

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND



**SEPTEMBER 25, 2025
RANDOLPH TOWNSHIP HALL
9:30 AM
AGENDA AND REPORTS**

Meeting Location: Township of Randolph Municipal Building

502 Millbrook Ave.
Randolph, NJ 07869
Tel: 973.989.7100
Fax: 973.989.7096

STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETINGS ACT

NOTICE OF THIS MEETING WAS GIVEN BY (1) SENDING SUFFICIENT NOTICE HERewith TO THE STAR LEDGER AND THE RECORD (2) FILING ADVANCE WRITTEN NOTICE OF THIS MEETING WITH THE CLERK/ADMINISTRATOR OF EACH MEMBER MUNICIPALITY AND (3) POSTING A COPY OF THE MEETING NOTICE ON THE PUBLIC BULLETIN BOARD OF ALL MEMBER MUNICIPALITIES.

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
AGENDA MEETING: SEPTEMBER 25, 2025
RANDOLPH TOWNSHIP HALL
9:30 AM**

MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ

FLAG SALUTE

ROLL CALL OF 2025 FUND COMMISSIONERS

2025 Executive Committee	
Thomas S. Russo, Jr., Chair	Town of Newton
Carrine Piccolo-Kaufer, Secretary	Township of Hardyston
Barbara Russo	Township of Berkeley Heights
Tammy Smith	Knowlton BOE
Greg Poff	Randolph Township
Scott Heck	Borough of Ringwood
Dina Valente-Stoel	Borough of Lincoln Park
Executive Committee Alternates:	
Mike Sondermeyer	Borough of Bloomingdale
Deb Millikin	Township of Jefferson

APPROVAL OF MINUTES: *July 24, 2025 Open Appendix I*

MONTHLY COMMITTEE REPORTS:

CLAIMS COMMITTEE - Thomas S. Russo, Jr., Chair

CONTRACTS COMMITTEE - Tammy Smith, Chair

FINANCE COMMITTEE - Thomas S. Russo, Jr., Chair
September 23, 2025 Meeting Appendix II

OPERATIONS COMMITTEE - Scott Heck, Chair
August 20, 2025 Meeting Appendix II

WELLNESS COMMITTEE - Carrine Piccolo-Kaufer, Chair

FUND DOCUMENT REVIEW COMMITTEE - Thomas S. Russo, Jr., Chair

REPORTS:

EXECUTIVE DIRECTOR - (PERMA)

Monthly Report **Page 4**

Resolution 25-28: Introduction of 2026 Budget	Page 10
PROGRAM MANAGER - (Conner Strong & Buckelew)	
Monthly Report.....	Page 12
Resolution 25-29: New Member: Montville.....	Page 16
TREASURER - (Michael Soccio)	
August and September 2025 Voucher List.....	Page 17
Confirmation of Claims Paid/Certification of Transfers	
Resolution 25-30: August and September 2025 Bills Lists	Page 27
ATTORNEY - (Fred Semrau)	
NETWORK & THIRD-PARTY ADMINISTRATOR - (Aetna - Jason Silverstein)	
Monthly Report.....	Page 28
PRESCRIPTION ADMINISTRATOR - (Express Scripts-Charles Yuk)	
Monthly Report	Page 32
DENTAL ADMINISTRATOR - (Delta Dental - Luhra V. Ebarle)	
Monthly Report	Page 36
OLD BUSINESS	
NEW BUSINESS	
PUBLIC COMMENT - <i>Motion to Open</i>	
<i>Motion to Close</i>	
Resolution 25-31: Closed Session	Page 37
MEETING ADJOURNED	

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
EXECUTIVE DIRECTOR'S REPORT
SEPTEMBER 25, 2025**

PRO FORMA REPORTS

- **Fast Track Financial Report** – as of June 30, 2025 (page 5)

2026 NORTH JERSEY HIF BUDGET - INTRODUCTION

The 2026 proposed budget and proposed assessments are located on page 9 of this report. A 2026 budget presentation is included as an attachment to the agenda which will be reviewed at the meeting.

The Finance Committee also reviewed the presentation and are recommending introduction, as presented. If deemed appropriate, the Committee can introduce the budget and adopt on October 23, 2025, allowing for Open Enrollment to occur anytime thereafter. Rate reports will be sent in the beginning of October.

Resolution: 25-28 is included after this report.

Motion: *Motion to introduce the 2026 North Jersey Regional Employee Benefits Fund in the amount of \$88,408,445 and to advertise a public hearing of the budget adoption on October 23, 2025.*

NO SURPRISES ACT LEGISLATIVE LETTERS

With the collaboration of PERMA and the Fund Chairs across the State, letters have been sent to the NJ congressional representatives. Enclosed is a template of the letter that our Chair signed. For this Fund, the letters were sent to Representatives Kean, Sherrill and Gottheimer.

MRHIF UPDATE

The MRHIF met on September 19, 2025 primarily to introduce its 2026 budget. Commissioner Smith was in attendance and can provide an update.

As a result of the continued favorable loss experience of the North HIF in the past 5-years, the loss ratio adjustment on their 2026 budget increased from prior years.

FUND DOCUMENT REVIEW COMMITTEE

The Fund Document Review Committee will likely be meeting in October to begin the process of reviewing the bylaws, risk management and other important policies held by the Fund. All change recommendations will be thoroughly vetted by the Fund Attorney before presenting to the Executive Committee.

EXECUTIVE SESSION

Resolution 25-31 is included at the end of the agenda to go into closed session to discuss procurements and contracts.

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND						
FINANCIAL FAST TRACK REPORT						
			AS OF	June 30, 2025		
			THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	UNDERWRITING INCOME		6,212,067	37,286,221	904,107,444	941,393,665
2.	CLAIM EXPENSES					
	Paid Claims		6,180,213	34,092,875	757,428,998	791,521,873
	IBNR		81,474	1,253,399	5,391,675	6,645,074
	Less Specific Excess		(911)	(194,049)	(21,890,106)	(22,084,155)
	Less Aggregate Excess		-	-	-	-
	TOTAL CLAIMS		6,260,776	35,152,224	740,930,567	776,082,791
3.	EXPENSES					
	MA & HMO Premiums		397,959	2,365,154	29,832,098	32,197,252
	Excess Premiums		379,692	2,271,958	39,310,567	41,582,525
	Administrative		240,380	1,569,133	58,909,172	60,478,305
	TOTAL EXPENSES		1,018,030	6,206,245	128,051,837	134,258,082
4.	UNDERWRITING PROFIT/(LOSS) (1-2-3)		(1,066,739)	(4,072,249)	35,125,040	31,052,791
5.	INVESTMENT INCOME		28,779	175,498	6,076,848	6,252,346
6.	DIVIDEND INCOME		-	-	6,212,250	6,212,250
7.	STATUTORY PROFIT/(LOSS) (4+5+6)		(1,037,960)	(3,896,751)	47,414,138	43,517,387
8.	DIVIDEND		-	-	42,501,592	42,501,592
9.	Transferred Surplus IN		-	-	-	-
10.	Transferred Surplus OUT		-	-	-	-
	STATUTORY SURPLUS (7-8+9)		(1,037,960)	(3,896,751)	4,912,546	1,015,795
SURPLUS (DEFICITS) BY FUND YEAR						
	Closed	Surplus	(41,115)	(13,928)	11,652,116	11,638,188
		Cash	(61,129)	63,773	13,856,991	13,920,764
	2023	Surplus	(9,636)	(322,045)	(2,188,681)	(2,510,726)
		Cash	(9,630)	(315,478)	(2,215,001)	(2,530,479)
	2024	Surplus	(666,030)	(2,176,364)	(4,550,891)	(6,727,255)
		Cash	(763,290)	(5,555,074)	(1,484,861)	(7,039,935)
	2025	Surplus	(321,179)	(1,384,413)		(1,384,413)
		Cash	(315,166)	2,665,232		2,665,232
	TOTAL SURPLUS (DEFICITS)		(1,037,960)	(3,896,751)	4,912,544	1,015,793
	TOTAL CASH		(1,149,215)	(3,141,547)	10,157,129	7,015,582
CLAIM ANALYSIS BY FUND YEAR						
	TOTAL CLOSED YEAR CLAIMS		61,963	150,458	639,081,420	639,231,878
	FUND YEAR 2023					
	Paid Claims		10,047	323,379	44,333,500	44,656,879
	IBNR		-	-	-	-
	Less Specific Excess		-	-	(81,159)	(81,159)
	Less Aggregate Excess		-	-	-	-
	TOTAL FY 2023 CLAIMS		10,047	323,379	44,252,341	44,575,720
	FUND YEAR 2024					
	Paid Claims		761,640	7,506,897	52,453,922	59,960,819
	IBNR		(94,355)	(5,081,655)	5,391,675	310,020
	Less Specific Excess		(911)	(194,049)	(248,789)	(442,838)
	Less Aggregate Excess		-	-	-	-
	TOTAL FY 2024 CLAIMS		666,375	2,231,193	57,596,808	59,828,001
	FUND YEAR 2025					
	Paid Claims		5,346,563	26,112,141		26,112,141
	IBNR		175,829	6,335,054		6,335,054
	Less Specific Excess		-	-		-
	Less Aggregate Excess		-	-		-
	TOTAL FY 2025 CLAIMS		5,522,392	32,447,195		32,447,195
	COMBINED TOTAL CLAIMS		6,260,776	35,152,224	740,930,569	776,082,793

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND								
RATIOS								
		FY2025						
INDICES	2024	JAN	FEB	MAR	APR	MAY	JUN	
Cash Position	10,157,130	\$ 8,492,235	\$ 9,125,835	\$ 9,986,769	\$ 8,529,906	\$ 8,164,796	\$ 7,015,582	
IBNR	5,391,675	\$ 5,803,386	\$ 6,158,683	\$ 6,401,230	\$ 6,505,632	\$ 6,563,600	\$ 6,645,074	
Assets	13,023,401	\$ 13,136,548	\$ 12,738,269	\$ 13,057,567	\$ 12,151,515	\$ 11,083,019	\$ 10,095,765	
Liabilities	8,110,857	\$ 8,328,137	\$ 8,657,194	\$ 8,900,287	\$ 8,985,103	\$ 9,029,265	\$ 9,079,971	
Surplus	4,912,544	\$ 4,808,411	\$ 4,081,075	\$ 4,157,280	\$ 3,166,412	\$ 2,053,754	\$ 1,015,793	
Claims Paid -- Month	5,111,699	\$ 4,985,739	\$ 5,515,379	\$ 5,088,501	\$ 6,211,272	\$ 6,111,771	\$ 6,180,213	
Claims Budget -- Month	4,451,674	\$ 5,120,906	\$ 5,145,574	\$ 5,144,382	\$ 5,136,523	\$ 5,141,643	\$ 5,189,458	
Claims Paid -- YTD	58,619,830	\$ 4,985,739	\$ 10,501,117	\$ 15,589,619	\$ 21,800,891	\$ 27,912,662	\$ 34,092,875	
Claims Budget -- YTD	52,838,030	\$ 5,120,906	\$ 10,266,480	\$ 15,408,757	\$ 20,545,279	\$ 25,680,067	\$ 31,020,040	
RATIOS								
Cash Position to Claims Paid	1.99	1.70	1.65	1.96	1.37	1.34	1.14	
Claims Paid to Claims Budget -- Month	1.15	0.97	1.07	0.99	1.21	1.19	1.19	
Claims Paid to Claims Budget -- YTD	1.11	0.97	1.00	1.0	1.1	1.1	1.1	
Cash Position to IBNR	1.88	1.46	1.48	1.56	1.31	1.24	1.06	
Assets to Liabilities	1.61	1.58	1.47	1.47	1.35	1.23	1.11	
Surplus as Months of Claims	1.10	0.94	0.79	0.81	0.62	0.4	0.2	
IBNR to Claims Budget -- Month	1.21	1.13	1.20	1.24	1.27	1.28	1.28	

North Jersey Municipal Employee Benefits Fund
2025 Budget Report
AS OF JUNE 30, 2025

				Cumulative	\$ Variance	% Variance
	Cumulative	Annual	Latest Filed	Expensed		
LINE ITEMS						
Medical Claims Aetna	27,807,292	55,653,064	54,973,097			
Medical Claims Aetna BOEs	273,368	581,768	765,250			
Subtotal Medical Claims	28,080,660	56,234,832	55,738,347	28,898,923	(818,263)	-3%
Prescription Claims	3,018,025	6,016,011	6,294,793			
Prescription Rebates	(965,768)	(1,925,124)	(2,014,334)			
Subtotal Rx Claims	2,052,257	4,090,887	4,280,459	2,690,353	(638,096)	-31%
Dental Claims	887,123	1,776,139	1,756,672	857,920	29,203	3%
Subtotal	31,020,040	62,101,858	61,775,478	32,447,195	(1,427,155)	-5%
Medicare Advantage - United	278,172	530,597	686,131	Included in Medicare Advantage-Aetna below		
Medicare Advantage - Aetna	2,084,793	4,247,776	3,990,711	2,365,154	(2,189)	0%
Reinsurance						
Specific	2,270,753	4,552,885	4,494,560	2,271,958	(1,205)	0%
Wellness	110,000	220,000	220,000	109,998	2	0%
Total Loss Fund	35,763,758	71,653,116	71,166,880	37,194,305	(1,430,547)	-4%
Expenses						
Legal	10,450	20,900	20,900	20,205	(9,755)	-93%
Treasurer	11,487	22,974	22,974	11,487	-	0%
Administrator	275,395	552,600	545,654	275,334	61	0%
Program Manager - 1/1-4/30	244,934	244,934	729,452	293,868	(48,934)	-20%
Program Manager - Brokerage	353,261	707,512	720,446	352,826	435	0%
TPA - Aetna	497,848	998,859	1,036,763	498,283	(435)	0%
Claims Contingency	143,680	287,360	287,360	0	143,680	100%
Dental TPA	39,656	79,485	77,956	39,626	30	0%
Actuary	6,495	12,989	12,989	6,500	(5)	0%
Auditor	7,000	14,000	14,000	7,002	(2)	0%
Subtotal Expenses	1,590,205	2,941,614	3,468,493	1,505,131	85,075	5%
Miscellaneous and Special Services						
Misc/Cont(incl. A4 surcharge)	21,250	42,500	42,500	2,633	18,617	88%
Claims and Service Audits	20,000	40,000	40,000	0	-	0%
Affordable Care Act Taxes	7,202	14,450	14,284	0	7,202	100%
Subtotal Misc/Sp Svcs	48,452	96,950	96,784	2,633	25,819	53%
Total Expenses	1,638,657	3,038,564	3,565,277	1,507,764	110,893.64	7%
Total Budget	37,402,415	74,691,681	74,732,157	38,702,068	(1,319,653)	-4%

North Jersey Municipal Employee Benefits Fund

CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2025

BY FUND YEAR

	NJMEB 2025	NJMEB 2024	NJMEB 2023	CLOSED YEAR	FUND BALANCE
ASSETS					
Cash & Cash Equivalents	2,665,232	(7,039,935)	(2,530,479)	13,920,764	7,015,582
Assessments Receivable (Prepaid)	1,273,807	745	(1,881)	(3,147)	1,269,523
Interest Receivable	4,110	(1,358)	63	12,521	15,336
Specific Excess Receivable	-	209,122	80,642	-	289,764
Aggregate Excess Receivable	-	-	-	-	-
Dividend Receivable	-	-	-	-	-
Prepaid Admin Fees	0	-	-	-	0
Other Assets	1,087,560	418,000	-	-	1,505,560
Total Assets	5,030,709	(6,413,427)	(2,451,655)	13,930,138	10,095,765
LIABILITIES					
Accounts Payable	-	(0)	59,071	-	59,071
IBNR Reserve	6,335,054	310,020	-	-	6,645,074
A4 Retiree Surcharge	-	-	-	-	-
Dividends Payable	-	-	-	144,998	144,998
Retained Dividends	-	-	-	2,146,953	2,146,953
Accrued/Other Liabilities	80,068	3,808	-	-	83,876
Total Liabilities	6,415,122	313,828	59,071	2,291,951	9,079,971
EQUITY					
Surplus / (Deficit)	(1,384,413)	(6,727,255)	(2,510,726)	11,638,187	1,015,793
Total Equity	(1,384,413)	(6,727,255)	(2,510,726)	11,638,187	1,015,793
Total Liabilities & Equity	5,030,709	(6,413,427)	(2,451,655)	13,930,138	10,095,765
BALANCE	-	-	-	-	-

This report is based upon information which has not been audited nor certified
by an actuary and as such may not truly represent the condition of the fund.

Fund Year allocation of claims have been estimated.

North Jersey Municipal Employee Benefits Fund					
2026 Certified Budget					
	Census:				
	Medical Aetna	2,110	25,320		
	Rx	937	11,244		
	Dental	1,981	23,772		
	Medicare Advantage - Medical	959	11,508		
	Rx No Medical (Incl in Rx above)	28	336		
	Dental Only (Incl in Dental above)	682	8,184		
	Medicare Advantage Only	956	11,472		
	LINE ITEMS	2025 Annualized Budget	2026 Proposed Budget	\$ Change	% Change
1	Medical Claims Aetna	\$ 55,177,154	\$ 64,346,564	9,169,410	16.62%
2	Medical Claims Aetna BOEs	\$ 616,802	\$ 730,992	114,190	18.51%
3	Subtotal Medical Claims	\$ 55,793,956	\$ 65,077,556	9,283,600	16.64%
4	Prescription Claims	\$ 5,990,766	\$ 9,051,371	3,060,605	51.09%
5	Prescription Rebates	\$ (1,917,045)	\$ (2,896,439)	(979,394)	51.09%
6	Dental Claims	\$ 1,769,443	\$ 1,782,899	13,456	0.76%
7					
8	Subtotal	\$ 61,637,120	\$ 73,015,387	11,378,267	18.46%
9					
10	Medicare Advantage - United	\$ 505,728	\$ 645,972	140,244	27.73%
11	Medicare Advantage - Aetna	\$ 4,328,472	\$ 5,019,343	690,871	15.96%
12	Subtotal Medicare Advanatage EGWP	\$ 4,834,200	\$ 5,665,315	\$ 831,115	17.19%
13	Reinsurance				
14	Specific	\$ 4,559,119	\$ 4,540,889	(18,230)	-0.40%
15					
16	Wellness	\$ 220,000	\$ 220,000	-	0.00%
17					
18	Claims Contingency	\$ 287,360	\$ 2,200,000	1,912,640	665.59%
19					
20	Total Loss Fund	\$ 71,537,799	\$ 85,641,591	14,103,792	19.72%
21					
22					
23	Expenses				
24	Legal	\$ 20,900	\$ 21,325	425	2.03%
25	Treasurer	\$ 22,974	\$ 23,433	459	2.00%
26	Administrator	\$ 554,166	\$ 554,166	-	0.00%
27	Program Manager	\$ 313,392	\$ 313,392	-	0.00%
28	Program Manager - Brokerage	\$ 707,498	\$ 721,640	14,143	2.00%
29	TPA - Aetna	\$ 1,001,153	\$ 868,476	(132,677)	-13.25%
30	Wellness Coordinator	\$ -	\$ -	-	0.00%
31	Dental TPA	\$ 79,398	\$ 79,398	-	0.00%
32	Actuary	\$ 12,989	\$ 13,260	271	2.08%
33	Auditor	\$ 14,000	\$ 14,280	280	2.00%
34	QPA	\$ 3,000	\$ 3,000	-	0.00%
35					
36	Subtotal Expenses	\$ 2,729,470	\$ 2,612,371	(117,099)	-4.29%
37					
38	Miscellaneous and Special Services				
39	Misc/Cont(incl. A4 surcharge)	\$ 42,500	\$ 100,000	57,500	135.29%
40	Claims and Service Audits	\$ 40,000	\$ 40,000	-	0.00%
41	Affordable Care Act Taxes	\$ 14,483	\$ 14,483	-	0.00%
42	Subtotal Misc/Sp Sves	\$ 96,983	\$ 154,483	\$ 57,500	59.29%
43					
44	Total Expenses	\$ 2,826,453	\$ 2,766,854	\$ (59,599)	-2.11%
45					
46	Total Budget	\$ 74,364,252	\$ 88,408,445	\$ 14,044,193	18.89%

RESOLUTION NO. 25-28

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
INTRODUCTION OF THE 2026 PROPOSED BUDGET**

WHEREAS, The North Jersey Municipal Employee Benefits Fund is required under State regulation to adopt an annual budget in accordance with the Fiscal Affairs Law; and

WHEREAS, a quorum of the Executive Committee met on September 25, 2025 in Public Session to introduce the proposed budget for the 2026 Fund Year; and

BE IT FURTHER RESOLVED that a hearing on the 2026 budget in the amount of ~~\$88,408,445~~ shall be held at the Fund's regularly scheduled and advertised meeting of October 23, 2025 to be held at the Randolph Township Hall, 502 Millbrook Ave, Randolph, NJ 07869 . The 2026 budget shall be considered for adoption at a second reading at that time and after the completion of a public hearing.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to each Commissioner, Risk Manager, and Governing Body, the New Jersey Department of Banking and Insurance, and the New Jersey Department of Community Affairs.

ADOPTED: September 25, 2025

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND

Year: 2025

<u>Monthly Items</u>	<u>Filing Status</u>
Budget	Filed
Assessments	Filed
Actuarial Certification	Filed
Reinsurance Policies	Filed
Fund Commissioners	Filed
Fund Officers	Filed
Renewal Resolutions	Filed
Indemnity and Trust	Filed
New Members	N/A
Withdrawals	N/A
Risk Management Plan and By Laws	Filed
Cash Management Plan	Filed
Unaudited Financials	9/30/2024 Filed
Annual Audit	Filed
Budget Changes	N/A
Transfers	N/A
Additional Assessments	N/A
Professional Changes	N/A
Officer Changes	N/A
RMP Changes	Filed
Bylaw Amendments	N/A
Contracts	Filed
Benefit Changes	N/A

North Jersey Municipal Employee Benefits Fund

Program Manager Report

September 2025 Program Manager: Conner Strong & Buckelew

Agenda

- Industry Update
- Program Manager – Ongoing Projects
- Fund Performance/Observations
- Client Services/Eligibility/Enrollment
- Wellness & Population Health

Conner Strong & Buckelew Program Manager Team

Tammy Brown

Executive Partner, Public Entity and HIF Business, Training and Technology Leader

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John Lajewski

Senior Partner, HIF Business Leader

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Sean Critchley, Esq.

Partner, Senior Business Development Executive

Direct: 973-659-6511

Email: scritchley@connerstrong.com

Industry Updates

New Jersey SHBP/SEHBP 2026 Plan Year Renewals

- New Jersey SHBP/SEHBP has released their initial rate evaluation for the 2026 program year.
 - FINAL SHBP combined increase (medical/Rx) +36.5%

- FINAL SEHBP combined increase (medical/Rx) +29.7%

Program Manager – Ongoing Projects

Plan Documents:

- The current project plan attached for review.

On Going Litigation:

- No pending litigation or pre-litigation pending.

Field Service:

- Direct service Fund members have been contacted and action plans for each have been developed.

Out of Network Provider Schedule Recommendation:

- CSB distributed to the Fund Operations Committee and Fund Attorney a recommendation to amend the out-of-new payment schedule for Fund members with plans which deviate from a Medicare schedule. (previously reported)

New Fund Member Requests for 2026 Program Year:

- Program manager met with the Fund Operations Committee to review the recommendations regarding new Fund member pricing evaluation for program year 2026 (supporting documentation attached)
- The following employers have petitioned for participation in the NJMEBF for the 2026 program year.

Prospective Employer	Current Carrier	Enrolled Lives	Proposed Effective Date	LOB	Status
Township of Montville	SHBP	128	1/1/2026	Medical/Rx	Illustrative Quote released +24.0%
Roxbury Township	SHBP	105	1/1/2026	Medical/Rx	U/W Review
Borough of Mountain Lakes	SHBP	25	1/1/2026	Medical/Rx	Need Medical & Rx claims and most recent billing/summary
Township of Byram	SHBP	36	1/1/2026	Medical/Rx	On Insider for Ray's review
Borough of Hawthorne	SHBP	83	1/1/2026	Medical/Rx	U/W Review
Borough of Mendham	SHBP	32	1/1/2026	Medical/Rx	Actuary approved, ready for workbook stage
Borough of Netcong	SHBP	23	1/1/2026	Medical/Rx	U/W Review

- We are recommending the approval of the attached resolution by the Executive Committee for the participation of the Township of Montville in the NJMEBF for the 2026 program year.
- All requests for new Fund member participation will be coordinated by Sean Critchley, Business Development Executive.

Fund Performance/Observations

Medical – Aetna

- Fund performance (medical/pharmacy) report with data through June 2025 was presented to the Finance Committee. (supporting documents attached)

Pharmacy – Express Scripts

- 2025 National Preferred Formulary (NPF) – Effective 7/1/2025 (Previously Reported)
 - Humalog - excluded for members with a new prescription as of 1/1/25, members currently taking the drug will be excluded effective 1/1/26.
 - Humira - excluded for members with a new prescription as of 1/1/25, members currently taking the drug will be excluded effective 7/1/25.
- Encircle Program (GLP-1 Weight Loss) – (Previously Reported)

- Effective September 1, 2024, members with new prescriptions, including renewal prescriptions for expired prior authorizations (PA), will need to meet the following criteria to be approved for a GLP-1 weight loss medication:
 - BMI ≥ 32 OR
 - BMI between $27 \leq 32$ WITH 2 or more documented comorbidities
- Members with an active approved PA prior to 9/1/2024 will be grandfathered and upon renewal of their PA, members will need to meet the above BMI requirements to be considered for approval.
- PA renewals will need to include documentation to support the above BMI requirements for all members, regardless of members having been approved in the past.
- Effective January 1, 2025, members who have an approved PA (active and new) will need to meet the following guidelines.
- 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 programmed to the member's ESI active account prior to delivery. The scale will record each weigh-in and will update the member's file automatically. Members must weigh in a minimum of 4 times a month.
- Members must engage with an assigned online Omada coach via a mobile application or web browser a minimum of 4 times a month.
- If members do not adhere to both of the requirements outlined above, the following month in which they are non-compliant, they will not be able to refill their weight loss prescription. Members will be required to complete the missing weigh-ins and/or online coaching engagement in order to refill their prescription.

Legislative Review

No Surprise Billing and Transparency (NSA) – (Previously Reported)

- The NJMEBF protect plan members from surprise billing with involuntary out of network balance bills with a hold harmless clause.
- The law also imposes certain requirements on the Carriers, PBMs and healthcare providers. and CSB continues to work with the insurance providers to ensure that the NJMEBF remains compliant.
- NSA claims are being analyzed as the frequency and impact of initial backlog of the processing of these claims will have an impact on the financials of the Fund.
- The Executive Director and Program Manager met with the Fund Operations Committee to review the impact of NSA claims and discuss strategy to address moving forward.

Client Services/Eligibility/Enrollment

Open Enrollment – 1/1/26 (Passive):

- NJMEBF OE will be held October 20th through October 31st
- All OE updates should be completed in WEX by November 14th to allow time for ID cards to be delivered to members by 1/1/26
- OE guides are currently being created for distribution
- Communication is scheduled to be sent to Fund brokers for direction on where to send OE materials

Please direct any claims, eligibility, enrollment, or system related questions to your CSB-assigned Client Services team.

Victoria Friday, vfriiday@permainc.com, 856-552-4748

Alex Koch, akoch@permainc.com, 856-552-4778

- System training (new and refresher) is provided to all contacts with WEX access every 3rd Wednesday at 10AM. Please contact HIFtraining@permainc.com for additional information or to request an invite.
- 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 in your email so an invitation can be sent.

Carrier Appeals

Submission Date	Appeal Type	Appeal Number	Reason	Determination	Determination Date
06/27/25	Medical/Aetna	NNJHIF 2025 06 02	Infant Formula	Overtured	07/09/2025
07/11/2025	Medical/Aetna	NNJHIF 2025 07 01	Inpatient Rehab	Upheld	08/26/2025
08/14/2025	Medical/Aetna	NNJHIF 08 01	Medication	Upheld	09/16/2025

IRO Submissions:

Submission Date	Appeal Type	Appeal Number	Reason	Determination	Determination Date
08/26/2025	Medical/Aetna	NNJHIF 2025 07 01	Inpatient Rehab	Upheld	08/28/2025

Wellness and Population Health

In force wellness program Activities

- August/September Fund wellness newsletter delivered.
- August/September Fund wellness schedule of webinars delivered.
- August webinar attendance reconciliation distributed to participating Fund Members.
- Meeting with Fund Wellness Chair – August 27th, presentation attached

RESOLUTION NO. 25-29

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
RESOLUTION TO OFFER MEMBERSHIP
TOWNSHIP OF MONTVILLE**

WHEREAS, the North Jersey Municipal Employee Benefits Fund (hereinafter the Fund) is duly constituted as a joint insurance fund and is subject to certain requirements of the Local Public Contracts Law; and;

WHEREAS, the Fund held a Public Meeting on **September 25, 2025**, for the purposes of conducting the official business of the Fund; and

WHEREAS, the Program Manager, Executive Director and Actuary of the Fund has reviewed the risk, underwriting detail, and actuarial projections for the Township of Montville and recommend offers of membership effective January 1, 2026; and

WHEREAS, the Operations Committee has reviewed the new member submissions and has approved membership to the entity contingent upon a fully executed Indemnity and Trust agreement to join the Fund.

BE IT RESOLVED, it has been determined that the admission to membership in the Fund of the above-mentioned municipalities would be in the best interests of the Fund and the inclusion of the entity in the Fund is consistent with the Fund's By-laws;

BE IT RESOLVED, that the North Jersey Municipal Employee Benefits Fund hereby offers membership to the Borough of Montville for medical and prescription coverage on or around January 1, 2026, contingent upon receipt of the Fund's authorizing resolution to join the Fund and its executed Indemnity and Trust agreement.

ADOPTED: September 25, 2025

BY: _____
CHAIRPERSON

ATTEST: _____
SECRETARY

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND

BILLS LIST

AUGUST 2025

Resolution No. 25-30

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that that North JerseyMunicipal Employee Benefit Fund's Executive Board,
hereby
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2025

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
0000003175			
0000003175	AETNA HEALTH MANAGEMENT, LLC	MEDICARE ADVANTAGE 08/25	356,832.46
			356,832.46
0000003176			
0000003176	UNITED - MEDICARE ADVANTAGE	MEDICARE ADVANTAGE 08/25	40,827.00
			40,827.00
0000003177			
0000003177	DELTA DENTAL OF NEW JERSEY INC	DENTAL TPA 08/25	6,579.80
			6,579.80
0000003178			
0000003178	AETNA	MEDICAL TPA 08/25	83,152.62
			83,152.62
0000003179			
0000003179	INSPIRA FINANCIAL HEALTH, INC	CHATHAM HSA 156514-2082590 07/25	3.00
0000003179	INSPIRA FINANCIAL HEALTH, INC	WOODLAND PK HSA 156496-2081644 07/25	18.00
0000003179	INSPIRA FINANCIAL HEALTH, INC	RANDOLPH HSA - 150688-2081756 07/25	9.00
0000003179	INSPIRA FINANCIAL HEALTH, INC	KINNELON-HSA- 156486-2083504 07/25	3.00
0000003179	INSPIRA FINANCIAL HEALTH, INC	RINGWOOD-HSA 156488-2082218 07/25	9.00
			42.00
0000003180			
0000003180	PERMA	POST AGE FEES 07/25	119.54
0000003180	PERMA	ADMIN FEES 08/25	45,764.66
			45,884.20
0000003181			
0000003181	CONNER STRONG & BUCKELEW	PROGRAM MANAGER FEES 08/25	25,970.00
			25,970.00
0000003182			
0000003182	KORE INSURANCE HOLDINGS, LLC	BROKER FEES 08/25	1,632.00
			1,632.00
0000003183			
0000003183	MICHAEL J. SOCCIO	TREASURER FEE 08/25	1,914.50
			1,914.50
0000003184			
0000003184	JOSEPH L. VOZZA AGENCY INC.	BROKER FEES 08/25	27,098.24
			27,098.24
0000003185			
0000003185	DORSEY & SEMRAU	ATTORNEY MONTHLY RETAINER 08/25	1,667.00
0000003185	DORSEY & SEMRAU	SPECIAL LITIGATION INV 22546 FOR 7/25	3,776.20
			5,443.20
0000003186			
0000003186	EMPLOYEE BENEFITS CONSULTING	BROKER FEES 08/25	2,490.10
			2,490.10
0000003187			
0000003187	CORPORATE BENEFIT SOLUTIONS	BROKER FEES 08/25	2,218.02
0000003188			
0000003188	SKYLANDS RISK MANAGEMENT	BROKER FEES 08/25	7,277.02
			7,277.02
0000003189			
0000003189	BROWN AND BROWN METRO LLC	BROKER FEES 08/25	4,985.37
			4,985.37

0000003190			
0000003190	FITNESS COACHING, LLC	WELLNESS - BOONTON 7/1/25-7/30/25	3,790.00
			3,790.00
0000003191			
0000003191	WORLD INSURANCE ASSOCIATES, LLC	BROKER FEES 08/25	1,304.90
			1,304.90
0000003192			
0000003192	ACRISURE NJ PARTNERS INS SERVICES, LLC	BROKER FEES 08/25	10,338.82
			10,338.82
0000003193			
0000003193	ATLANTIC CORPORATE HEALTH	FOOT SCREENING-HARDYSTON 06/25- 7/25	2,752.00
			2,752.00
0000003194			
0000003194	THE CANNING GROUP LLC	QPA FEES - NJMEBF 2025-08	250.00
			250.00
0000003195			
0000003195	ACCESS	INV 11698369 DEPT 421 7/31/25	249.29
0000003195	ACCESS	INV 11646783 DEPT 421 6/30/25	249.29
			498.58
0000003196			
0000003196	MUNICIPAL REINSURANCE H.I.F.	SPECIFIC REINSURANCE 08/25	379,965.72
			379,965.72
		Total Payments FY 2025	1,011,246.55
		TOTAL PAYMENTS ALL FUND YEARS	1,011,246.55

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
DIVIDEND BILLS LIST**

AUGUST 2025

Resolution No. 25-30

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that that North JerseyMunicipal Employee Benefit Fund's Executive Board,
hereby
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR CLOSED

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
0000003174	WEST MILFORD TOWNSHIP	2025 DIVIDEND RELEASE 1 OF 3 08/25	236,440.00
			236,440.00
		Total Payments FY CLOSED	236,440.00
		TOTAL PAYMENTS ALL FUND YEARS	236,440.00

Chairperson

Attest:

Dated:_____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
SUPPLEMENTAL BILLS LIST**

AUGUST 2025

Resolution No. 25-30

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that that North JerseyMunicipal Employee Benefit Fund’s Executive Board,
hereby
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR CLOSED

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
003171	TRUST ACCOUNT OF COHEN HOWARD, LLP	VOID AND REISSUE	-72,500.00
003171			-72,500.00
0000003173	TRUST ACCOUNT OF COHEN HOWARD, LLP	CLAIM SETTLEMENT 07/25	72,500.00
0000003173			72,500.00
Total Payments FY CLOSED			0.00
TOTAL PAYMENTS ALL FUND YEARS			0.00

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
SUPPLEMENTAL BILLS LIST**

SEPTEMBER 2025

Resolution No. 25-30

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that that North JerseyMunicipal Employee Benefit Fund's Executive Board,
hereby
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2025

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
003163	LIFE LINE SCREENING OF AMERICA, LTD	VOID AND REISSUE	-5,000.00
003163			-5,000.00
W0925R			
W0925R	LIFE LINE SCREENING OF AMERICA, LLC	DEP. FOR SCREENING 9/18/25 INV 1525	5,000.00
			5,000.00
		Total Payments FY 2025	0.00
		TOTAL PAYMENTS ALL FUND YEARS	0.00

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND

BILLS LIST

SEPTEMBER 2025

Resolution No. 25-30

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that that North JerseyMunicipal Employee Benefit Fund’s Executive Board,
hereby
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2025

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
0000003197			
0000003197	AETNA HEALTH MANAGEMENT, LLC	MEDICARE ADVANTAGE 09/25	365,026.08
			365,026.08
0000003198			
0000003198	UNITED - MEDICARE ADVANTAGE	MEDICARE ADVANTAGE 09/25	42,583.00
			42,583.00
0000003199			
0000003199	DELTA DENTAL OF NEW JERSEY INC	DENTAL TPA 09/25	6,780.20
			6,780.20
0000003200			
0000003200	AETNA	MEDICAL TPA 09/25	83,785.26
			83,785.26
0000003201			
0000003201	INSPIRA FINANCIAL HEALTH, INC	CHATHAM HSA 156514-2089414 08/25	3.00
0000003201	INSPIRA FINANCIAL HEALTH, INC	WOODLAND PK HSA 156496-2091274 08/25	21.00
0000003201	INSPIRA FINANCIAL HEALTH, INC	RANDOLPH HSA - 150688-2091520 08/25	9.00
0000003201	INSPIRA FINANCIAL HEALTH, INC	KINNELON HSA - 156486-2090326 08/25	3.00
0000003201	INSPIRA FINANCIAL HEALTH, INC	RINGWOOD-HSA 156488-2090032 08/25	9.00
			45.00
0000003202			
0000003202	PERMA	POSTAGE 08/25	25.18
0000003202	PERMA	ADMIN FEES 09/25	46,926.51
			46,951.69
0000003203			
0000003203	CONNER STRONG & BUCKELEW	PROGRAM MANAGER FEES 09/25	26,298.00
			26,298.00
0000003204			
0000003204	KORE INSURANCE HOLDINGS, LLC	BROKER FEES 09/25	1,632.00
			1,632.00
0000003205			
0000003205	MICHAEL J. SOCCIO	TREASURER FEE 09/25	1,914.50
			1,914.50
0000003206			
0000003206	JOSEPH L. VOZZA AGENCY INC.	BROKER FEES 09/25	27,387.44
			27,387.44
0000003207			
0000003207	DORSEY & SEMRAU	ATTORNEY MONTHLY RETAINER 09/25	1,667.00
0000003207	DORSEY & SEMRAU	SPECIAL LITIGATION INV 22636 FOR 8/25	632.00
			2,299.00
0000003208			
0000003208	EMPLOYEE BENEFITS CONSULTING	BROKER FEES 09/25	2,436.00
			2,436.00

0000003209			
0000003209	CORPORATE BENEFIT SOLUTIONS	BROKER FEES 09/25	2,429.26
			2,429.26
0000003210			
0000003210	SKYLANDS RISK MANAGEMENT	BROKER FEES 09/25	8,603.84
			8,603.84
0000003211			
0000003211	BROWN AND BROWN METRO LLC	BROKER FEES 09/25	4,857.54
			4,857.54
0000003212			
0000003212	WORLD INSURANCE ASSOCIATES, LLC	BROKER FEES 09/25	1,444.00
			1,444.00
0000003213			
0000003213	ACRISURE NJ PARTNERS INS SERVICES, LLC	BROKER FEES 09/25	10,471.72
			10,471.72
0000003214			
0000003214	ATLANTIC CORPORATE HEALTH	SLEEP ASSESSMENT PEQ/JEFF TWP 5/25	6,191.00
			6,191.00
0000003215			
0000003215	THE CANNING GROUP LLC	QPA FEES - NJMEBF - 2025-09	250.00
			250.00
0000003216			
0000003216	ACCESS	INV 11743117 DEPT 421 8/31/25	241.56
			241.56
0000003217			
0000003217	MUNICIPAL REINSURANCE H.I.F.	SPECIFIC REINSURANCE 09/25	380,339.91
			380,339.91
		Total Payments FY 2025	1,021,967.00
		TOTAL PAYMENTS ALL FUND YEARS	1,021,967.00

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

North Jersey Municipal Employee Benefits Fund										
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED										
Current Fund Year: 2025 Month Ending: July										
	Medical	Dental	Rx	Reinsurance	Dividend Reserve	LFC	Admin	0	0	TOTAL
OPEN BALANCE	7,479,537.19	304,252.84	(2,855,443.07)	(243,088.47)	2,145,224.60	97,201.44	87,888.95	0.00	0.00	7,015,573.48
RECEIPTS										
Assessments	5,052,337.07	137,541.04	343,303.35	372,986.92	0.00	24,217.30	293,350.71	0.00	0.00	6,223,736.39
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Pymnts	25,077.57	596.18	0.00	0.00	4,203.53	190.46	358.85	0.00	0.00	30,426.59
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	25,077.57	596.18	0.00	0.00	4,203.53	190.46	358.85	0.00	0.00	30,426.59
Other *	1,318,542.34	0.00	386,346.37	0.00	0.00	0.00	0.00	0.00	0.00	1,704,888.71
TOTAL	6,395,956.98	138,137.22	729,649.72	372,986.92	4,203.53	24,407.76	293,709.56	0.00	0.00	7,959,051.69
EXPENSES										
Claims Transfers	5,581,011.31	156,026.10	670,183.72	0.00	0.00	0.00	0.00	0.00	0.00	6,407,221.13
Expenses	604,578.51	0.00	0.00	380,600.87	0.00	0.00	254,751.51	0.00	0.00	1,239,930.89
Other *	0.00	0.00	0.00	0.00	0.00	0.00	672.21	0.00	0.00	672.21
TOTAL	6,185,589.82	156,026.10	670,183.72	380,600.87	0.00	0.00	255,423.72	0.00	0.00	7,647,824.23
END BALANCE	7,689,904.35	286,363.96	(2,795,977.07)	(250,702.42)	2,149,428.13	121,609.20	126,174.79	0.00	0.00	7,326,800.94

CERTIFICATION AND RECONCILIATION OF CLAIMS PAYMENTS AND RECOVERIES

North Jersey Municipal Employee Benefits Fund

Month		July							
Current Fund Year		2025							
		1.	2.	3.	4.	5.	6.	7.	8.
Policy Year	Coverage	Calc. Net Paid Thru Last Month	Monthly Net Paid July	Monthly Recoveries July	Calc. Net Paid Thru July	TPA Net Paid Thru July	Variance To Be Reconciled	Delinquent Unreconciled Variance From	Change This Month
2025	Medical	23,916,749.88	5,561,408.52	0.00	29,478,158.40	0.00	29,478,158.40	23,916,749.88	5,561,408.52
	Dental	758,281.12	153,969.95	0.00	912,251.07	0.00	912,251.07	758,281.12	153,969.95
	Rx	3,392,472.68	673,969.93	0.00	4,066,442.61	0.00	4,066,442.61	3,392,472.68	673,969.93
	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	28,067,503.68	6,389,348.40	0.00	34,456,852.08	0.00	34,456,852.08	28,067,503.68	6,389,348.40
2024	Medical	7,187,750.21	(5,260.57)	0.00	7,182,489.64	0.00	7,182,489.64	7,187,750.21	(5,260.57)
	Dental	57,432.71	2,056.15	0.00	59,488.86	0.00	59,488.86	57,432.71	2,056.15
	Rx	261,714.55	(3,786.21)	0.00	257,928.34	0.00	257,928.34	261,714.55	(3,786.21)
	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	7,506,897.47	(6,990.63)	0.00	7,499,906.84	0.00	7,499,906.84	7,506,897.47	(6,990.63)
2023	Medical	322,132.29	0.00	0.00	322,132.29	0.00	322,132.29	322,132.29	0.00
	Dental	430.80	0.00	0.00	430.80	0.00	430.80	430.80	0.00
	Rx	815.69	0.00	0.00	815.69	0.00	815.69	815.69	0.00
	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	323,378.78	0.00	0.00	323,378.78	0.00	323,378.78	323,378.78	0.00
2022	Medical	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Dental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Rx	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closed Year	Medical	0.00	24,863.36	0.00	24,863.36	0.00	24,863.36	0.00	24,863.36
	Dental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Rx	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	0.00	24,863.36	0.00	24,863.36	0.00	24,863.36	0.00	24,863.36

SUMMARY OF CASH AND INVESTMENT INSTRUMENTS							
North Jersey Municipal Employee Benefits Fund							
ALL FUND YEARS COMBINED							
CURRENT MONTH	July						
CURRENT FUND YEAR	2025						
Description:		CASH MANAGEMENT FUND	TD BANK ASSET MANAGEMENT	TD Bank Gift Card Account	Investors Bank	CITIZENS	
ID Number:							
Maturity (Yrs)							
Purchase Yield:							
TOTAL for All Accts & instruments							
Opening Cash & Investment Balance	\$7,015,573.49	21,713.16	4,460,360.00	-	0	2533500.33	
Opening Interest Accrual Balance	\$15,335.96	0	15335.96	0	0	0	
1	Interest Accrued and/or Interest Cost	\$597.74	\$0.00	\$597.74	\$0.00	\$0.00	\$0.00
2	Interest Accrued - discounted Instr.s	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	(Amortization and/or Interest Cost)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Accretion	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Interest Paid - Cash Instr.s	\$30,426.60	\$78.32	\$15,605.96	\$0.00	\$0.00	\$14,742.32
6	Interest Paid - Term Instr.s	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Realized Gain (Loss)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8	Net Investment Income	\$31,024.34	\$78.32	\$16,203.70	\$0.00	\$0.00	\$14,742.32
9	Deposits - Purchases	\$7,928,625.10	\$0.00	\$0.00	\$0.00	\$0.00	\$7,928,625.10
10	(Withdrawals - Sales)	-\$7,647,824.23	\$0.00	-\$672.21	\$0.00	\$0.00	-\$7,647,152.02
Ending Cash & Investment Balance	\$7,326,800.96	\$21,791.48	\$4,475,293.75	\$0.00	\$0.00	\$2,829,715.73	
Ending Interest Accrual Balance	\$15,933.70	\$0.00	\$15,933.70	\$0.00	\$0.00	\$0.00	
Plus Outstanding Checks	\$2,885,036.04	\$0.00	\$0.00	\$0.00	\$0.00	\$2,885,036.04	
(Less Deposits in Transit)	-\$120,719.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$120,719.00	
Balance per Bank	\$10,091,118.00	\$21,791.48	\$4,475,293.75	\$0.00	\$0.00	\$5,594,032.77	

RESOLUTION NO. 25-30

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
APPROVAL OF THE AUGUST AND SEPTEMBER 2025 BILLS LISTS**

WHEREAS, the North Jersey Municipal Employee Benefits Fund held a Public Meeting on September 25, 2025, the purposes of conducting the official business of the Fund; and

WHEREAS, The Treasurer for the Fund presented bills lists to satisfy outstanding costs incurred for operating the Fund during the months August and September 2025 for consideration and approval of the Executive Committee; and

WHEREAS, The Treasurer for the Fund presented a Treasurers Report which detailed the claims payments and imprest transfers for the Fund for the Month of July for all Fund Years for consideration and approval of the Executive Committee; and

WHEREAS, a quorum of the Executive Committee was present thereby conforming with the By-laws of the Fund to conduct official business of the Fund,

NOW THEREFORE BE IT RESOLVED the Commissioners of the Executive Committee of the North Jersey Municipal Employee Benefits Fund hereby approve the Bills List for August and September 2025 prepared by the Treasurer of the Fund and duly authorize and concur said bills to be paid expeditiously, in accordance with the laws and regulations promulgated by the State of New Jersey for Municipal Health Insurance Funds.

NOW, THEREFORE BE IT FURTHER RESOLVED, the Commissioners of the Executive Committee of the North Jersey Municipal Employee Benefits Fund hereby approve the Treasurers Report as furnished by the Treasurer of the Fund and concur with actions undertaken by the Treasurer, in accordance with the laws and regulations promulgated by the State of New Jersey for Municipal Health Insurance Funds.

ADOPTED: SEPTEMBER 25, 2025

BY:

CHAIRPERSON

ATTEST:

SECRETARY



**NORTH JERSEY MUNICIPAL
EMPLOYEE BENEFITS FUND**

Monthly Claim Activity Report
September 25, 2025



NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND

	MEDICAL CLAIMS PAID 2024	# OF EES	PER EE	MEDICAL CLAIMS PAID 2025	# OF EES	PER EE
JANUARY	\$3,931,217	1,920	\$ 2,048	\$4,047,634	2,090	\$ 1,937
FEBRUARY	\$3,769,432	1,881	\$ 2,004	\$4,492,106	2,100	\$ 2,139
MARCH	\$2,964,735	2,084	\$ 1,423	\$4,136,850	2,102	\$ 1,968
APRIL	\$4,417,158	2,094	\$ 2,109	\$5,002,556	2,105	\$ 2,377
MAY	\$4,419,584	2,098	\$ 2,107	\$4,842,581	2,107	\$ 2,298
JUNE	\$3,489,075	2,091	\$ 1,669	\$5,033,400	2,117	\$ 2,378
JULY	\$4,264,290	2,087	\$ 2,043	\$4,401,898	2,122	\$ 2,074
AUGUST	\$3,899,598	2,086	\$ 1,869			
SEPTEMBER	\$3,622,277	2,076	\$ 1,745			
OCTOBER	\$4,935,236	2,079	\$ 2,374			
NOVEMBER	\$3,436,587	2,073	\$ 1,658			
DECEMBER	\$4,506,772	2,075	\$ 2,172			
TOTALS	\$47,655,960			\$31,957,026		
				2025 Average	2,106	\$2,167
				2024 Average	2,054	\$1,935

Large Claimant Report (Drilldown) - Claims Over \$100000

Plan Sponsor Unique ID : All
Customer: North Jersey Municipal Employee Benefits Fund
Group / Control: 00727848,00866355,SI220763

Paid Dates: 06/01/2025 - 06/30/2025
Service Dates: 01/01/2011 - 06/30/2025
Line of Business: All

	Paid Amt	Diagnosis/Treatment
	\$318,006.02	MALIGNANT NEOPLASM OF UPPER-INNER QUADRANT
	\$237,600.70	WEDGE COMPRESSION FRACTURE OF UNSPECIFIED
	\$234,551.67	ENCOUNTER FOR ANTINEOPLASTIC
	\$120,381.88	ESOPHAGEAL OBSTRUCTION
Total:	\$910,540.27	



North Jersey Municipal Employee Benefits Fund

8/1/2024 through 7/31/2025 (unless otherwise noted)

Dashboard

Medical Claims Paid: January 2025- July 2025

Total Medical Paid per EE: **\$2,167**

Network Discounts

Inpatient: **64.7%**
Ambulatory: **70.0%**
Physician/Other: **67.9%**
TOTAL: 68.0%

Provider Network

% Admissions In-Network: **97.4%**
% Physician Office: **93.4%**

Aetna Book of Business:
Admissions 98.2%; Physician 90.9%

Top Facilities Utilized (by total Medical Spend)

- Morristown Medical Center
- MSK
- Newton Medical Center
- Chilton Medical Center
- Newton Medical Center
- Saint Clare's Hospital

Catastrophic Claim Impact January 2025- July 2025

Number of Claims Over \$50,000: **84**
Claimants per 1000 members: **15.8**
Avg. Paid per Claimant: **\$124,897**
Percent of Total Paid: **35.6%**
• Aetna BOB- HCC account for an average of 45.2% of total Medical Cost

Aetna One Flex Member Outreach:

Total Members Identified: **1,254**
Members Targeted for 1:1 Nurse Support : **275**
Members Targeted for digital activity: **979**
Member 1:1 outreach completed: **264**
Member 1:1 Outreach in Progress: **11**

♥CVSHealth. CVS Virtual Care

January 2025 – July 2025

Completed Visits in June: **17**
Unique Patients in June: **16**
Completed Visits in 2025 : **105**
Unique Patients in 2025: **80**
Total Scheduled Visits in 2025: **134**
Average visit duration: **8 Minutes**
BoB: Average First Available: **31 minutes**
BoB: Average First Available (6am-6pm) **28 Minutes**

Service Center Performance Goal Metrics YTD 2024

Customer Service Performance

1st Call Resolution: **93.85%**
Abandonment Rate: **0.52%**
Avg. Speed of Answer: **14.9 sec**

Claims Performance

Financial Accuracy: **97.95%***
*Q1 2025

90% processed w/in: **8.4 days**
95% processed w/in: **15.3 days**

Claims Performance (Monthly) (July 2025)

90% processed w/in: **6.8 days**
95% processed w/in: **15.3 days**
(Note: This is not a PG metric)

Performance Goals

1st Call Resolution: **90%**
Abandonment Rate less than: **3.0%**
Average Speed of Answer: **30 sec**

Financial Accuracy: **99%**

Turnaround Time

90% processed w/in: **14 days**
95% processed w/in: **30 days**



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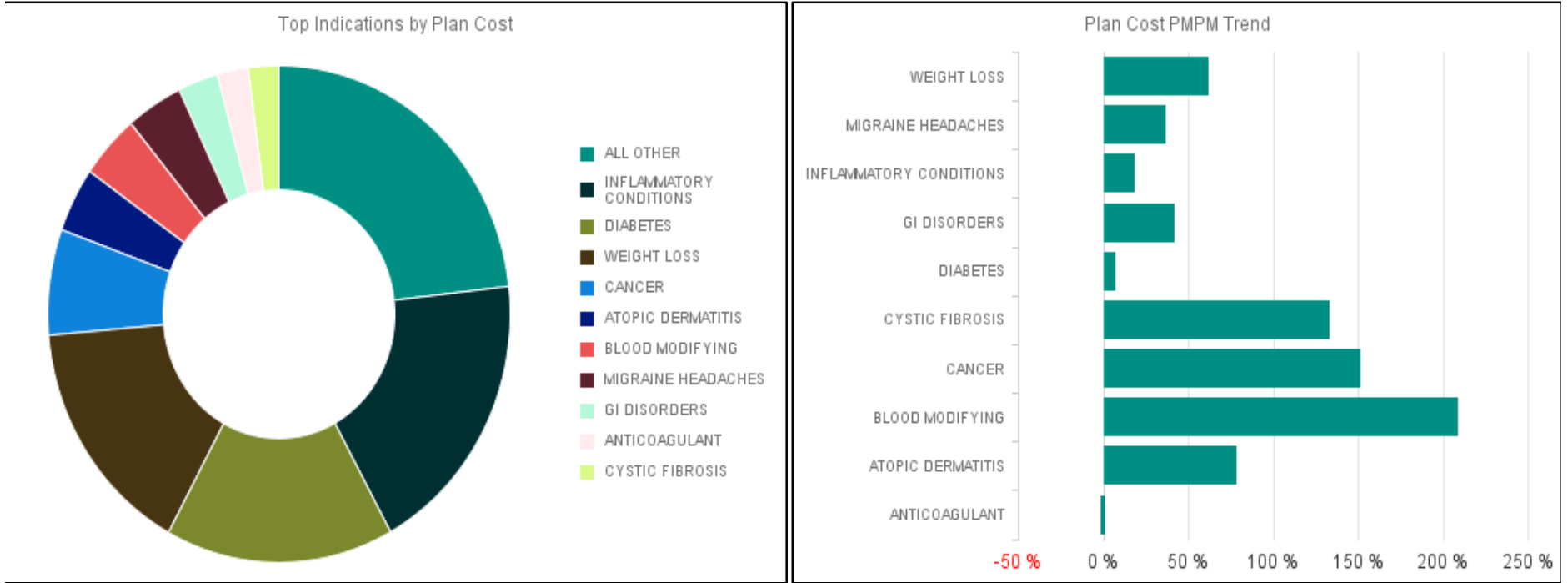
North Jersey Municipal Employee Benefits Fund

Total Component/Date of Service (Month)	2024 01	2024 02	2024 03	2024 Q1	2024 04	2024 05	2024 06	2024 Q2	2024 07	2024 08	2024 09	2024 Q3	2024 10	2024 11	2024 12	2024 Q4	2024 YTD
Membership	4,905	4,873	5,422	5,067	5,440	5,436	5,427	5,434	5,406	5,395	5,382	5,394	5,402	5,387	5,382	5,390	5,321
Total Days	203,129	186,437	209,955	599,521	224,419	220,536	206,816	651,771	238,244	212,391	215,612	666,247	231,275	209,076	225,116	665,467	2,583,006
Total Patients	1,970	1,908	2,198	3,207	2,174	2,117	2,096	3,246	2,164	2,062	2,105	3,202	2,270	2,187	2,259	3,348	4,505
Total Plan Cost	\$865,276	\$792,398	\$1,083,188	\$2,740,862	\$1,119,123	\$1,186,041	\$1,238,550	\$3,543,714	\$1,182,586	\$1,304,102	\$1,314,231	\$3,800,919	\$1,289,845	\$1,162,456	\$1,316,182	\$3,768,483	\$13,853,978
Generic Fill Rate (GFR) - Total	86.0%	87.0%	86.5%	86.5%	85.9%	85.8%	84.9%	85.5%	84.4%	83.7%	81.7%	83.3%	81.8%	83.8%	84.4%	83.3%	84.6%
Plan Cost PMPM	\$176.41	\$162.61	\$199.78	\$180.32	\$205.72	\$218.18	\$228.22	\$217.37	\$218.75	\$241.72	\$244.19	\$234.87	\$238.77	\$215.79	\$244.55	\$233.04	\$216.95
Total Specialty Plan Cost	\$308,439	\$274,926	\$466,401	\$1,049,766	\$481,465	\$510,693	\$521,653	\$1,513,811	\$354,254	\$525,688	\$522,866	\$1,402,808	\$489,981	\$428,573	\$464,731	\$1,383,285	\$5,349,670
Specialty % of Total Specialty Plan Cost	35.6%	34.7%	43.1%	38.3%	43.0%	43.1%	42.1%	42.7%	30.0%	40.3%	39.8%	36.9%	38.0%	36.9%	35.3%	36.7%	38.6%

Total Component/Date of Service (Month)	2025 01	2025 02	2025 03	2025 Q1	2025 04	2025 05	2025 06	2025 Q2	2025 07	2025 08	2025 09	2025 Q3	2025 10	2025 11	2025 12	2025 Q4	2025 YTD
Membership	5,396	5,412	5,303	5,370	5,307	5,310	5,338	5,318	5,335								
Total Days	232,616	199,457	217,914	649,987	224,443	210,180	210,412	645,035	232,222								
Total Patients	2,220	2,061	2,086	3,283	2,098	2,045	2,014	3,137	2,119								
Total Plan Cost	\$1,081,914	\$1,112,629	\$1,241,559	\$3,436,103	\$1,321,718	\$1,395,304	\$1,322,517	\$4,039,539	\$1,549,605								
Generic Fill Rate (GFR) - Total	85.9%	85.4%	85.0%	85.5%	85.3%	84.3%	84.0%	84.6%	84.3%								
Plan Cost PMPM	\$200.50	\$205.59	\$234.12	\$213.28	\$249.05	\$262.77	\$247.76	\$253.18	\$290.46								
% Change Plan Cost PMPM	13.7%	26.4%	17.2%	18.3%	21.1%	20.4%	8.7%	16.5%	33.4%								
Total Specialty Plan Cost	\$369,247	\$454,191	\$475,569	\$1,299,006	\$564,385	\$629,852	\$561,736	\$1,755,973	\$728,521								
Specialty % of Total Specialty Plan Cost	34.1%	40.8%	38.3%	37.8%	42.7%	45.1%	42.5%	43.5%	47.0%								

Top Indications

N. JERSEY MUNI EMPLOY BNFT FD (Current Period 01/2025 - 07/2025 vs. Previous Period 01/2024 - 07/2024) Peer = Government - National Preferred Formulary



			Current Period						Previous Period						Trend
Rank	Peer Rank	Indication	Market Share	Adjusted Rxs	Plan Cost	Plan Cost PMPM	GFR	Peer GFR	Market Share	Adjusted Rxs	Plan Cost	Plan Cost PMPM	GFR	Peer GFR	Plan Cost PMPM
1	2	INFLAMMATORY CONDITIONS	24.5 %	462	\$1,694,603	\$45.31	38.7 %	29.7 %	28.9 %	409	\$1,417,559	\$38.41	38.6 %	33.9 %	18.0 %
2	1	DIABETES	20.7 %	4,254	\$1,437,938	\$38.45	31.8 %	23.8 %	27.1 %	4,324	\$1,327,718	\$35.97	33.2 %	25.8 %	6.9 %
3	4	WEIGHT LOSS	20.5 %	1,407	\$1,417,978	\$37.91	3.9 %	4.1 %	17.7 %	843	\$866,180	\$23.47	3.2 %	5.5 %	61.6 %
4	3	CANCER	9.0 %	302	\$620,639	\$16.59	89.7 %	75.4 %	5.0 %	276	\$244,171	\$6.62	94.2 %	76.2 %	150.8 %
5	5	ATOPIC DERMATITIS	5.5 %	641	\$379,940	\$10.16	76.4 %	80.3 %	4.3 %	485	\$211,112	\$5.72	83.1 %	84.2 %	77.6 %
6	10	BLOOD MODIFYING	5.5 %	18	\$378,300	\$10.11	66.7 %	99.6 %	2.5 %	10	\$121,007	\$3.28	80.0 %	99.8 %	208.5 %
7	6	MIGRAINE HEADACHES	5.2 %	502	\$358,618	\$9.59	37.3 %	51.3 %	5.3 %	395	\$259,616	\$7.03	38.0 %	52.6 %	36.3 %
8	8	GI DISORDERS	3.6 %	304	\$252,288	\$6.75	48.7 %	57.9 %	3.6 %	296	\$176,289	\$4.78	42.6 %	56.7 %	41.2 %
9	7	ANTICOAGULANT	2.8 %	417	\$195,807	\$5.24	11.0 %	18.5 %	4.0 %	454	\$196,531	\$5.32	14.3 %	19.3 %	-1.7 %
10	9	CYSTIC FIBROSIS	2.8 %	12	\$193,714	\$5.18	25.0 %	7.3 %	1.7 %	8	\$82,256	\$2.23	50.0 %	7.0 %	132.4 %
Total Top 10				8,319	\$6,929,824	\$185.28	33.0 %	33.3 %		7,500	\$4,902,438	\$132.82	35.1 %	35.8 %	39.5 %

Top Drugs

N. JERSEY MUNI EMPLOY BNFT FD (Current Period 01/2025 - 07/2025 vs. Previous Period 01/2024 - 07/2024) Peer = Government - National Preferred Formulary

					Current Period				Previous Period				Trend
Rank	Peer Rank	Brand Name	Indication	Specialty Drug	Adjusted Rxs	Patients	Plan Cost	Plan Cost PMPM	Adjusted Rxs	Patients	Plan Cost	Plan Cost PMPM	Plan Cost PMPM
1	8	ZEPBOUND	WEIGHT LOSS	N	834	155	\$814,332	\$21.77	352	83	\$327,887	\$8.88	145.1 %
2	12	WEGOVY	WEIGHT LOSS	N	482	91	\$594,028	\$15.88	438	111	\$529,745	\$14.35	10.7 %
3	1	MOUNJARO	DIABETES	N	527	87	\$524,210	\$14.02	307	64	\$297,741	\$8.07	73.7 %
4	403	RUCONEST	BLOOD MODIFYING	Y	6	1	\$377,677	\$10.10	2	1	\$120,394	\$3.26	209.6 %
5	7	STELARA	INFLAMMATORY CONDITIONS	Y	38	6	\$311,037	\$8.32	41	7	\$386,691	\$10.48	-20.6 %
6	4	OZEMPIC	DIABETES	N	341	65	\$310,020	\$8.29	395	75	\$341,242	\$9.25	-10.3 %
7	10	SKYRIZI PEN	INFLAMMATORY CONDITIONS	Y	44	7	\$303,166	\$8.11	19	3	\$114,093	\$3.09	162.2 %
8	9	DUPXENT PEN	ATOPIC DERMATITIS	Y	70	12	\$209,987	\$5.61	43	7	\$116,322	\$3.15	78.1 %
9	108	CABOMETYX	CANCER	Y	8	1	\$201,067	\$5.38	NA	NA	NA	NA	NA
10	24	TALTZ AUTOINJECTOR	INFLAMMATORY CONDITIONS	Y	37	6	\$195,759	\$5.23	21	4	\$100,339	\$2.72	92.5 %
11	236	VORANIGO	CANCER	Y	5	1	\$194,170	\$5.19	NA	NA	NA	NA	NA
12	199	KALYDECO	CYSTIC FIBROSIS	Y	9	1	\$184,633	\$4.94	4	1	\$71,021	\$1.92	156.5 %
13	14	RINVOQ	INFLAMMATORY CONDITIONS	Y	24	3	\$143,604	\$3.84	15	4	\$103,761	\$2.81	36.6 %
14	22	ELIQUIS	ANTICOAGULANT	N	255	48	\$135,714	\$3.63	253	52	\$130,288	\$3.53	2.8 %
15	466	RUBRACA	CANCER	Y	8	1	\$131,278	\$3.51	NA	NA	NA	NA	NA
16	18	ENBREL SURECLICK	INFLAMMATORY CONDITIONS	Y	21	4	\$121,810	\$3.26	31	4	\$173,685	\$4.71	-30.8 %
17	11	JARDIANCE	DIABETES	N	210	39	\$119,731	\$3.20	198	33	\$107,603	\$2.92	9.8 %
18	23	FARXIGA	DIABETES	N	203	34	\$111,206	\$2.97	175	30	\$90,923	\$2.46	20.7 %
19	35	DUPXENT SYRINGE	ATOPIC DERMATITIS	Y	43	6	\$107,341	\$2.87	28	4	\$72,398	\$1.96	46.3 %
20	32	OTEZLA	INFLAMMATORY CONDITIONS	Y	22	4	\$99,018	\$2.65	26	6	\$85,642	\$2.32	14.1 %
21	48	UBRELVY	MIGRAINE HEADACHES	N	71	17	\$93,716	\$2.51	43	15	\$54,363	\$1.47	70.1 %
22	44	QULIPTA	MIGRAINE HEADACHES	N	85	18	\$89,294	\$2.39	69	14	\$67,421	\$1.83	30.7 %
23	279	LIVDELZI	GI DISORDERS	Y	7	1	\$87,576	\$2.34	NA	NA	NA	NA	NA
24	82	COSENTYX SENSOREADY (2 PENS)	INFLAMMATORY CONDITIONS	Y	14	2	\$84,025	\$2.25	NA	NA	NA	NA	NA
25	33	NURTEC ODT	MIGRAINE HEADACHES	N	54	15	\$79,465	\$2.12	62	15	\$80,650	\$2.19	-2.8 %
Total Top 25					3,418		\$5,623,865	\$150.37	2,522		\$3,372,210	\$91.37	64.6 %



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- DeltaDentalCT.com/Perks



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RESOLUTION NO. 25-31

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
(THE "FUND") RESOLUTION TO ENTER INTO CLOSED SESSION**

BE IT RESOLVED by the Executive Committee of the North Jersey Municipal Employee Benefits Fund, pursuant to the provisions of the Open Public Meetings Act, that it meet in closed session to discuss the following subject matter:

- Procurement
- Contracts

AND BE IT FURTHER RESOLVED that, as precisely as can be determined at this time, the discussion conducted in the said closed session can be disclosed to the public upon taking final action thereon, provided disclosure shall not violate the attorney-client privilege or constitute an undue invasion of privacy; and

BE IT FURTHER RESOLVED that, the Executive Committee will return to open session after this meeting and may take formal action.

ADOPTED: SEPTEMBER 25, 2025

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY

APPENDIX I

NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
July 24, 2025
RANDOLPH MUNICIPAL HALL- 9:30 AM

Meeting of Fund Commissioners called to order by Carrine Piccolo-Kaufer., Secretary. Open Public Meetings notice read into record.

ROLL CALL OF 2025 FUND COMMISSIONERS

2025 Executive Committee		Attendance
Thomas S. Russo, Chair	Town of Newton	Absent
Carrine Piccolo- Kaufer, Secretary	Township of Hardyston	Present
Barbara Russo, Executive Committee	Township of Berkeley Heights	Present
Tammy Smith, Executive Committee	Knowlton BOE	Absent
Greg Poff, Executive Committee	Randolph Township	Present
Scott Heck, Executive Committee	Borough of Ringwood	Present
Executive Committee Alternates:		
Dina Valente - Stoel	Borough of Lincoln Park	Present
Mike Sondermeyer	Borough of Bloomingdale	Present
Deb Millikin	Township of Jefferson	Present
Fund Commissioners & Alternate		
Jennifer Dodd, Alternate	Town of Newton	Absent
Dana Vitz, Alternate	Township of Hardyston	Absent
Deborah Bonanno, Alternate	Randolph Township	Absent
Perry Mayers, Alternate	Borough of Lincoln Park	Absent
Jasmin Azcona, Alternate	Township of Bloomingdale	Absent
William Egan, Alternate	Township of Jefferson	Absent
Karen Fornaro	Borough of Chatham	Absent
Stephen Williams, Alternate	Borough of Chatham	Absent
Craig Ambrosio	Borough of Kinnelon	Absent
James Freda, Alternate	Borough of Kinnelon	Absent
James Burnett	Borough of Madison	Absent
Sandra Emmerich, Alternate	Borough of Madison	Absent
Katie Yanke	Borough of Montville	Absent
Ralph Blakeslee	Borough of Netcong	Absent
Gabby Evangelista	Borough of Wharton	Present
Joseph Kovalcik, Alternate	Borough of Wharton	Absent
Samuel Yodice	Borough of Woodland Park	Absent
Sandra Olivola	Borough of Woodland Park	Present

Claudia Quinn	Mount Olive	Present
Andrew Tatarenko, Alternate	Mount Olive	Absent
Mitchell Stern	Mountain Lakes	Absent
Shawn Bennett, Alternate	Mountain Lakes	Absent
Patricia Bussow	Township of Andover	Absent
Lorraine England	Township of Andover	Absent
Meghan Lynch	Town of Boonton	Absent
Neil Henry	Town of Boonton	Absent
Joe Sabatini	Township of Byram	Absent
Ashleigh Frueholz, Alternate	Township of Byram	Absent
Victoria Dobrusin	Township of Dover	Present
Adam Cruz, Alternate	Township of Dover	Absent
Silvio Esposito	Township of Hanover	Present
Andrew Fiore	Township of Harding	Absent
Julie McIver	Township of Pequannock	Absent
Adam Brewer, Alternate	Township of Pequannock	Present
John Shepherd	Township of Roxbury	Absent
Lisa Spring, Alternate	Township of Roxbury	Absent
James Zepp	Township of Sparta	Present
Michele Lantau, Alternate	Township of Sparta	Absent
Tina Kraus	Township of Vernon	Present
Michael Restel	Township of Wantage	Present
Nancy VanHorn, Alternate	Township of Wantage	Absent
Michele Dale	Township of West Milford	Present
Cathy Shanahan, Alternate	Township of West Milford	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director	PERMA Risk Management Services	Brandon Lodics Steven Krolan
Program Manager	Conner Strong & Buckelew	John Lajewski Melissa Appleby
Attorney	Dorsey & Semrau	Ed Pasternak
Claims Administrator	Aetna	Jason Silverstein
Dental Administrator	Delta Dental	Luhra V. Ebarle
Prescription Administrator	Express Scripts	Charles Yuk
Treasurer	Michael Soccio	Present
Auditor	Holman & Frenia	Absent
Actuary	John Vataha	Absent
Wellness Coordinator	Cavitas	Absent

PRESENT FUND PROFESSIONALS:

Renee Gear, World Insurance	Brittany Vozza, The Vozza Agency
Mary Sue D'Amore, Hanover Twp	Justine Wnek, Kore
Cany Bronco, Skylands Risk Management	Lois Manzella Marchitto, Fitness Knocking
Staci Grant, Acrisure	Lindsay Klein, Acrisure
Ernest Restad, Skylands Risk Managent	

FLAG SALUTE

APPROVAL OF OPEN MINUTES:

MOTION TO APPROVE OPEN MINUTES OF MAY 22, 2025

MOTION:	Commissioner Heck
SECOND:	Commissioner B. Russo
VOTE:	14 Ayes, 0 Nays, 1 Abstain

MONTHLY COMMITTEE REPORTS:

CLAIMS COMMITTEE- No Report

CONTRACTS COMMITTEE- No Report

FINANCE COMMITTEE- No Report

OPERATIONS COMMITTEE- Commissioner Heck reported that there are meeting minutes are in the agenda and there will be more information regarding the No Surprises Act during the Executive Director report. One thing we are aware of is members in the current State Health plan

is looking for alternatives and as an operations committee, our first obligation is to the Fund. Commissioner Heck noted that people may be reaching out to join and we do not have a direct answer as we are working to review the data of the Fund to see what approach is best.

WELLNESS COMMITTEE- Commissioner Piccolo-Kaufer noted there has been no meeting, but the program is underway.

FUND DOCUMENT REVIEW COMMITTEE- No Report

PROFESSIONAL REPORTS:

EXECUTIVE DIRECTOR'S REPORT

FAST TRACK FINANCIAL REPORT – Mr. Lodics reviewed the financial fast track for the month of April 2025, noting there has been a large deficit for this month. Unfortunately, there has been a new curve in the public sector health benefits that ramped up in the late first quarter of 2025. Mr. Lodics noted that the GLP-1 reimbursements for those entities that were erroneously turned on were received in June and July. He mentioned a separate claims audit against the entities will be completed to ensure everything has been captured.

NO SURPRISES ACT (NSA) LEGISLATION CLAIMS – Mr. Lodics provided an overview of the No Surprises Act (NSA), a law that took effect in 2022. He explained that the legislation was originally intended to protect patients from unexpected medical bills, particularly in emergency and out-of-network scenarios, such as receiving care from an out-of-network anesthesiologist during a procedure at an in-network hospital. The claim would be processed by the carrier, who utilized a qualified payment amount. If the provider does not agree with that amount, there is an option for a thirty-day negotiation and subject to arbitration. Mr. Lodics commented that there was a backlog in the system when the legislation was first implemented, which unfortunately caused an overwhelming number of claims being paid in batches with significant differences that occurred in 2022 to 2024. He noted this was not expected and when the Fund Actuary originally received the claim triangles of the Fund for the 2025 budget, it did not include the reprocessed claims. He also noted on top of the increase payment of claims, there is an arbitration fee that needs to be paid when the

Mr. Lodics commented that the Fund is working with Lobbyists to get awareness out and we are asking how for Fund Commissioners and groups to reach out to their local Lobbyists to increase awareness of how this is impacting self-insured Funds. He noted that for the 2026 budget, we are collaborating with Aetna to get reporting on the number of claims still included in the backlog and what information we can provide the Fund Actuary to predict what our exposure is.

Mr. Silverstein commented that the issue is not limited to Aetna but is affecting all carriers and plan sponsors subject to legislation. He explained that the backlog is largely due to government shutdowns, which also impacted the website used by providers to submit claims. As a result,

we are now seeing a surge of claims from 2022 to 2024 being processed simultaneously. He added that private equity firms are partnering with providers to aggressively pursue these payments, making this a large-scale issue with a much larger volume than initially expected.

In response to Commissioner Piccolo-Kaufer, Mr. Lodics commented that we can circulate language that can be used for Commissioners to contact their own legislators to bring awareness to this issue.

Mr. Lajewski commented that moving forward it is critical to identify the temporary backlog from the expected normal claim run rate as we approach the 2026 budget season. He noted the historical data is currently overstated, but the Fund Actuary and Underwriter are actively reviewing the data to help prevent overbudgeting. He pointed out that these claims are not subject to both New Jersey and Federal regulations, which adds complexity. In response to Commissioner Heck, Mr. Lodics explained the Fund actuary will be trying to determine a pattern with the claim triangles he receives.

MRHIF SPECIAL FUND COMMISSIONER – Mr. Lodics noted that there is an opening for the MRHIF Commissioner, as NJHIF holds the Special Fund Commissioner role for 2025. He mentioned that only one virtual meeting remains this year, scheduled for September. Ms. Carrine Piccolo-Kaufer kindly volunteered to fill the role, and Mr. Lodics thanked her for stepping forward.

MRHIF UPDATE – Mr. Lodics commented the MRHIF Fund Audit was approved and filed with the State and an dividend was released and the NJHIF share was received.

FUND QUALIFIED PURCHASING AGENT (QPA) – Mr. Lodics reported only one response was received for the QPA, submitted by The Canning Group, LLC, through the end of 2025. Given the limited number of RFP's this year, it is recommended to move forward with a contract with The Canning Group.

QPA THRESHOLD – Ms. Koval noted that Mr. Sean Canning, from the Canning Group, LLC, is recommending the adoption of Resolution 27-25 which acknowledges the increase of the minimum bid threshold from the State Treasurer.

CLAIMS COMMITTEE UPDATE – Mr. Lodics thanked Commissioner James Zepp for joining the Claims Committee.

COOPERATIVE PURCHASING SYSTEM - MEDICAL THIRD-PARTY ADMINSTRATOR (TPA) BID – Mr. Lodics provided an update on the Medical TPA, stating the Fund Attorney for the Southern Fund, who is the lead agency, worked with the DCA to review the bid specs for qualifications. HE stated there was a meeting on July 1st

DCA approval has been given, and a discussion will occur at the next SNJHIF meeting where the Fund Attorney and QPA will discuss if moving forward with the DCA approval or addressing the responses and questions that the OSC provided.

PCORI AND A4 SURCHARGE FEES – Mr. Lodics reminded that the PCORI and A4 Surcharge fees are calculated in the Fund’s budget and PERMA accounting team pays these fees on behalf of the Fund, which is reflected in the Julys bills list.

MEL/MRHIF EDUCATIONAL SEMINAR FOLLOW UP PRESENTATION – Mr. Lodics mentioned the presentation from the MEL/MRHIF Educational Seminar follow up, conducted by Mr. Joe DiBella and Ms. Tammy Brown has been sent out as an attachment to the agenda and can be found on the NJHIF website.

BROKER OF RECORD (BOR) DOCUMENTATION – Mr. Lodics reminded that entities should be sending in their Broker of Record Resolution to the Fund to HIFadmin@permainc.com if they have not done so already.

PRORAM MANAGER REPORT:

Mr. John Lajewski reviewed the following report in the agenda:

Industry Updates

New Jersey SHBP/SEHBP 2026 Plan Year Renewals

- New Jersey SHBP/SEHBP has released their initial rate evaluation for the 2026 program year.
 - Proposed SHBP combined increase (medical/Rx) +36.5%
 - Proposed SEHBP combined increase (medical/Rx) +29.7%

Mr. Lajewski commented that historically the State has not been running well with the same challenges and there are some recommendations in regard to quantifying some parameters around entertaining potential entities that want to participate in the Fund.

Program Manager – Ongoing Projects

Plan Documents:

- The current project plan is attached for review.

On Going Litigation:

- Meeting with Fund attorney to review all open litigations completed.
- Fund attorney recommendations on outstanding cases distributed to claims committee on July 11th for review and comments.

- CSB supports the Fund attorney's recommendations on settlement actions.
- Comments on settlement recommendations have been received by Claims Committee and being reviewed.

Field Service:

- Direct service Fund members have been contacted and action plans for each have been developed.

Out of Network Provider Schedule Recommendation:

- CSB distributed to the Fund Operations Committee and Fund Attorney a recommendation to amend the out-of-network payment schedule for Fund members with plans which deviate from a Medicare schedule. (supporting documents attached)

New Fund Member Requests for 2026 Program Year:

- The Executive Director and Program Manager will meet with the Fund Operations Committee to discuss strategy on new Fund member petitions for 2026 program year.
- The strategy document is in development and will be distributed once complete.

Commissioner Heck emphasized the importance of analyzing the newer groups individually, as well as reviewing data across the different types of groups. Mr. Lajewski added that they are constantly reviewing data for the Fund to help determine what is best for the Fund, noting a report was distributed yesterday that analysis the current entities into three different cohorts based on the how long each entity has been part of the Fund.

Fund Performance/Observations

Medical – Aetna

- Fund performance report with data through June 2025 is being finalized and will be distributed to the Fund Operations Committee for review and comments in preparation for the 2026 Fund year budget.

Pharmacy – Express Scripts

- 2025 National Preferred Formulary (NPF) – Effective 7/1/25 (Previously Reported)
 - Humalog - excluded for members with a new prescription as of 1/1/25, members currently taking the drug will be excluded effective 1/1/26.
 - Humira - excluded for members with a new prescription as of 1/1/25, members currently taking the drug will be excluded effective 7/1/25.
- SaveOn (applies to all members) – Effective 7/1/25

- Drugs highlighted in green (21) were added to the list effective July 1, 2025.
- Drugs highlighted in red (5) were removed from the list effective July 1, 2025.
- There is one member impacted by the drugs added to the list.
- **Encircle Program (GLP-1 Weight Loss) – (Previously Reported)**
 - Effective September 1, 2024, members with new prescriptions, including renewal prescriptions for expired prior authorizations (PA), will need to meet the following criteria to be approved for a GLP-1 weight loss medication:
 - BMI ≥ 32 OR
 - BMI between $27 \leq 32$ WITH 2 or more documented comorbidities
 - Members with an active approved PA prior to 9/1/2024 will be grandfathered and upon renewal of their PA, members will need to meet the above BMI requirements to be considered for approval.
 - PA renewals will need to include documentation to support the above BMI requirements for all members, regardless of members having been approved in the past.
 - Effective January 1, 2025, members who have an approved PA (active and new) will need to meet the following guidelines.
 - 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 programmed to the member's ESI active account prior to delivery. The scale will record each weigh-in and will update the member's file automatically. Members must weigh in a minimum of 4 times a month.
 - Members must engage with an assigned online Omada coach via a mobile application or web browser a minimum of 4 times a month.
 - If members do not adhere to both of the requirements outlined above, the following month in which they are non-compliant, they will not be able to refill their weight loss prescription. Members will be required to complete the missing weigh-ins and/or online coaching engagement in order to refill their prescription.

Legislative Review

No Surprise Billing and Transparency (NSA) – (Previously Reported)

- The NJMEBF protect plan members from surprise billing with involuntary out of network balance bills with a hold harmless clause.
- The law also imposes certain requirements on the Carriers, PBMs and healthcare providers and CSB continues to work with the insurance providers to ensure that the NJMEBF remains compliant.
- NSA claims are being analyzed as the frequency and impact of initial backlog of the processing of these claims will have an impact on the financials of the Fund.

- The Executive Director and Program Manager met with the Fund Operations Committee to review the impact of NSA claims and discuss strategy to address moving forward.

Client Services/Eligibility/Enrollment

Please direct any claims, eligibility, enrollment, or system related questions to your CSB-assigned Client Services team.

Victoria Friday, vfriiday@permainc.com, 856-552-4748

Alex Koch, akoch@permainc.com, 856-552-4778

- System training (new and refresher) is provided to all contacts with WEX access every 3rd Wednesday at 10AM. Please contact HIFtraining@permainc.com for additional information or to request an invite.
- 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 in your email so an invitation can be sent.

WEX COBRA/Direct Bill Administration Update – Effective 7/1/2025

- Effective July 1, 2025, WEX will be transitioning all COBRA and Direct Bill members from the BenefitExpress platform to their WEX Health Inc. (WEX) platform. WEX is the parent company of BenefitExpress and this update will ensure participants have access to their most enhanced platform, resources and support services.
- Takeover/Welcome Notice to current participants will be sent starting June 26th through July 15th. (Sent by WEX)
- Date range reflects notices that will be sent to members after their June premium payment is processed.
- The notice will include new coupons, instructions on WEX account setup and a new mailing address for future payments.
- Termination Notice to current participants will be sent to starting July 7th through July 15th. (Sent by WEX on behalf of BenefitExpress)
- Notices will be sent after service through BenefitExpress expires and after the participant is issued their Takeover/Welcome Notice.
- Reference to the Termination Notice is mentioned in the Takeover/Welcome Notice
- Please note to remain compliant with both the Takeover/Welcome Notice and Termination Notice must be sent to all current participants, there is not an option to suppress the termination notice.
- Attached is a sample of the Takeover/Welcome Notice that current participants will receive explaining the transition.

- WEX will transfer the participants' current contact information as it noted in BenefitExpress.
- WEX will transfer all active ACH accounts to the new platform and are expected to complete the process by July 1st.
- If a participant signs into the portal and it still reflects the BenefitExpress logo information, their account has not yet been transitioned. They can call into WEX using the contact information on the attached to have their account updated. We recommend they allow time for the transition as the ACH will occur once the transition is complete; June payment is received.
- Participants who send their payments to WEX via US Mail will have a new remittance address to submit future payments, as outlined in the attached letter.
- We are currently confirming if July payments that have already been mailed will be transferred to the new PO Box and are being applied to participants' accounts with WEX.
- WEX is prepared to accept calls from participants and answer questions they have related to the transition, their account set up status, payment status, etc.
- Participants' coverage will not be terminated if they experience an issue due to the transition.

Carrier Appeals

<u>Submission Date</u>	<u>Appeal Type</u>	<u>Appeal Number</u>	<u>Reason</u>	<u>Determination</u>	<u>Determination Date</u>
06/17/25	Medical/ Aetna	NNJHIF 2025 06 01	Surgery	Upheld	06/23/2025
06/27/25	Medical/ Aetna	NNJHIF 2025 06 02	Infant Formula	Under Review	
06/30/25	Medical/ Aetna	North 2025 06 03	Anesthesia	Upheld	07/07/2025

IRO Submissions:

<u>Submission Date</u>	<u>Appeal Type</u>	<u>Appeal Number</u>	<u>Reason</u>	<u>Determination</u>	<u>Determination Date</u>
06/23/25	Medical/ Aetna	NNJHIF 2025 06 01	Surgery	Upheld	06/25/2025

Ms. Appleby reviewed the following Wellness portion of the report:

Wellness and Population Health

In force wellness program Activities

- June/July Fund wellness newsletter delivered.
- June/July Fund wellness schedule of webinars delivered.
- June webinar attendance reconciliation distributed to participating Fund Members.
- Coordinating meeting with the Wellness Committee in preparation for 2026 Fund year.

TREASURER: Mr. Soccio reviewed the June and July 2025 bills list and treasurer reports in the agenda.

ATTORNEY: Mr. Pasternak stated that the Fund Attorney has been working with the Program Manager, Executive Director, and Claims Committee to resolve a bulk of existing claims settlement, which are included in two resolutions in the Consent Agenda. He said that each of the claims is a victory for the Fund, compared to the demand letters.

Mr. Pasternak said that the GLP-1 settlement has been made and he is satisfied with the plan document development.

AETNA: Mr. Silverstein reviewed the claims for the months of April and May 2025. Mr. Lodics commented that the PEPM does match with the NSA claims. Mr. Silverstein highlighted there was one high claimants in April and four high claimants in May. He stated the dashboard metrics continue to perform well.

EXPRESS SCRIPTS: Mr. Yuk reviewed the monthly utilization tracking report for the first quarter of 2025, noting there is a 84.3% generic fill rate. He reviewed the top 10 conditions, highlighting a 140% increase in cancer. He stated that Zepbound continues to be a high usage drug, but Wegovy and Ozempic are on the decline. Mr. Yuk highlighted there are four new drugs included in the top 25 that were not included in the previous period.

DELTA DENTAL: Ms. Ebarle reviewed the report on the agenda, reviewing the difference between the healthy, moderate, serious, and no visit categories. She commented that the oral health score for the Fund, which is the national benchmark comparison is in the 68th percentile.

CONSENT AGENDA

- Resolution 25-22: Appointment of MRHIF Fund Commissioners
- Resolution 25-23: Appointment of QPA
- Resolution 25-24: Increase Threshold for QPA

Resolution 25-25: Authorize Settlement for Claims (Mazie)
Resolution 25-26: Authorize Settlement for Claims (Cohen Howard)
Resolution 25-27: June and July 2025 Bills List

Mr. Lodics commented that Resolution 25-22 is amended to include the write in of Commissioner Piccolo-Kaufer as MRHIF Special Fund Commissioner for the remainder of 2025.

MOTION TO APPROVE THE CONSENT AGENDA:

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

OLD BUSINESS: None.

NEW BUSINESS: None.

MOTION TO OPEN THE MEETING TO THE PUBLIC:

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

PUBLIC COMMENT: Commissioner Brewer commented that the Mayor in Hamilton is leading a task force to engage legislature because the increase should have been higher in the liabilities that we paid currently to payments. He noted there is a bill to reshape the Commission and try to make items more punctual, which section 5 of the bill language interprets that certain plan costs more than the state plan it may impact our ability to collect contributions from the employees. Although this may not directly affect us, it is important to pay attention to this because it may be highly problematic if it moves forward. He suggested that our members track this legislation. The Assembly is working hard to get this through.

MOTION TO CLOSE THE MEETING TO THE PUBLIC:

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED AT: 10:27am

**NEXT MEETING: September 25, 2025, 9:30 am
RANDOLPH MUNICIPAL BUILDING**

Caitlin Perkins
For

Carrine Piccolo-Kaufer, Secretary

APPENDIX II

NJMEBF Operations Committee Meeting

August 20, 2025 – 12noon.

Teams – Conference Call

Attendees:

Scott Heck, Committee Chair

Barbara Russo, Committee Member

Carrine Kauffer

Raymond Burke – Conner Strong & Buckelew

John Lajewski - Conner Strong & Buckelew

Brandon Lodics - PERMA

Emily Koval - PERMA

Jordyn Robinson - PERMA

The meeting convened to discuss the potential lifting of the moratorium on new business to the fund for 2026, with Mr. Lajewski outlining the intent and framework for the discussion. He emphasized the need to explore this opportunity prudently, given the influx of public sector employers seeking alternatives to the state health benefit plan. The meeting focused on establishing solid guidelines to ensure the fund's stability while accommodating new members.

Mr. Lajewski highlighted the importance of setting a minimum group size threshold of 50 lives for new entrants, citing the law of large numbers as critical for predictable and credible claims experience. He noted that many inquiries are from smaller groups, such as fire districts and authorities with fewer than 50 members, which may not align with the fund's stability goals. For larger groups, alternative arrangements were discussed, such as administrative-only entries where claims risk remains with the group, allowing the fund to benefit from economies of scale without exposure to claims volatility.

The discussion also addressed the necessity of requiring recent claims experience from prospective members to accurately project costs and set rates. Mr. Lajewski proposed indexing rates against the state health benefit plan, incorporating a minimum rate action of 20% to account for unforeseen market changes. Additionally, he recommended standardizing plan design requirements, including setting out-of-network provider fee schedules at 150% of Medicare and adhering to the fund's pharmacy program requirements.

Mr. Heck raised concerns about the fund's conservative approach potentially making it less competitive but acknowledged the importance of protecting existing members. Mr. Burke supported this stance, emphasizing the need to prioritize the fund's long-term sustainability over short-term competitiveness. Mr. Lodics added that the fund's historical performance demonstrates its ability to underperform market trends consistently, which should remain the focus.

The conversation shifted to the possibility of accommodating smaller groups by pooling them into a collective entity to meet the minimum size requirement. Mr. Heck suggested exploring mechanisms for merging smaller groups into a single cohort, with shared risk and gains. Ms. Kaufer and Ms. Russo raised practical and legal considerations, including the need for agreements ensuring collective accountability and the challenges of

blending rates and claims experience. Mr. Burke noted that while smaller groups present higher risks, having credible data could make them viable candidates for entry.

Ms. Russo questioned whether the effort to accommodate smaller groups was worthwhile, given the demand from larger entities. Mr. Lodics acknowledged this point, suggesting that the fund's current position allows it to be selective. However, he noted the pressure from smaller entities seeking alternatives to the state plan. Mr. Lajewski emphasized the need to differentiate between smaller groups and those with fewer than 50 lives, suggesting that the latter may require solutions outside the fund's scope.

The meeting concluded with a consensus on the importance of maintaining the fund's stability and sustainability while exploring opportunities to expand membership responsibly. Further discussions will address the feasibility of pooling smaller groups and refining the parameters for new business pricing.

The meeting continued with Mr. Heck summarizing the committee's consensus that the fund should prioritize attracting high-quality members to strengthen its surplus and ensure long-term stability. He likened this approach to seeking "AA members," emphasizing the importance of conservative growth and maintaining the fund's financial health.

Mr. Lodics and Mr. Burke proposed refining the underwriting policy to include a sliding scale for margin requirements based on group size. Smaller groups would require higher margins due to their lack of credibility and predictability. For example, groups with fewer than 50 lives might require a minimum margin of 15%, while larger groups could have lower margin thresholds. This approach would ensure consistency and fairness in evaluating prospective members while mitigating risk.

The discussion also addressed the potential inclusion of two prior members, Montville and Byram, both of which currently participate in the fund's dental program and have established surplus balances. Montville, with 128 lives and \$500,000 in surplus, and Byram, with 65 lives and \$220,000 in surplus, were highlighted as attractive candidates due to their prior experience in the fund and their ability to contribute positively to its financial position. However, Mr. Heck emphasized the need for consistency, stating that if these two entities are considered, all other prospects with complete data must also be evaluated.

Ms. Kaufer raised the point that Montville and Byram's prior membership status could be seen as a distinguishing factor, but she cautioned against creating the perception of favoritism. She stressed the importance of applying consistent standards to all applicants, regardless of their history with the fund. Ms. Russo agreed, noting that any deviation from established policies could undermine the fund's credibility.

The committee discussed the need for a clear and consistent policy to guide future decisions. Mr. Heck suggested that the sliding scale for margin requirements be finalized and applied uniformly to all prospective members. He also recommended setting a cap on annual growth, proposing a target of no more than 25% (approximately 500 lives) to ensure the fund's infrastructure and surplus can accommodate new members without undue strain. Ms. Kaufer and Ms. Russo expressed concerns that even 25% growth might be too aggressive, suggesting that smaller, incremental growth may be more prudent.

Mr. Burke explained that growth could benefit the fund by increasing its size, credibility, and predictability. He noted that new members typically generate surplus initially due to lagging utilization, allowing the fund to adjust

rates at renewal if necessary. However, he acknowledged the importance of avoiding a "perfect storm" scenario where rapid growth could destabilize the fund.

The meeting concluded with the following action items:

1. **Refinement of Underwriting Parameters:**

Mr. Lajewski and Mr. Burke will finalize the sliding scale for margin requirements based on group size and share it with the committee for review. The revised parameters will include input from the actuary to ensure they align with the fund's financial goals.

2. **Evaluation of Prospective Members:**

All entities that have submitted complete claims experience data will be evaluated using the updated underwriting parameters. No commitments will be made until the full body approves the new standards.

3. **Growth Cap Implementation:**

The committee will consider implementing a cap on annual growth, potentially set at 25% or lower, to ensure the fund's stability.

4. **Communication of Findings:**

The committee will receive the revised underwriting parameters and related charts for review before the next meeting. Any feedback or concerns will be addressed prior to presenting the proposal to the full body in September.

Mr. Heck thanked the participants for their time and contributions, emphasizing the importance of maintaining consistency and transparency in the fund's decision-making process. The meeting adjourned with a commitment to reconvene or communicate further as needed to finalize the proposal.

NJMEBF Finance Committee Meeting
September 23, 2025, at 11:00 AM via Teams

Thomas S. Russo, Jr., NJHIF Chair

Debra Milikin, NJHIF EC Member

Mike Soccio, NJHIF Treasurer

Brandon Lodics, PERMA

Matthew Rudman, CSB

Melissa Appleby, CSB

The Finance Committee convened to review the 2026 budget overview and recent financial performance. Mr. Lodics led the discussion and confirmed that the materials had been circulated in advance. He noted the environment remains challenging but comparatively better than state benchmarks, setting context for a fund-wide rate action near 20% on medical and prescription, approximately 1% on dental, and roughly 18–19% on Medicare Advantage. For entities using a combined medical/Rx rate, the actuary projects medical plus embedded pharmacy claims trending around 16%; for groups with a separate Rx rate, the standalone pharmacy projection approaches a 51% increase, reflecting market-wide pharmacy pressure.

Turning to year-to-date results, Mr. Lodics reported a difficult second quarter with claims about 19% over budget in June and continued pressure observed across April–June. He attributed much of the adverse variance to pharmacy and the budget shock associated with No Surprises Act dynamics, which together produced a challenging 2024 and contributed to a significant draw on surplus. Overall, 2025 claims are tracking roughly 10% above plan, led by pharmacy costs, even as medical utilization has shown modest improvement relative to broader statewide patterns.

To stabilize results and rebuild surplus, Mr. Lodics recommended including a discretionary claims contingency equal to approximately 2.5% of the budget (about \$2.2 million, or 2.48%). He emphasized that this cushion serves both as protection if aberrant utilization persists and as a surplus-builder if experience normalizes. Mrs. Millikin and Mr. Russo expressed comfort with the approach, and Mr. Soccio noted that once embedded, the contingency can support consistency in future years and potentially become a budget reducer if not needed.

On stop-loss, Mr. Lodics reported a favorable renewal for the MRHIF layer near 17%. Given the North Fund's sustained positive performance over multiple years and historically high premium per employee, an additional loss-ratio adjustment was applied to help keep that component flat to slightly lower. For Medicare Advantage, Mr. Lodics projected an approximate 18% increase, citing federal subsidy changes under the Inflation Reduction Act that shift more cost to carriers in 2026, following 2025's pharmacy-driven impact.

Mrs. Appleby presented utilization analytics. Membership increased around 9% year over year, while total medical paid rose approximately 26% and per-member medical spend nearly 17%, indicating higher unit costs rather than purely higher utilization. Inpatient days and admissions were up, but surgical volumes rose less than 5%. Catastrophic claimants (>\$50,000) and dollars grew materially, with the average catastrophic claimant cost moving from about \$110,000 to \$127,000.

Network unit costs increased following recent negotiations with a major regional system, and in-network percentages for certain outpatient and professional categories softened—an area where Mr. Lodics recommended exploring reduced out-of-network fee schedules for newer members (e.g., Medicare-based caps) to curb leakage.

For pharmacy, Mrs. Appleby highlighted a plan-cost increase near 40% with per-member costs up ~30%, driven predominantly by weight-loss medications. The number of members using these drugs increased sharply year over year, and spending on these therapies escalated from under \$1 million to more than \$2 million. Generic fill and 90-day/mail-order metrics dipped slightly, removing potential offsets. Mr. Lodics suggested considering additional loss-ratio adjustments at adoption for entities that do not cover weight-loss medications, while evaluating composite (medical + pharmacy) experience to capture any offsetting health impacts, as discussed with Mr. Soccio.

On administrative expenses, Mr. Lodics stated that despite the inability to conduct a cooperative-level TPA RFP due to Comptroller constraints, the fund secured an approximate 13% reduction in Aetna administrative fees for 2026. He added that Perma and Conner Strong are holding their fees flat to acknowledge budget pressure. The Wellness budget will remain flat for 2026, with Mrs. Appleby noting that strategic changes toward a population-health model may be developed for 2027 while maintaining meaningful member incentives.

Mrs. Millikin asked about a specific entity's 23.4% projected increase. Mr. Lodics will review the factors—likely Medicare Advantage rebalancing or prior underfunding—and report back before adoption. The committee also compared results to the State Health Benefits Program, which is experiencing increases in the mid-30% range; Mr. Lodics reiterated that while a 20% action is still difficult, the fund's longer-term trend remains flatter than the state's. Mr. Rudman explained that, unlike the state's longer-horizon projection method, the fund prices against current, up-to-date claims.

Mr. Russo asked about market interest from employers seeking to leave state benefits. Mr. Lodics described a selective, opportunistic underwriting posture that includes at least a 15% margin for new entrants to protect existing members and foster immediate surplus contribution. Several prospects are under evaluation, including dental-only entities with existing surplus on deposit.

With consensus emerging, the committee agreed to proceed with budget introduction “as is,” including the 2.48% claims contingency. Mr. Lodics will validate the outlier assessment noted by Mrs. Millikin and return with any technical adjustments between introduction and adoption. Materials will be prepared for the upcoming board session, and the cadence of presentation delivery will follow the Chair's direction.

APPENDIX III



August 29, 2025

Honorable Representative Thomas Kean
United States House of Representatives
100 Corporate Drive
Suite 106
Lebanon Borough, NJ 08033

Re: The No Surprises Act

Dear Representative Kean,

I am writing in follow-up to a letter sent to your attention by Richard Kunze, Chair of the New Jersey Municipal Reinsurance Health Insurance Fund. As Chair Kunze noted, there are eight Health Insurance Funds (HIF) in New Jersey, and I am the chair of the North Jersey Municipal Employee Benefit Fund, which includes municipalities and organizations located in your Congressional District. I appreciate this opportunity to provide additional details regarding issues relating to the No Surprises Act (the Act) and its financial impact on North Health Insurance Fund member municipalities and organizations in your district.

The North Jersey Municipal Employee Benefit Fund is owned and governed by its 32 member organizations, pooling resources to provide choice and value for employees while delivering savings for our member employers. Surpluses belong to members of our fund, not insurance companies, and the combined purchase strength delivers flexible, affordable, and customizable health benefits for employees. A list of our member organizations is provided.

As employer health insurance providers, we pride ourselves on the equitable payment to health care providers who may be out of network (OON). Unfortunately, the Act's Independent Dispute Resolution (IDR) process has resulted in abuse by service providers, as well as unleashing a cottage industry of companies who are using the process to secure unreasonable awards and fees for OON claims. These awards and accompanying fees have no rational basis. They are adversely affecting the financial integrity of our Fund and encouraging OON providers to set unreasonable fees for their services to secure awards that are difficult to justify by any standard measure.

To date, the North Jersey Municipal Employee Benefit Fund has received \$2,923,030.87 in unforeseen arbiter awards accompanied by almost \$132,656.00 in arbitration fees, after the provider claims were originally processed. This cannot be sustained and will cause instability and financial harm, and unless addressed, the IDR process will ultimately harm local taxpayers and public employees.

The NSA has succeeded in reducing patient exposure to surprise medical bills, *but at a substantial and rising cost to our local government members*. The current IDR system disproportionately favors providers and leads to awards significantly above market benchmarks. Combined with administrative burdens and legal uncertainty, the system places our Fund members at risk of financial strain and compliance errors.

As the chair of the North Jersey Municipal Employee Benefit Fund, I would welcome the opportunity to meet with you at your earliest convenience to discuss remedies our members believe will address the shortfalls of the current IDR process while maintaining patient protection and the integrity of the law.

Sincerely,

Thomas Russo, Jr.
Town of Newton
Chair, the North Health Insurance Fund

Encls.

cc: Honorable Representative Frank Pallone, Jr.