

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MEETING: JANUARY 23, 2014
SADDLE RIVER BOROUGH HALL
12:00 P.M.**

Meeting called to order by Chairman Charles Cuccia. The Open Public Meeting Notice was read into the record.

ROLL CALL OF 2013 EXECUTIVE COMMITTEE:

Chairperson		
Charles Cuccia	Borough of Saddle River	Present
Secretary		
Peter Van Winkle	Borough of Rutherford	Present
Executive Committee	Members	
Robert Hoffmann	Borough of Westwood	Present
Maureen Iarossi-Alwan	Borough of Montvale	Present
Hugo Poli	Village of Ridgefield Park	Present
Victor Baginski	Borough of Wallington	Present
Richard Kunze	Borough of Oakland	Present
Alternates		
Kelly O'Donnell	Borough of Park Ridge	Present
Gregory Hart	Borough of Franklin Lakes	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval
Attorney	Huntington Bailey, LLP	William Bailey
Treasurer	Joseph Iannaconi	Joseph Iannaconi
Third Party Administrator	Aetna	Kim Ward
Dental Claims Administrator	Delta Dental of NJ, Inc.	Kim White
Auditor	Lerch, Vinci & Higgins	Gary Vinci
Actuary	John Vataha	
Independent Consultant	LaMendola Associates	Clark LaMendola
Benefits Consultant	Conner Strong	Brandon Lodics
RX Administrator	Express Scripts	

OTHERS PRESENT:

Frank Covelli, PIA
David Vozza, Vozza Agency
John Hansen, East Rutherford
Tom Konkowski, Wallington
Deb Ginetto, Burton Agency
Virginia Bello, Carlstadt*

Matt McArow, Otterstedt
Anthony Ciannanmea, Moonachie*

CORRESPONDENCE – None

APPROVAL OF MINUTES: November 25, 2013

MOTION TO APPROVE THE PRESENTED OPEN MINUTES OF NOVEMBER 25, 2013:

MOTION:	Commissioner Hoffmann
SECOND:	Commissioner Van Winkle
ROLL CALL VOTE:	9 Ayes, 0 Nays

MOTION TO ADJOURN SINE DIE MEETING:

MOTION:	Commissioner VanWinkle
SECOND:	Commissioner Hoffmann
VOTE:	Unanimous

Executive Director asked for a roll call of all 2014 BMED Fund Commissioners.

BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND		
2014 FUND COMMISSIONERS		
MUNICIPALITY	FUND COMMISSIONER	
Alpine*	Mayor Paul Tomasko	
Emerson*	Elizabeth Garis	
Hillsdale *	Victor M. Polce	
Lodi *	Anthony Luna	
Maywood	Charles Cuccia	Present
Moonachie	Anthony Ciannanmea	Present
N. Arlington*	Tom Kane	
Park Ridge	Kelly O'Donnell	Present
S. Hackensack	Donna Gambutti	
Saddle River	Charles Cuccia	Present
Wallington	Victor Baginski	Present
Westwood	Robert Hoffmann	Present
Wood-Ridge *	Dominick Azzolini	
Rutherford	Peter Van Winkle	Present
Montvale	Maureen Iarossi-Alwan	Present
Ridgefield Park	Hugo Poli	Present
Rochelle Park *	Virginia DiMaria	Present
Wanaque Valley Regional Sewerage Authority *	Frank Covelli	Present
Carlstadt *	Virginia Bello	Present
East Rutherford *	John Hansen	Present
East Rutherford BOE *	Ken Rotta	
Ft. Lee *	Alfred Restaino	
Carlstadt BOE *	Pamela Baxley	
Oakland	Richard Kunze	Present
Franklin Lakes	Gregory Hart	Present

Executive Director said that a quorum was present.

Commissioner Van Winkle read the Nominating Committee report and made a motion recommending the following slate for 2014:

Chairman Chuck Cuccia, Borough of Saddle River
Secretary Peter VanWinkle, Borough of Rutherford

Executive Committee Members:

Robert Hoffman, Borough of Westwood
Maureen Iarossi Alwan, Borough of Montvale
Victor Baginski, Borough of Wallington
Hugo Poli, Village of Ridgefield Park
Richard Kunze, Borough of Oakland

Alternates:

Gregory Hart, Borough of Franklin Lakes

**MOTION TO ADOPT 2014 SLATE OF EXECUTIVE COMMITTEE AS
RECOMMENDED AND CLOSE NOMINATIONS:**

MOTION:	Commissioner Van Winkle
SECOND:	Commissioner Iarossi- Alwan
ROLL CALL VOTE:	13 Ayes, 0 Nays 1 Abstain (Abstain – Commissioner Hoffmann)

ROLL CALL OF 2014 EXECUTIVE COMMITTEE

Chairperson		
Charles Cuccia	Borough of Saddle River	Present
Secretary		
Peter Van Winkle	Borough of Rutherford	Present
Executive Committee	Members	
Robert Hoffmann	Borough of Westwood	Present
Maureen Iarossi-Alwan	Borough of Montvale	Present
Hugo Poli	Village of Ridgefield Park	Present
Victor Baginski	Borough of Wallington	Present
Richard Kunze	Borough of Oakland	Present
Alternates		
Gregory Hart	Borough of Franklin Lakes	Present

Attorney swore in the Executive Committee Commissioners.

EXECUTIVE DIRECTOR’S REPORT

FINANCES

PRO FORMA REPORTS

- **Fast Track Financial Reports** – as of November 30, 2013
 - **Historical Income Statement**
 - **Cash Flow Tracking Reports**

Executive Director reviewed the Financial Fast Track which illustrated a \$1.1 million operational surplus for 0213. Preliminary December results look favorable, as well.

REGULATORY

PRO FORMA REPORTS

- **Regulatory Compliance Checklist** – as of January 16, 2014

LEGISLATIVE UPDATE - The Fund has yet to receive a response from the letter we sent to the congressional delegation at the end of last year regard the Affordable Care Act. PERMA is working with the Fund Lobbyist, KZG, to set up a meeting with Congressman Frank Pallone to

discuss the impact the ACA will potentially have on the Fund, in particular the 2018 Cadillac Tax. For your information, a power point presentation including key points of the impact of this tax was included in the distribution of the agenda.

In addition, recent decisions are revealing that volunteer firefighters and other emergency personnel will most likely not be counted under the Affordable Care Act, which should be relief for many members.

In addition, Executive Director said that the Governor signed a bill to allow loss experience to be provided to each member once a year at no cost.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - The Municipal Reinsurance Health Insurance Fund met on December 11, 2014 at 2 pm at the Saddle River Borough Hall. The MRHIF held its annual public hearing and adopted the 2014 budget in the amount of \$9,705,102. Commissioner Van Winkle's report is included. Ms. Koval said the Executive Committee also approved an RFQ to be released for the Pharmacy Benefit Manager in early spring for a 2015 contract renewal.

INCLEMENT WEATHER REPORT - A procedure has been instituted for Commissioners to confirm whether a meeting has been cancelled. The Executive Director will talk to the Chair to determine if a meeting should be cancelled. In the case of an early morning or evening meeting, PERMA will leave a message, which can be obtained by dialing the Fund's main number of (201) 881-7632 and on the Fund website.

BENEFITS OPERATIONS

PRO FORMA REPORTS

- **Claim Appeals** – None

ENROLLMENTS - All enrollment and billing questions should be directed to our dedicated enrollment team. The BMED/Gateway enrollment team may be contacted via email at BMEDenrollments@permainc.com or by facsimile at 856-685-2257

OPEN ENROLLMENT - All enrollment forms that were received for members who elected to make changes during open enrollment have been processed and changes have been updated with the carriers.

ONLINE ENROLLMENT SYSTEM TRAINING - PERMA is planning upcoming training session for the online enrollment system. Save the date notifications will be coming out in the next few weeks.

HEALTHCARE REFORM COMPLIANCE - As of January 1, 2014, the Patient Protection and Affordable Care Act (PPACA) requires that all group health plans include an in-network out of pocket maximum, no greater than **\$6350 Individual and \$12,700 Family**. In order to comply

with this, all BMED/Gateway plans that currently do not have in-network out of pocket maximum, or have an in network out of pocket maximum greater than \$6350/\$12,700, will be adjusted accordingly. These out of pocket maximums will be inclusive of any in network medical copays, deductibles or coinsurance that a member may experience in a calendar year.

AETNA has confirmed that all plans have been updated in the claims adjudication system. We are working on a schedule to update Plan Documents accordingly for groups this applies to.

In order to comply with PPACA, all plan change requests must be submitted no less than 90 days in advance of the desired effective date.

MEDICARE ADVANTAGE 2014 UPDATES - As of January 1, 2014, original Medicare (CMS) made an update to GYN benefits. Medicare's clinical team has deemed 1 routine cervical screening per 24 months as medically necessary. In 2013, one routine screening annually was allowed. This plan update has been made to Medicare's plan nationally and is affecting all Medicare enrollees, including the BMED/Gateway Medicare Advantage Plan. When advised of this change by CMS, AETNA requested an exemption to this policy, but was declined by CMS. Please be assured that additional screenings are available to patients in situations of medical necessity, including but not limited to: high risk of cervical or pelvic cancer, history of cancer, and women who may have received an abnormal pap smear within the previous 3 years.

In January 2014, PERMA enrollments will run a report that identifies all retirees and spouses who will reach 65 during the year. Medicare Advantage enrollment materials will be mailed to all newly eligible retirees and spouses 60 days prior to their 65th birthday.

BENEFITS DESIGN

PLAN CHANGE RATIFICATION -

Borough of Franklin Lakes- 2/1/2014- Added the BMED Model Plans- Core, Buy Up and HDHP

Borough of Rutherford- 3/1/2014- Added the BMED Model Plans- Core, Buy Up and HDHP;

4/1/2014 Special Open Enrollment for all existing dental plans.

Borough of Westwood – 3/1/2014 – Added Low Cost and Premier Delta Dental Plan for 3/1/2014

All plan changes were ratified in consent agenda.

2014 EXPRESS SCRIPTS' PREFERRED DRUG FORMULARY UPDATE - A

representative from Express Scripts will be in attendance to discuss future options for the BMED Fund. The 2014 budget includes a \$150,000 savings (10.69% for this line item) for this update.

BMED voted to use the formulary at the October meeting but in November the EC determined that the matter should be revisited. The implementation date for all HIFs is not set at April 1 but this is subject to confirmation for BMED. All other HIFs are taking advantage of this program.

FUND ATTORNEY – no report

AETNA - THIRD PARTY ADMINISTRATOR – Ms. Ward reviewed the claims report for October and November 2013, which should lower than average claims, withstanding a drop in membership due to Medicare Advantage. There was one large claim in October. The Case Management program is working very well and expects to have some success stories for the next meeting.

PHARMACY NETWORK (Express Scripts) – No Report

DELTA DENTAL – Ms. White said she hopes to have some reports a the February meeting.

TREASURER - Fund Treasurer said his report was included in the agenda and the bills lists were included in the consent agenda.

FUND YEAR DECEMBER 2013	AMOUNT
2012	\$290,418.11
TOTAL	\$290,418.11

RESOLUTION 11-14 JANUARY 2014 BILLS LIST

FUND YEAR	AMOUNT
2012	\$632.49
2013	\$3,060.92
2014	\$304,473.24
TOTAL	\$308,166.65

Treasurer's Report Made Part of the Minutes

BOARD ADVISOR: no report

CONSENT AGENDA:

The following Resolutions listed on the Consent Agenda will be enacted in one motion. The Committee voted for Commissioner Van Winkle and Hoffmann to be MRHIF Commissioner and Alternate, respectively.

Resolutions	Subject Matter
1-14	Professional contracts
2-14	Designation of Service of Process
3-14	Designation of Secretary as Custodian of Records
4-14	Designation of Official Newspapers
5-14	Designation of Regular Meeting Times and Place
6-14	Designation of Bank Depositories & Cash Management Plan
7-14	Designation of Authorized Signatories
8-14	Approval of 2014 Risk Management Plan
9-14	Appointment of MRHIF Commissioners
10-14	Service Contract Approval\Chairman Signature
11-14	Authorization of November & December 2013 and January 2014 Bills Lists
12-14	Certification of Claim Payments/Imprest Transfers
13-14	Resolution for Executive Session - For specified purpose of Claims discussion

MOTION TO APPROVE THE CONSENT AGENDA, AS DISCUSSED:

MOTION:	Commissioner Baginski
SECOND:	Commissioner Van Winkle
ROLL CALL VOTE:	8 Ayes, 0 Nays

OLD BUSINESS: None.

NEW BUSINESS: none

PUBLIC COMMENT: Mr. Covelli thanked Executive Director and Program Manager for their assistance on issues with his towns.

MOTION TO ENTER EXECUTIVE SESSION TO DISCUSS CONTRACTUAL ISSUES

MOTION:	Commissioner VanWinkle
SECOND:	Commissioner Iarossi-Alwan
VOTE:	Unanimous

MOTION TO ADJOURN:

MOTION:	Commissioner VanWinkle
SECOND:	Commissioner Iarossi-Alwan
VOTE:	Unanimous

MEETING ADJOURNED: 1:20pm

NEXT MEETING: February 27, 2014
Saddle River Borough Hall
12:00 P.M.

Emily Koval, Assisting Secretary
Date Prepared: February 21, 2013