so it is relatively easy for implementation.

In response to Mr. Heck, Ms. Koval described how the age/sex is derived.

There were no objections from the Committee and Madison and Jefferson will be presented for membership at the next meeting.