

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
 OPEN MEETING: FEBRUARY 28, 2017
 FRANKLIN LAKES, NEW JERSEY
 12:00 P.M.**

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

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Chairperson		
Peter Van Winkle	Borough of Rutherford	Present
Secretary		
Victor Baginski	Borough of Wallington	Present
Executive Committee	Members	
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	Present
Alternates		
Joseph Catenaro	Township of Fairfield	Absent
Susan Hodgins	Borough of Saddle River	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval Karen Kamprath
Attorney	Huntington Bailey, LLP	Russ Huntington
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	Absent
Actuary	John Vataha	Absent
Independent Consultant	LaMendola Associates	Present
Benefits Consultant	Conner Strong	Jozsef Pfeiffer
RX Administrator	Express Scripts	Absent

OTHERS PRESENT:

Dave Voza, RMC
 Deb Ginetto, RMC
 Jerry Giaimis, Saddle River
 Tom Ucko, RMC
 Frank Covelli, PIA
 Renee Gear, PIA

Matt McArow, RMC

CORRESPONDENCE - None

Fund Attorney introduced Jerry Giaimis the new Administrator for Saddle River.

APPROVAL OF MINUTES:

MOTION TO APPROVE THE PRESENTED OPEN MINUTES OF JANUARY 24, 2017:

MOTION:	Commissioner Baginski
SECOND:	Commissioner Kunze
ROLL CALL VOTE:	5 Ayes, 0 Nays

EXECUTIVE DIRECTORS REPORT

Executive Director said the Financial Fast Track shows a surplus of \$16.5 million. He said the surplus is large compared to the Fund's liability so the option of a larger dividend can be discussed.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - The Municipal Reinsurance Health Insurance Fund met on February 8 to reorganize for 2017. The Committee reviewed the new reinsurance policies which are available for all Commissioners' review. Chair VanWinkle's report was included in the agenda.

STATE EXAMINATION - The examination by the Department of Banking and Insurance of the BMED is complete and they are working with the Controllers to finalize the audit. No adverse findings or recommendations are expected and the exam verified Fund financial statements as of 12/31/2015. We expect to have the final report and an affidavit for the Commissioners to sign at the next meeting.

WELLNESS COMMITTEE - The Wellness Committee met prior to the Executive Committee meeting to discuss alternatives and next steps to the Wellness Program.

Commissioner Hart provided a summary of the Wellness Committee Meeting. He said there is \$75,000 available in the budget and there will be different offerings depending on the municipality. He said the Committee wants to focus on a meaningful offering to the members focusing on improving wellness. He said a local facility health management program can be offered through Hackensack and Valley Hospital's at their wellness facilities. He said each town will designate a wellness ambassador to help lead the program. The ambassador and risk manager may receive a stipend with an amount to be determined as part of the town's wellness grant. Mr. Hart said there are some discussions about the increase of claim utilization costs that need to be determined. There are some changes that need to be made to the grant application, but recommended that the Executive Committee approve and encourage the option of the wellness program to all membership.

MOTION TO AUTHORIZE THE GRANT AND AIDE PROGRAM AS DEVELOPED BY THE WELLNESS COMMITTEE WITH FINAL APPROVAL OF THE APPLICATION, SUBJECT TO REVIEW BY MR. LAMENDOLA AND THE WELLNESS COMMITTEE:

MOTION: Commissioner Hart
SECOND: Commissioner Gambutti
ROLL CALL VOTE: 5 Ayes, 0 Nays

2017 MEL & MR HIF EDUCATIONAL SEMINAR - The 7th annual seminar is scheduled for Friday, April 21st beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs.

NEW MEMBER APPLICATION - PARK RIDGE BOROUGH - Park Ridge was one of the original BMED members but terminated medical and Rx coverage in 2014 due to high claims experience. Its claims experience has stabilized and it seeks readmission to the HIF for medical and Rx coverage. It has continued its dental coverage with the BMED. If Park Ridge did not rejoin the HIF, it would be eligible to receive its closed year balance in 2020. It considered not joining the HIF for this reason. As an alternative, they are asking for the release of \$200,000 of their closed year balance of over \$1,000,000. If the Executive Committee wishes to consider this concession, a resolution is attached to allow for this one time exception for Park Ridge Borough.

Fund Attorney said the Fund would follow the same State regulations as filing for a dividend. Executive Director said the Fund would not be creating a new precedent if this is approved as a one time exception. In response to Commissioner Kunze, Executive Director said the 6 year wait is specific to the Fund to keep members from leaving just to receive their surplus. The 6 year rule is a standard statute of limitation where most business has closed completely. The Committee agreed to approve this exception as outlined in resolution 14-17 in consent agenda.

Chair VanWinkle said there needs to be a motion to appoint Jerry Giaimis as Alternate #2 on the Executive Committee replacing Susan Hodgins.

MOTION TO APPOINT JERRY GIAIMIS AS FUND COMMISSIONER ALTERNATE #2 ON THE EXECUTIVE COMMITTEE:

MOTION: Commissioner Hart
SECOND: Commissioner Baginski
ROLL CALL VOTE: 5 Ayes, 0 Nays

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
BENEFITS CONSULTANT REPORT**

UNITED HEALTHCARE - EGWP - At the December BMED meeting, the Executive Committee unanimously passed the decision to implement a Medicare Advantage plan for prescription for the retiree population. The Benefit Consultant's office is recommending the cancellation of the implementation of this UHC EGWP plan for 3/1/2017. Within the last 2 weeks we have received much concern regarding the plan design and the impact on higher utilizing retirees. Ultimately, many of the Towns had plans that had low out of pocket maximums integrated in their Express

Scripts plans. Unfortunately, UHC's richest plan available would still leave some membership with higher out of pocket expenses than currently in place.

Prior to this determination we investigated the below options:

1. **UHC Implementing a \$400 out of pocket maximum** – *UHC was not able to accommodate this request.*
2. **Implementing an HRA style arrangement to reimburse membership for additional out of pocket-** *We have identified a vendor who could work with the Fund to bridge the gap in expenses. Unfortunately, this would result in a manual process for reimbursement. We are not recommending this process as it is arduous and cumbersome for an aging population.*

Next Steps:

Notification

1. **Retraction Letters-** *A Retraction letter has been sent to all affected retirees February 3, 2017*
2. **Reinstatement** – *UHC was able to reinstate all affected members previous UHC coverage without issue. Mailings were suppressed.*

EGWP Next Steps:

- **2018-** *Benefits Consultant will investigate other vendors that provide the Medicare Advantage and EGWP products. As we have experience with AETNA in other Funds and they are have more flexibility in plan design.*
- *Should a suitable vendor be found, we will target a January 1, 2018 implementation.*

In response to Chair VanWinkle, Benefits Consultant said the Medicare Advantage population had just recently moved to United Healthcare from Aetna, and another move back to Aetna would be a lot in the span of a few years.

SPECIAL OPEN ENROLLMENT - As approved at the last BMED meeting, Montvale and Wallington are currently holding a special open enrollment. Members are allowed to transition in to a low cost plan. Target date effective date is 4/1/2017.

WELLNESS PLANS –COMPLIANCE OVERVIEW - While HIPAA nondiscrimination rules have historically been the major compliance focus for many wellness plan sponsors, final rules published by the Equal Employment Opportunity Commission (EEOC) addressing how wellness programs must comply with American Disabilities Act (ADA) and Genetic Information Nondiscrimination Act (GINA), has focused even more attention on these laws and further added compliance complexities. To assist with understanding the implications of the EEOC's final rules related to the ADA, GINA, and wellness programs, Conner, Strong & Buckelew has published updates to help guide you through the intricate compliance rules. If you or your risk manager have questions or would like to discuss, please reach out to Joe Pfeiffer

CONNER STRONG & BUCKELEW'S NEW MOBILE WELLNESS APP- Conner Strong & Buckelew is pleased to announce the launch of its new mobile wellness app, *HealthyLife*, our mobile application that is compatible with our award winning member wellness portal, HealthyLearn.com/connerstrong

Our new mobile wellness app is a powerful addition to our portfolio of wellness tools and services to help clients further promote contemporary wellness approaches. Powered by the American Institute for Preventive Medicine, the web site and mobile app are unique solutions for Conner Strong & Buckelew clients and their benefit plan participants. The mobile app provides access to a host of wellness tools including a wellness tip of the day, information on health conditions, healthy living, financial wellness, healthcare consumerism, safety, first aid and a host of other source based tools and features.

Our wellness mobile app can be easily downloaded from the iTunes or Android app stores. The name of the app is *HealthyLife Mobile*. For apples users, here is a link to the app: <https://appsto.re/us/R1Ey8.i> Once you download the app, the code to use it is CSB (all caps).

We hope you will enjoy our new mobile wellness app. We'd like to work with you on more targeted educational campaigns.

1095 FORMS FOR AETNA MEDICARE ADVANTAGE

1095-B notices

The Affordable Care Act includes a mandate for most individuals to have health insurance or potentially pay a penalty for noncompliance. Individuals will be required to maintain minimum essential coverage for themselves.

In late December through January, CMS will be mailing 1095-B notices to the following beneficiary populations for 2016 tax purposes:

- All individuals under the age of 65 with Medicare Part A;
- Those who enrolled in Medicare Part A for the first time in 2016; and
- Those who had Medicare Part A coverage for part of 2016.

The notices will consist of a cover note from CMS and IRS Form 1095-B. If a Medicare member contacts Aetna with questions about minimum essential coverage, including the Form 1095-B **mailed by CMS**, they should be referred to 1-800-MEDICARE (TTY: 1-877-486-2048) or Medicare.gov

NJ OPIOID LAW - New Jersey Governor Chris Christie has signed legislation aimed at curbing the state's opioid addiction epidemic. The law curbs initial opioid prescriptions to a five-day supply, making NJ's the most stringent limit in the nation. The new law also mandates state-regulated health insurers, namely fully insured plans and plans run by the state (including the State Health Benefits Program and the School Employees Health Benefits Program), to cover inpatient and outpatient treatment for drug addiction. The part of the law that speaks to plan design and utilization management will not automatically apply to self funded benefit plans that can voluntarily choose to follow the new law or not. The new law is a part of the NJ Governor's pledge to devote his last year in office to combating the opioid crisis plaguing the state. The law takes effect 90 days from the date it was signed although generally this shall require that insured plans will have to begin to cover the new requirements upon their next renewal on or after May 16, 2017. Below are the primary provisions of the new law.

Prescription Drug Requirements

- Initial opioid prescriptions written may not be more than for a five-day supply. The five-day limit will not apply to cancer and chronic pain patients and for end-of-life care. This aspects of the law will apply to all NJ patients, including those covered by insured or self funded plans.
- Any prescription for acute pain must be for the lowest effective dose of immediate-release opioid drug. In cases of acute or chronic pain, prior to issuing an initial prescription of a course of treatment that includes a controlled dangerous substance or any other opioid drug, a practitioner must document the patient’s medical history, develop a treatment plan, conform with a monitoring requirement, limit the supply of opioid drug prescriptions and comply with state and federal laws. This aspects of the law will apply to all NJ patients, including those covered by insured or self funded plans.
- The benefits for outpatient prescription drugs used to treat substance abuse disorder must be provided (when medically necessary) by the person’s provider without any prior authorization or other prospective utilization management requirements.
- The law requires new continuing education requirements for professionals who prescribe opioid drugs.

Health Plan Requirements

- Insurers must provide unlimited benefits for inpatient and outpatient treatment of substance use disorders at in-network facilities.
- Benefits for the first 180 days per plan year of “inpatient and outpatient” treatment of substance abuse disorder must be approved without any prior authorization or other prospective utilization management requirements. Benefits for inpatient and outpatient treatment of substance abuse disorder after the first 180 days per plan year are subject to the medical necessity determination of the insurer and may be subject to prior authorization, retrospective reviews and other utilization management requirements of their health plan.
- Benefits for the first 28 days of an “inpatient” stay during each plan year must be provided without any retrospective review or concurrent review. The benefits beyond 28 days of inpatient care are subject to concurrent review and other approval requirements of the patient’s health plan. Insurers cannot initiate concurrent review (monitoring of the necessity of care) more frequently than once every two-weeks.
- Benefits for the first 28 days of “intensive outpatient or partial hospitalization” services must be provided without any retrospective review. The benefits beyond 28 days of intensive outpatient or partial hospitalization services are subject to retrospective review other approval requirements of the patient’s health plan.
- If there is no in-network facility immediately available for a covered person, insurers must provide necessary exceptions to their network to ensure admission in a treatment facility within 24 hours.

PERMA is still discussing potential impact and adherence with the fund attorney. At this point, no formal decision has been made for compliance.

AETNA UPDATE - Aetna is currently in negotiations with Robert Wood Johnson (RWJ) and Barnabas Health located in NJ and their contract will terminate from our Northern New Jersey Aetna network effective April 15, 2017 if the contract can not be negotiated.

Highlights

- RWJ and Barnabas Health’s contract with Aetna will terminate on April 15, 2017.
- The health system is seeking a high rate increase which cannot be supported. The rate and demands are not consistent or competitive in the market.
- Letters to impacted members of Medicare and Commercial plans will be mailed at least 30 days prior to termination.
- If an agreement is reached after these notices have been mailed, retraction letters will be sent to all members who received the initial notification.

RWJ/ Barnabas Facilities:	
RWJUH-New Brunswick	Community Medical Center
RWJUH-Somerset	Monmouth Medical Center
RWJUH-Hamilton	Newark Beth Israel
RWJUH-Rahway	Clara Maass Medical Center
Jersey City Medical Center	Saint Barnabas Medical Center
	Monmouth Medical Center -Southern Campus

RWJ and Barnabas Health will terminate for the following products:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Open Choice® PPO • Aetna Open Access® Managed Choice® POS • Aetna Selectsm • Elect Choice® EPO • HMO • Aetna Open Access® HMO • Aetna Health Network Onlysm (HNO) • Aetna MedicaresmPlan (HMO) • Aetna Performance Networksm | <ul style="list-style-type: none"> • Managed Choice® POS • Aetna Choice® POS II • Aetna Open Access® Elect Choice® EPO • Open Access Aetna Selectsm • Quality Point-of-Service® (QPOS®) • Aetna Choice® POS • Aetna Health Network Optionsm (HNO) • Aetna Medicaresm Plan (PPO) • Aetna Premier Care Networksm |
|--|---|

MEMBER IMPACT - Aetna has identified 58 unique BMED members who could potentially be impacted by this disruption.

Benefits Consultant said the members and risk managers will be notified regardless of the outcome. Ms. Ward said that this is the largest hospital system in the state and she believes there will be a resolution. She said members would need to be notified no later than March 15, 2017.

APPEALS - There are no appeals for closed session and no small claims to be ratified

FUND ATTORNEY - No Report

TREASURER – Fund Treasurer said his report is included in the Agenda.

Resolution 14-17 February 2017 Bills List

FUND YEAR	AMOUNT
FY 2017	\$342,248.27
TOTAL	\$342,248.27

BOARD ADVISOR – Board Advisor said an update on the Wellness program was provided.

AETNA - THIRD PARTY ADMINISTRATOR – Ms. Ward reviewed the December claims and said they were slightly higher than normal. She said there were 2 claims over \$50,000. She said they will continue to monitor the claims accuracy metric on the supplemental report.

PHARMACY NETWORK (Express Scripts) – The report was included in the Agenda

DELTA DENTAL – Ms. White said Delta cut their fees by 10% and there has been little fallout.

OLD BUSINESS: None

NEW BUSINESS: In response to Commissioner Gambutti, Benefits Consultant said Cobra notices should be mailed out within 30 days of plan termination. He said the member has 60 days from receipt of notification to enroll. He said the notice should be automatically sent from Benefit Express.

PUBLIC COMMENT: Mr. Covelli thanked Mr. LaMendola for his work on the Wellness program.

MOTION TO APPROVE RESOLUTION 14-17 AND 15-17 AS DISCUSSED.

MOTION: Commissioner Baginski
SECOND: Commissioner Hart
VOTE: 6 Ayes, 0 Nays

MOTION TO ADJOURN

MOTION: Commissioner VanWinkle
SECOND: Commissioner Baginski
VOTE: Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: April 25, 2017
Franklin Lakes Borough
12:00 P.M.

Karen Kamprath, Assisting Secretary
Date Prepared: March 2, 2017