

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
OPEN MEETING: NOVEMBER 29, 2016  
FRANKLIN LAKES, NEW JERSEY  
12:00 P.M.**

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Meeting called to order by Chair Van Winkle. The Open Public Meeting Notice was read into the record.

**ROLL CALL OF 2016 EXECUTIVE COMMITTEE:**

<b>Chairperson</b>		
Peter Van Winkle	Borough of Rutherford	Present
<b>Secretary</b>		
Victor Baginski	Borough of Wallington	Absent
<b>Executive Committee</b>	<b>Members</b>	
Hugo Poli	Village of Ridgefield Park	Absent
Richard Kunze	Borough of Oakland	Present
Gregory Hart	Borough of Franklin Lakes	Present
Donna Gambutti	Twp of S. Hackensack	Absent
<b>Alternates</b>		
Joseph Catenaro	Township of Fairfield	Present
Gregory Franz	Borough of Edgewater	Present
Susan Hodgins	Borough of Saddle River	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/ Administrator	<b>PERMA Risk Management Services</b>	Paul Laracy Emily Koval Karen Kamprath
Attorney	<b>Huntington Bailey, LLP</b>	Russ Huntington
Treasurer	<b>Joseph Iannaconi</b>	Joseph Iannaconi
Third Party Administrator	<b>Aetna</b>	Kim Ward
Dental Claims Administrator	<b>Delta Dental of NJ, Inc.</b>	
Auditor	<b>Lerch, Vinci &amp; Higgins</b>	
Actuary	<b>John Vataha</b>	
Independent Consultant	<b>LaMendola Associates</b>	Clark Lamendola
Benefits Consultant	<b>Conner Strong</b>	Jozsef Pfeiffer Brandon Lodics
RX Administrator	<b>Express Scripts</b>	Jeffrey Basile

**OTHERS PRESENT:**

Matthew Cavallo, Verona  
Dave Vozza, RMC  
Deb Ginetto, RMC

Frank Covelli, RMC  
Matt McArrow, RMC

**CORRESPONDENCE - None**

**APPROVAL OF MINUTES:**

**MOTION TO APPROVE THE OCTOBER 25, 2016 OPEN AND CLOSED MINUTES:**

**MOTION:** Commissioner Hart  
**SECOND:** Commissioner Catenaro  
**VOTE:** 6 Ayes, 0 Nays

**EXECUTIVE DIRECTORS REPORT**

**PRO FORMA REPORTS**

➤ **Fast Track Financial Reports - as of - September 30, 2016**

Executive Director said the Financial Fast Track shows a loss in September due to the dividend release. The Fund financials continue to be strong.

**PRESCRIPTION FEATURE FOR MEDICARE ADVANTAGE PLANS-** We have worked with United Healthcare on developing prescription plans for Medicare retirees. The coverage will be integrated with the medical coverages provided under the fully insured "Medicare Advantage" program.

Based upon the current quote from United, this arrangement has the potential to produce significant savings:

HIF	Current pmpm costs	Stop Loss	Less Rebates	Total	Trended At 10%	EGWP Cost United	Mappable Enrollees	Total Current Plan Cost - 2017	Total EGWP Cost - 2017	Savings \$	Savings %
BMED 3/1	\$ 377.73	\$ 2.75	\$ (75.55)	\$ 304.93	\$ 335.43	\$ 250.48	106	\$ 426,664.98	\$318,610.56	\$108,054.42	25.33%

When Medicare Advantage was implemented, a variety of plans were mapped into one plan. The same process will be followed for Rx coverage. However, there are several plans that cannot be mapped into the United Rx plan with the coverage warranty. We are investigating other alternatives for these plans, including plans from ESI and Aetna.

Executive Director said currently 106 retirees can be mapped into an equal to or better plan, offering the fund \$108k in savings annually. Executive Director said under this program the Fund would receive subsidies upfront and would not have to file with the government.

Benefits Consultant distributed and presented the EGWP presentation. He said this plan is Medicare's preferred way of reimbursing employer sponsored retiree plans. The retiree would enroll in a fully insured plan with UHC and UHC is then subsidized by Medicare. This would take the higher risk individuals and put them in to a fully insured plan. He said the Fund obtained a few quotes and UHC has offered the best pricing and savings for this product. He said this is beneficial to

the retiree because they would receive a single ID card, the UHC formulary is larger than ESI and there is also an expanded network. He said the pharmacy saver program also offers \$1.50 copays for certain generic drugs. He said the EGWP is not available in Puerto Rico. He said if the Fund moves forward with this program, ESI can transfer prescriptions to UHC however mail order will not transfer but the retiree will be given a 1 month courtesy authorization.

Benefits Consultant said there are a few towns where the copay structure will not map. He said it is recommended to move forward with this program because the Medicare subsidy is not as strong as it use to be and there would be more savings, even if some plans have to stay with ESI. He said this is the most efficient route. In response to Commissioner Hart, Benefits Consultant said this would be available to the groups with Medical and Rx coverage. Executive Director said the Fund would not be adverse to offering this program to retirees with coverage outside the Fund.

Fund Attorney said we have to look at this on an individual basis not just the benefit of the Fund. Benefits Consultant said they have considered an HRA arrangement for retirees that would not fit into this program. Commissioner Kunze said due to grandfathering of retirees, his town has multiple levels of copays and they have a reimbursement program for medical which saved the town money. He said he would prefer to explore a different product or have the members who don't fit stay on ESI. Executive Director said PERMA can develop some customization for each entity. In response to Fund Attorney, Mr. Vozza said the NJHIF is implementing this on 1/1 and for most members this is a better option. If there is a problem of hitting their cap in the first month or two they can stay on ESI or do a reimbursement program. Executive Director said approximately 85% of employees can move into this program. In response to Commissioner Kunze, Executive Director said a 3/1 implementation will work for the general population and all others can be customized for 4/1.

**MOTION TO AUTHORIZE PERMA TO WORK WITH EACH INDIVIDUAL ENTITY TO IMPLEMENT THE EGWP PLAN EFFECTIVE ON OR ABOUT MARCH 1, 2017:**

<b>MOTION:</b>	Commissioner Hart
<b>SECOND:</b>	Commissioner Kunze
<b>VOTE:</b>	6 Ayes, 0 Nays

**BENEFITS CONSULTANT-** Benefits Consultant said open enrollment is complete and all changes need to be entered into BE by December 2<sup>nd</sup>.

**BOARD ADVISOR-** Mr. LaMendola distributed a reporting with an update on the Wellness Program. He said the next steps should be finding staff support and meeting with Risk Managers. He said HUMC and Valley both offer great programs and fit with most towns. He also distributed a sample survey that will be used as part of the implementation process. In response to Commissioner Hart, Mr. LaMendola said the comprehensive disease state program is only offered at the Hackensack Wellness Center, which he understood is difficult for some membership.

**MOTION TO APPROVE THE NOVEMBER 2016 BILLS LIST:**

<b>MOTION:</b>	Commissioner Catenaro
<b>SECOND:</b>	Commissioner Hart
<b>VOTE:</b>	6 Ayes, 0 Nays

**RESOLUTION 34-16 NOVEMBER 2016 BILLS LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2016	\$387,214.22
<b>TOTAL</b>	<b>\$387,214.22</b>

**PUBLIC COMMENT-** Mr. Basile said the EGWP is a good product and feels it is a good move, regardless of the provider.

**MOTION TO ADJOURN:**

<b>MOTION:</b>	Commissioner Hart
<b>SECOND:</b>	Commissioner Kunze
<b>VOTE:</b>	6 Ayes, 0 Nays