

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND**  
**OPEN MEETING: APRIL 28, 2016**  
**FRANKLIN LAKES, NEW JERSEY**  
**12:00 P.M.**

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Meeting called to order by Chairman Peter VanWinkle. 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	Present
<b>Executive Committee</b>	<b>Members</b>	
Hugo Poli	Village of Ridgefield Park	Present
Richard Kunze	Borough of Oakland	Present
Gregory Hart	Borough of Franklin Lakes	Present
Donna Gambutti	Twp of S. Hackensack	Present
Michael Mariniello	Borough of Saddle River	Absent
<b>Alternates</b>		
Joseph Catenaro	Township of Fairfield	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>	Kim White
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:**

Gregory Franz, Edgewater Boro  
Bruce Masopust, Lodi  
Carolyn Petrowski, The Vozza Agency  
Tom Ucko, IMAC  
Linda LoPiccolo

Dan Saragnese, Fairfield BOE

**CORRESPONDENCE - None**

**APPROVAL OF MINUTES:** February 25, 2016

**MOTION TO APPROVE THE PRESENTED OPEN AND CLOSED MINUTES OF FEBRUARY 25, 2016**

**MOTION:** Commissioner Hart  
**SECOND:** Commissioner Kunze  
**ROLL CALL VOTE:** 5 Ayes, 0 Nays, 2 Abstain ( Commissioner Catenaro and Commissioner Poli)

Executive Director introduced Mr. Franz from Edgewater and asked to consider him as the 2<sup>nd</sup> alternate on the executive committee.

**MOTION TO APPROVE COMMISSIONER GREGORY FRANZ AS THE SECOND ALTERNATE ON THE EXECUTIVE COMMITTEE EFFECTIVE MAY 1, 2016**

**MOTION:** Commissioner Baginski  
**SECOND:** Commissioner Catenaro  
**ROLL CALL VOTE:** 7 Ayes, 0 Nays

Chair VanWinkle said Linda LoPiccolo had retired and thanked her for her contribution to the Fund.

**EXECUTIVE DIRECTORS REPORT**

**FINANCES**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports - as of February 29, 2016**
  - **Historical Income Statement**
  - **Cash Flow Tracking Reports**

Executive Director said the FFT illustrates a positive start to the year with low claims in January and slightly higher claims in February. He said the cash and surplus positions are strong.

**ADMINISTRATION**

**FINANCIAL DISCLOSURE STATEMENTS -** As done in prior years and required by State law, each Fund Commissioner is required to complete a Financial Disclosure Statement through the Department of Community Affairs. The 2016 notice with instructions has been released and is included in agenda. The deadline is April 30, 2016. Fines will be issued for non compliance. **A listing of compliance was included in the agenda.**

**REGULATORY**

**CONNER STRONG & BUCKELEW AND CENTURY EQUITY** - We are pleased to announce that Conner Strong & Buckelew along with its sister companies, J. A. Montgomery and PERMA has entered into a strategic alliance with Century Equity Partners. Under the transaction, a majority of the company remains under control of Joe Buckelew, George Norcross and Mike Tiagwad. Therefore, there will be no change in the management of the company or the joint insurance funds.

**HIF EXAMINATION BY NJ DEPARTMENT OF BANKING AND INSURANCE** - We have received a verbal indication from the DOBI that they will be examining all HIFs this year using financial statements and transactions from 2015. Generally, such examinations take place every 5 to 6 years. The last examination was completed as of 12/31/2009. The cost of the exams will be borne by the Reinsurance HIF. The examination normally includes an independent confirmation of financial statements and reviews for regulatory compliance. The examiners will conduct their tests at PERMA's offices.

**AETNA CONTRACT** - We expect to have the Aetna contract with the Fund finalized by next month.

Executive Director said there could be a claim appeal issue that can be discussed with the executive committee.

**NEW MEMBER – VERONA TOWNSHIP** - Verona Township has submitted an application to join the Fund which has been reviewed by the Fund Actuary. Pending a fully executed Indemnity and Trust agreement, we feel this group is a good fit for the Fund. Resolution 17-16 was included in the consent agenda.

Executive Director said Verona has indicated they want to join the Fund for Medical, Dental and RX benefits.

**RUTHERFORD DENTAL** – Mr. Covelli asked for a motion to approve the new Rutherford Dental plan. He said their current carrier had terminated coverage and the HIF was able to accommodate a plan that was better than or equal in a very short timeframe. Mr. Covelli thanked Delta Dental and PERMA for quickly replacing a dental plan for the Borough of Rutherford.

#### **MOTION TO APPROVE THE RUTHERFORD DENTAL PLAN AS DISCUSSED**

<b>MOTION:</b>	Commissioner Hart
<b>SECOND:</b>	Commissioner Catenaro
<b>ROLL CALL VOTE:</b>	7 Ayes, 0 Nays

#### **BENEFITS CONSULTANT REPORT**

**MONTHLY BILLING** - As a reminder, please be sure to check your monthly invoice for accuracy. If you find a discrepancy, please report it to the BMED enrollment team. The Fund's policy is to limit retro corrections to 60 days.

**BROKER EMAIL BOX – RELAUNCH!** - We are excited to announce that we've added a new member to our team! George Quinn is an Employee Benefits Specialist with over 25+ years experience in the Employee Benefits Industry. His role will include acting as a liaison between insurance carriers and clients to resolve claim issues

and billing inquiries and performing benefit provision research, as well as assisting our broker partners when they bring these inquiries into the Broker Email Box. We are certain that our dedicated efforts will continue to streamline broker inquiries and provide increased response time and data tracking.

**EXPRESS SCRIPTS MAIL ORDER** - Mail Order floor limit has been increased from \$100 to \$150. Any member utilizing the Express Scripts home delivery pharmacy will not see a disruption in mail order shipments until their total balance reaches \$150 or more. This figure is set by Express Scripts corporate finance team and allows members a limited credit line when ordering prescriptions through the mail order pharmacy.

**LATEST TRENDS AND BEST PRACTICES IN PHARMACY MANAGEMENT** - On Tuesday, April 14<sup>th</sup>, Conner Strong and Buckelew hosted a webinar in partnership with Express Scripts regarding the drivers of high cost pharmacy trend.

Here are some highlights of the presentation:

- Overall cost of care for a family of 4 in 2015 was \$24,671; \$3,913 or 16% of which was in Pharmacy costs.
- Pharmacy spend is expected to increase by 10.6% PEPY in 2016; most of which will be due to rising costs of Specialty Pharmacy.
- Employers surveyed noted that Specialty Pharmacy is the 2<sup>nd</sup> highest driver of costs next to their high cost claimants.
- Employers surveyed noted the most commonly used utilization management strategies implemented have been Step Therapy, Prior Authorizations, Quantity Limitations, and Mandatory Mail Order for maintenance medications.

If you were unable to attend the webinar and would like a copy of the presentation, please reach out to Joe Pfeiffer [jpfeiffer@permainc.com](mailto:jpfeiffer@permainc.com)

**AETNA SPEECH THERAPY CODING ISSUE** - PERMA recently uncovered a coding issue on AETNA speech therapy claims. Certain covered diagnosis codes were not properly updated in 2016. AETNA has begun correcting the issue. The impacted members that have contacted us have been placed in special handling, and their providers contacted. Any others impacted will be picked up by a claims report requested of AETNA.

AETNA is in attendance to comment on next steps.

Mr. Pfeiffer said Aetna is working to reprocess claims, but there were no affected BMED members.

**3D MAMMOGRAMS** - We've recently identified a gap in coverage between the Fund and other group plans regarding the coverage of 3D mammograms. The State and private market updated plan coverage to follow the expansion of the NJ Mandate in 2015.

This expansion of coverage now includes an ultrasound evaluation, a magnetic resonance imaging (MRI) scan, a three-dimensional (3D) mammography and other additional testing of an entire breast or breasts, after a baseline mammogram examination, and if the following criteria are met:

- the mammogram demonstrates extremely dense breast tissue,
- the mammogram is abnormal within any degree of breast density including not dense, moderately dense, heterogeneously dense or extremely dense breast tissue, or if
- The patient has additional risk factors for breast cancer, including but not limited to, family history of breast cancer, prior personal history of breast cancer, positive genetic testing, extremely dense breast tissue based on the Breast Imaging Reporting and Data System established by the American College of Radiology or other indications as determined by the patient's doctor.

**Note:** The coverage required for an ultrasound evaluation, MRI scan, 3D mammography or other additional testing may be subject to utilization review, including periodic review of the medical necessity of the additional screening and diagnostic testing.

Mr. Pfeiffer said the Fund is not in compliance with the state mandate but there is no penalty because the Fund is self funded. Although, he said it is HIF standard to follow all state mandates, therefore the recommendation is to update this coverage. Program Manager said any groups that joined after 4/1 will automatically have coverage in place and the remaining groups will be updated. He said individual claims will be handled on a one off basis in the meantime. Ms. Ward said Aetna is trying to prioritize updates.

#### **NEW INTERACTIVE WELLNESS HUB:**

[www.healthylearn.com/connerstrong](http://www.healthylearn.com/connerstrong)

Conner Strong and Buckelew is pleased to announce we have launched a new, interactive wellness portal available to our customers called **HealthyLearn™**. This is a new, high-powered portal that includes the best, most interactive and source based data available on wellness and medical topics. This new site replaces our previous Healthier at Home site. *All of the content one would expect regarding wellness and population health is now delivered to you on a site so user friendly you may never go anywhere else for health information.*

**HealthyLearn™** is available to all Conner Strong & Buckelew clients at no additional cost, to make available to their employees and plan participants. HealthyLearn™ covers over a thousand health topics in a simple, straightforward manner. The data and information is laid out in an easy-to-follow format and includes an informational print-on-demand PDF. HealthyLearn™ includes the following interactive features and services:

- Ask the Coach
- Rotating Health Tip-of-the-Day
- Symptom Checker
- A to Z Encyclopedia
- Health News
- Medical Self-Care Guides for Adults, Children, Adolescents and Seniors
- Women and Men Guides
- Pain Management Guide
- Financial Wellness information

- Mental Health Guide
- Home Safety Guide
- Wellness and Disease Management
- Tobacco Cessation
- Stress Management
- Nutrition and Weight Loss
- Health Trackers
- Health Posters
- Health Videos
- Monthly Wellness Newsletter

Commissioner Hart requested that the wellness communication piece be distributed to everyone.

**APPEALS** - There are two small claim appeals that need to be ratified. There is one appeal that needs to be heard in closed session. These claims were sent electronically to the committee and will be formally ratified at the meeting.

Fund Attorney said the claims have been reviewed by the small claims committee and are brought to the Executive Committee for approval by resolution. There will only be enough information disclosed to maintain HIPPA sensitivity. Mr. Pfeiffer reviewed the claims in detail. Commissioner Van Winkle would be abstained from the vote.

**FUND ATTORNEY** - None

**TREASURER** - Fund Treasurer said his report is included in the agenda.

<b>FUND YEAR</b>	<b>AMOUNT</b>
2015	\$475.00
2016	\$308,957.60
<b>TOTAL</b>	<b>\$309,432.60</b>

**RESOLUTION 18-16 APRIL 2016 BILLS LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2015	\$9,000.00
2016	\$337,008.14
<b>TOTAL</b>	<b>\$346,008.14</b>

**BOARD ADVISOR** - Board Advisor thanked Ms. Ward, Ms. White and Mr. Rostkowski for providing a health profile for BMED. He said we now know where the biggest areas of concern are. He said the Wellness Committee will meet to review the reports. He said they will meet with Hackensack and Valley Hospital again who will help design a tailored approach for BMED. He said he has also been in contact with a bus that does onsite health screenings and would not affect the wellness budget.

**AETNA - THIRD PARTY ADMINISTRATOR** - Ms. Ward said the year is starting with low claims. There were 2 large claims in February which the Fund paid over \$300,000, but the overall numbers look good. She said they are also working on the Edgewater transition.

**PHARMACY NETWORK (Express Scripts)** – Mr. Basile reviewed the Accredo specialty copay assistance program. He said they have seen an 8% adherence rate for oncology medications, which leads to fund savings. Mr. Basile said he can provide the Accredo phone number.

**DELTA DENTAL** – Ms. White said there is nothing to report.

**CONSENT AGENDA -**

<b>Resolutions</b>	<b>Subject Matter</b>
17-16 .....	Approval of New Memberships
18-16 .....	Approval of the April 2016 Bills List
19-16 .....	Approval for Executive Session
20-16 .....	Ratification of Small Claim Appeals

**MOTION TO APPROVE THE CONSENT AGENDA INCLUDING RESOLUTION 20-16:**

<b>MOTION:</b>	Commissioner Baginski
<b>SECOND:</b>	Commissioner Gambutti
<b>ROLL CALL VOTE:</b>	7 Ayes, 0 Nays

**OLD BUSINESS:** In response to Commissioner Kunze, Executive Director said the Auditor completed the draft audit of the Express Scripts contract through the end of the year. He said there is discussion between both vendors at this point.

**NEW BUSINESS:** Commissioner Poli said elections are being held on May 10<sup>th</sup> in Ridgefield Park and the top 5 will be elected, so he may not be approved as a Commissioner.

**PUBLIC COMMENT:** Mr. Covelli said the Rutherford Dental issue is a good example of how the team got together to respond to an issue.

**MOTION TO ADJOURN:**

<b>MOTION:</b>	Commissioner Baginski
<b>SECOND:</b>	Commissioner Poli
<b>VOTE:</b>	Unanimous

**MEETING ADJOURNED:** 2:00 pm

**NEXT MEETING:** June 23, 2016  
Franklin Lakes Borough  
12:00 P.M.

Emily Koval, Assisting Secretary  
Date Prepared: June 10, 2016