

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
FEBRUARY 23, 2023
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

2023 Executive Committee		
Scott Heck, Chair	Borough of Ringwood	Present
Tom Russo, Secretary	Town of Newton	Present
Barbara Russo	Township of Berkeley Heights	Present
Dina Valente - Stoel	Borough of Lincoln Park	Present
Tammy Smith	Knowlton BOE	Present
Silvio Esposito	Township of Hanover	Present
Carinne Piccolo- Kaufer	Township of Hardyston	Present
Executive Committee Alternates:		
Cathy Shanahan	Township of West Milford	Absent
Adam Brewer	Township of Pequannock	Present
Greg Poff	Borough of Randolph*	Present

Fund Commissioners		
Mike Sondermeyer	Borough of Bloomingdale	Absent
Michael Restel	Township of Wantage	Present
Grant Rome	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	Township of Prospect Park*	Absent
John Shepherd	Township of Roxbury*	Present
Debra Millikin	Township of Jefferson*	Present
Open	Kinnelon	Absent
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	Absent
Sherry Gallagher	Township of Bloomingdale	Absent
Sharon Hoeland	Township of Sparta	Present
Open	Borough of Netcong*	Absent
Open	Township of Dover	Absent
Sandra Emmerich	Borough of Madison*	Absent
Nancy VanHorn	Township of Wantage	Absent
	Mountain Lakes	Absent
	Town of Boonton	Absent
	Madison Housing Authority	Absent

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	Fred Semrau
Claims Administrator	Aetna	Jason Silverstein
Dental Administrator	Delta Dental	Brian Remlinger
Prescription Administrator	Express Scripts	Charles Yuk
Treasurer	Michael Soccio	Present
Auditor	Nisivoccia	Absent
Actuary	John Vataha	Absent
Wellness Coordinator	Cavitas	Absent

PRESENT FUND PROFESSIONALS:

Brittany Vozza
 Frank Covelli
 Renee Gear
 Candy Bronco
 Raymond Burke

FLAG SALUTE

CORRESPONDENCE - Chairman Heck stated that he would like to encourage commissioner participation. There is always room on the subcommittees. He suggested that everyone has a voting right and be able to participate.

APPROVAL OF OPEN JANUARY 26, 2023 MINUTES:

MOTION TO APPROVE OPEN MINUTES OF JANUARY 26, 2023:

MOTION:	Commissioner T. Russo
SECOND:	Commissioner Esposito
VOTE:	14 Ayes, 0 Nays

REPORTS:

EXECUTIVE DIRECTOR'S REPORT

Fast Track Financial Reports as of December 31, 2022 – Mrs. Koval stated they are going to pull this Financial Fast Track.

REVISED CASH MANAGEMENT PLAN – Mrs. Koval stated that included in the Consent agenda is Revised Resolution 7-23 which includes a name change from Investors Bank to Citizens Bank which is the Funds operating account.

MOTION TO APPROVE REVISED RESOLUTION 7-23:

MOTION:	Commissioner Smith
SECOND:	Commissioner T. Russo
VOTE:	14 Ayes, 0 Nays

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND – Mrs. Koval stated that the MRHIF executive committee met on February 9 to reorganize for 2023. She stated that in addition, three major RFPs were approved at the guidance of the Fund's QPA – Medical and Dental TPA and Enrollment system. She stated that if anyone is interested in being on the MRHIF Contracts Committee, they are welcome and it is not just for the MRHIF Executive Committee.

GASB 75 REPORTS

The Fund contracts with an Actuary to provide GASB 75 reports on behalf of its medical members. Please reach out to Jordyn DeLorenzo if your audit requires a full report or update to last year's report. During its 'busy' season, reports can take up to 4 weeks to turn around.

2023 MEL, MR HIF & NJCE JIF Educational Seminar:

The 12th annual seminar will be conducted virtually on 2 half-day sessions: Friday April 21st and Friday April 28th from 9AM to 12PM.

The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees, insurance producers, as well as personnel who work for services companies associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) and New Jersey Counties Excess Joint

Insurance Fund (NJCE JIF). We are in the process of preparing to distribute this notice to all members and risk managers.

Enclosed in Appendix IV is the latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine which highlights the educational seminar.

INDEMNITY AND TRUST AGREEMENTS

PERMA sent Indemnity and Trust Agreements and Resolutions to be adopted by the governing bodies to renew membership with the Fund for an additional 3 years. Below is a list of members who have renewing agreements that were due by December 31, 2022, and older. Please reach out to jdelorenzo@permainc.com for a blank form to be executed. The list was last updated on February 17, 2023.

MEMBER	I&T END DATE
KINNELON	12/31/2021
TOWNSHIP OF ROXBURY	12/31/2022
TOWNSHIP OF RANDOLPH	12/31/2022
BOROUGH OF PROSPECT PARK	12/31/2022

CLAIMS COMMITTEE - Mr. Koval stated that the Claims Committee met for a few claim issues prior to the meeting. The Minutes are in the appendix.

CONTRACTS COMMITTEE - The Contracts Committee will need to meet in the next few weeks to discuss RFPs.

HIF CHIEF UNDERWRITER - See Appendix.

PRORAM MANAGER REPORT Program Manager Dave Vozza stated that the operations committee met on February 8th and approved membership for the Town of Boonton.

MOTION TO APPROVE THE RESOLUTION 14-23 OFFERING MEMBERSHIP TO THE TOWN OF BOONTON:

MOTION:	Commissioner Russo
SECOND:	Commissioner Esposito
VOTE:	14 Ayes, 0 Nays

Mr. Vozza stated the 40% annualized growth based on the ones quoted already and possible prospects. The operations committee also discussed the overall growth of the fund. If all the current new member submissions approved and pending joined the overall growth impact would be about 27.5% prorated for the balance of the year. This would include Township of

Jefferson 1/1., Borough of Madison 4/1, Town of Boonton Estimated 5/1, Vernon Twp, and Borough of Kinnelon estimated 6/1. We have also included Chatham Borough which has an application still pending approval but based on preliminary review we expect favorable results. The annualized increase would be approaching 40% assuming they all came in.

WELLNESS – Miss Vozza stated that the Wellness Committee met via conference call on January 31st, 2023, to discuss the options for the new Wellness component to replace the Skin cancer screening. There were two options discussed. One was for an onsite sleep screening to include a sleep apnea test, neck measurement and BMI calculations followed up with sleep hygiene education. The other was for an onsite vision exam to include a retina health exam. The committee agreed the sleep study seemed more interesting and valuable to the membership. Our office has drafted the RFP for these services, and it will be released once finalized.

AUTHORIZATION TO ALLOW WELLNESS COMMITTEE TO REVIEW THE RESPONSES OF THE RFP

MOTION:	Commissioner T. Russo
SECOND:	Commissioner Esposito
VOTE:	14 Ayes, 0 Nays

MOTION TO ALLOW JEFFERSON TOWNSHIP TO JOIN THE WELLNESS PROGRAM

MOTION:	Commissioner T. Russo
SECOND:	Commissioner Esposito
VOTE:	14 Ayes, 0 Nays

HHS EXTENDS PUBLIC HEALTH EMERGENCY

Randi Gaber explained On January 11th, 2023, the Secretary of Health and Human Services (HHS) renewed the Covid-19 Pandemic Public Health Emergency. This will extend the Emergency period for an additional 90 days. As a result, all plans must continue to cover Covid 19 testing and other services resulting in the order for a test without cost sharing, prior authorization or medical management along with over the counter Covid 19 tests for diagnostic purposes without cost sharing, prior authorization, medical management and without requiring medical assessment or prescription. Plans may limit the reimbursement for the purchase of the OTC Covid 19 tests to eight tests per month per enrollee. Plans may also limit the reimbursement of out of network Covid 19 tests to up to \$12 or the actual cost of the test, whichever is less.

ESI Update:

ESI will no longer be doing physical ID cards. They will all be available online.

TREASURER: Mr. Soccio reviewed the bills list for the months of January 2023 and the Treasurers report for the Month of December 2022.

MOTION TO APPROVE RESOLUTION 15-23 APPROVAL OF THE JANUARY 2023 BILLS LIST:

MOTION:	Commissioner Poff
SECOND:	Commissioner T. Russo
VOTE:	14 Ayes, 0 Nays

AETNA: Mr. Silverstein reviewed the claims report for the month of December 2022. He stated that the claims came in lower compared to 2021 which is good. He stated that there was 2 high-cost claimants for the month of December over the threshold of \$50,000. He reviewed the dashboard report included in the agenda stating that the metrics are performing very well. He reviewed the Covid report included in the agenda stating that the numbers have increase from previous month.

EXPRESS SCRIPTS: Mr. Yuk reviewed the December 2022 utilization report in comparison to the December 2021. He stated that this report shows the 2022 Fund Year as a whole.

DELTA DENTAL: Brian Remlinger stated that there is no report this month.

ATTORNEY: Fund Attorney stated that the Claims Committee got together to speak about a matter that is not in suit yet and there is no reason to bring it to the committees attention at this time but will keep everyone in the loop.

OLD BUSINESS: None.

NEW BUSINESS: None

PUBLIC COMMENT: None.

EXECUTIVE SESSION:

MOTION TO ADJOURN:

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

MEETING ADJOURNED AT: 10:40 am

NEXT MEETING: February 23, 2023, 9:30 am
RANDOLPH MUNICIPAL BUILDING

Jordyn DeLorenzo
For

Tom Russo, Secretary

APPENDIX II

NJHIF Underwriting Standards

HIF Underwriting Manager Discussion Summary

February 23, 2023

The HIF Chief Underwriter attended the North Jersey HIF meeting to educate the Fund Commissioners of the Fund's standard underwriting process for new members.

- Groups with 500+ lives is fully credible and we will generally rely on the more recent 12 months of data, but we still need two years of data to identify any anomalies.
- Groups with less than 500 lives, the Fund will need at least 24 months of data and will blend the two experience periods.
- Since the experience period ends at least 6 months prior to inception, an annual trend of 6.25% for Medical and 9.5% for Rx is applied. When trended over 18 months, the trend is 'trended' resulting in total Projection Trends of 9.52% and 14.58% for the Medical and the Prescription programs respectively. Further, we build in an additional 3-5% margin to account for further fluctuations in claims.
- High claimants that are non-recurring – claim amounts between \$350,000-\$550,000 are removed.
- The State Plan accepts all Groups (regardless of their experience or geographic location within the State) at the same rate for similar plan designs. The HIF develop rates based on the individual Group's experience.
- Current Industry – Incidents of high amount claims are increasing in frequency and in severity. We use to have a lifetime max of \$1 mill; we are now seeing frequent incidents of \$1 mill claims in one year. Notable areas are:
 - Gene Therapy - \$3,000,00; Cancer Treatment - \$1,000,000; Organ Transplant - \$750,000; Dialysis - \$600,000. (Gene therapy can cost up to running \$3 million a year, although the eligible population is not very large, they are effective and non-reoccurring)
- Future – Post covid: There were treatments deferred, post covid see high claims from delayed treatments. Milliman projected leveraged trend in the 21% range for 2022, although that has not materialized. We are seeing significant increase mental health +15%.
- A group that is 100 lives or less is unpredictable and you can incur a very large claim with not enough enrolled lives to spread the risk across. As such, we adopt a more conservative approach when developing the rates for smaller groups.
- Growth is good, but it needs to be targeted and the rates need to be reflective of the associated risk.
- For the groups we evaluated for entry into the HIF that are currently in the State Plan, over 90% we considered undesirable due to their high paid claims to premium loss ratio.

- The HIF applies underwriting practices that are acceptable within the Insurance industry. However, the HIF's funding methodology enable us the avoid costs associated with fully insured groups (Premium Tax; Contingency Reserves, other Fees and Charges) of between 7-10%.

NJMEBF Ops Committee

March 9, 2023

10:00am

Carrine Piccolo-Kaufer

Adam Brewer

Scott Heck

David Voza

Brandon Lodics

Emily Koval

Jordyn DeLorenzo

Mr. Voza started the meeting by thanking the committee for getting together to discuss a new business opportunity. He stated that the Borough of Chatham has a very good loss ratio experience. They are currently in the State Health Benefits Plan with about 40 lives. There are no town-paid benefits as of right now. He stated that they have one of the better loss ratios that they have seen lately. He stated that they would most likely be brought into the fund effective 7/1 or 8/1. IN addition, their age/sex factor showed the group is younger than the Fund average.

The committee verbally approved the fund to extend membership to the Borough of Chatham.

The committee members agreed that as they move forward with growth of the fund, there will be a dividend discussion in the future. Mr. Voza presented a new business flow chart and the most recent perspective clients and highlighted the groups that appear to be members Mr. Brewer requested to add the notification to the Committee into the chart earlier than listed, even if the member will be a DTQ.

NJMEBF Wellness Committee

3/29/2023

2:00pm Zoom

Carrine Piccolo-Kaufer

Greg Poff

Marianne Eskilson

Brittany Voza

Jordyn DeLorenzo

RFP – SLEEP COMPONENT

Mrs. Eskilson started the meeting by reviewing the new sleep component for the NJHIF Wellness Program. An RFP was sent out by the NJHIF for a sleep component and Atlantic Health systems was the only vendor who submitted a proposal for Sleep Screenings and Consultation Sleep Hygiene Coaching. Mrs. Eskilson's goal is to authorize the contract in August once all necessary steps are completed. She asked the committee how they felt about the component after reviewing the proposal. Mr. Kaufer stated that everything looks good from a functioning aspect and she is comfortable moving forward with Atlantic Health Systems. She stated that it is an interesting component to include and that the prices are well within what the program has been paying for the other specialties. Mr. Poff also agreed with moving forward.

Miss DeLorenzo stated now that it is approved by the wellness committee, the contracts committee also has to approve it as well and then it will go to the Fund Attorney.

Mrs. Eskilson has a call on the 19th with Atlantic and will get more information about scheduling with them.

WELLNESS TIMELINE

Mrs. Eskilson stated that she would like to get communication out to all members of the NJHIF clearly stating a timeline and step by step on how to join the Wellness Program. Miss Voza stated that there is a member who is asking to join the wellness program but has missed the deadline for enrollment. The wellness committee felt that due to budgeting and timelines of the program, the program is unable to accommodate their request. The Committee stated that the deadlines are not flexible due to budgetary restrictions and regulations already set in place. This ruling goes for all members new and existing.

NJHIF Contracts Committee Minutes

April 20, 2023

Zoom

10:00am

Attendance:

Tammeisha Smith, Committee Chair

Silvio Esposito, Committee member

Scott Heck, Fund Chair, Ex Officio Committee member

Sean Canning, Fund QPA

Emily Koval, Executive Director

Brandon Lodics, Executive Director

Dave Vozza, Program Manager

Brittany Vozza, Program Manager, Wellness Committee liaison

Ms Smith opened the meeting with the agenda items below:

Competitive Contracting – In response to Ms. Smith, Ms. Koval said that the RFPs are advertised on the website and the two newspapers for the Fund. Although, we have released to the League of Municipalities before. She said she would take the guidance of the Committee to whomever they would like to have it released.

Mr. Canning reviewed the process of Competitive Contracting stating that the Fund does not need to do the lowest bidder. Unless its insurance, most contracts are 1 year, but this gives us a similar approach as Fair and Open and allows us to do up to 5 year. Although, that does not mean the Fund has to extend that far out. What is best about this process is the Committee will objectively rate in three categories from the statute. The law allows us to review for technical, organizational, and cost. There is a onetime authorization for this process. The E- procurement is more acceptable across the State and easier for the Committee and professionals. He said there is a minimum of 20 days between release and accept. The law allows us to do interviews and presentations to get a full picture of their services. Mr. Canning described his rating summarizing process. The scores are then sent to the Committee to confirm it was the intent of their decision. The report is then released on the E-procurement site.

In response to Ms. Smith, the term of the contract in the bid package would be listed at whatever the Fund prefers, but if it were 3 years it would be one year contract with 2 additional years.

In response to Mr. Heck, Mr. Canning said the rating is included in one sheet which would include the interviewing process. In addition, Mr. Heck said the extension to 5 years to make sure they continue to stratify the contract terms to avoid contracts to come up for RFP all at the same time.

Ms. Smith said this will allow us to continue the relationship with certain vendors and still stay within the law.

The Committee is in favor of including the resolutions for Competitive Contracting, E bidding and the MRHIF Shared Services for Mr. Canning's services.

Sleep Services Contract – Ms. Koval included the Sleep Services contract which was issued through the Fair and Open procurement process. Although it had been sent to multiple vendors, one response was received by Atlantic Health. The contract was reviewed by the Fund Attorney and is ready for approval at the next meeting. The Committee supported the award of this contract.

NJMEBF Finance Committee

3/1/2023

11:30am Zoom

Thomas Russo

Adam Brewer

Scott Heck

Brandon Lodics

Emily Koval

Jordyn DeLorenzo

Mrs. Koval reviewed the Financial Fast Track through December 2022. She stated there was an end of year true up from Express Scripts rebates. The fund received \$2.9 million worth of rebates that hit all at once, although the Fund was accruing less than \$1 million. The actual amounts were from March through September 2022.

Mrs. Koval stated that the claims came in at a break even for the Fund Year. Although, the month of December looked significantly lower than claims budget because of the actuality of the rebates listed in the claims line. At the end of the year the fund gained a little over \$1.6 million. Overall, the financials for Fund Year 2022 are good.

Mr Heck states that the FFT is a very complex document and suggested that when something is unordinary with the report or there is a significant change, there should be a footnote or memo in the agenda explaining it. Ms. Koval said that this will be included at the next meeting, with a footnote of why the claims line appears to be off, along with the January and possibly February financial statement.