

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
 OPEN MEETING: JUNE 20, 2017
 FRANKLIN LAKES, NEW JERSEY
 12:00 P.M.**

Meeting called to order by Secretary Victor Baginski. The Open Public Meeting Notice was read into the record.

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Chairperson		
Peter Van Winkle	Borough of Rutherford	Absent
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
Joseph Catenaro	Township of Fairfield	Absent
Alternates		
Gregory Franz	Borough of Edgewater	Present
Jerry Giaimis	Borough of Saddle River	Present

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	
Dental Claims Administrator	Delta Dental of NJ, Inc.	
Auditor	Lerch, Vinci & Higgins	
Actuary	John Vataha	
Independent Consultant	LaMendola Associates	
Benefits Consultant	Conner Strong	Jozsef Pfeiffer
RX Administrator	Express Scripts	Jeff Basile

OTHERS PRESENT:

Deb Ginetto, Burton Agency
 Frank Covelli, PIA
 Tom Ucko, IMAC
 Dave Vozza, Vozza Agency

CORRESPONDENCE - None

APPROVAL OF MINUTES:

MOTION TO APPROVE THE PRESENTED OPEN MINUTES OF APRIL 25, 2017:

MOTION:	Commissioner Hart
SECOND:	Commissioner Kunze
ROLL CALL VOTE:	5 Ayes, 0 Nays, 1 Abstain (Commissioner Gambutti)

PRO FORMA REPORTS

➤ **Fast Track Financial Reports - as of April 30, 2017**

Executive Director said the April Fast Track was distributed which shows a loss of \$200,000 due to the dividend paid to Park Ridge for re-entering the Fund. He said operationally the Fund made \$139,000. He said the surplus for all years combined is slightly over \$17 million.

EXECUTIVE DIRECTORS REPORT

MRHIF MEETING SUMMARY

Executive Director said the MRHIF is currently in the process of auditing Express Scripts contract for 2016 and that will probably take a few more months. He said the contract ends at the end of 2017 and is in negotiation. He said the State Examination was just finalized today and that will be approved at the August meeting. The MRHIF also approved a dividend of \$3.68M of which \$497,708 will be paid to BMED and will be reflected on the May Fast Track.

WELLNESS UPDATE

Ms. Koval said the Wellness committee met last week to further discuss the application and program. She said the committee will be surveying the Fund for interested members. After obtaining an interest from the membership the committee will judge the amount of hours needed to facilitate this program, and may be in the need for a contracted wellness coordinator to provide administration, alongside the Board Advisor. She said the committee would like to ask for a motion to release of RFQ for these services, if needed.

Commissioner Hart said this is a change in approach as there was originally \$75,000 in the budget for the Wellness Program with a good portion of that allocated to the Wellness Ambassadors from the participating towns. He said there was not really a plan for administering the program and using the Funds towards a wellness coordinator who can administer the program could make more sense. He said the committee also discussed running this as a pilot program for the more committed entities and then developing a plan for larger roll out. Commissioner Gambutti said the issue is getting the members interested in the program and agrees with running this as a pilot program. Commissioner Hart said most programs like this are incentive based to gain interest. Commissioner Gambutti suggested incorporating Aetna's Wellness Program.

**MOTION TO APPROVE AN RFQ FOR A BMED WELLNESS PILOT PROGRAM
COORDINATOR ONCE THE SURVEY INFORMATION IS GATHERED:**

MOTION: Commissioner Hart
SECOND: Commissioner Kunze
ROLL CALL VOTE: 6 Ayes, 0 Nays

BENEFITS CONSULTANT REPORT

PLAN DESIGN CONSIDERATIONS

Benefits Consultant said with the progression of Chapter 78 and the increase on employee contributions, many employers are considering High Deductible Health Plans (HDHPs) with full or partially funded Health Savings Accounts (HSAs). When considering implementation of a program such as this it is important to keep in mind that employees cannot contribute to both a Health Savings Account (HSA) and a Flexible Spending Account (FSA) at the same time. As both carry tax advantages, the IRS does not allow a member to receive the double tax incentive. Chapter 78 requires that public sector entities at least offer their employees an FSA. If implementing a HDHP with an HSA, it is important to consider the timing of implementation and how many of your employees are enrolled an FSA.

LEGISLATIVE UPDATE

Benefits Consultant reviewed the following legislative updates:

- **American Healthcare Act** - On May 4th, 2017, the US House of Representatives voted to pass the American Healthcare Act (“AHC”); step 1 in replacing the Affordable Care Act (“ACA”). The bill will need to go to the US Senate where it will face further debate and likely alterations. The bill eliminates the “mandates” for individuals and employers and makes sweeping changes to programs like Medicaid and subsidies for low earners to buy individual coverage. The new bill leaves intact the Cadillac tax but it is further delayed until 2025. The employer tax exclusion for benefits is also maintained under the bill. Finally, it leaves intact the popular provision of requiring employers to cover dependent children until they reach the age of 26. Ultimately, the House and Senate will have to agree to a final bill that can then be sent to the President. The timing of the next steps is unclear although it is expected that the Senate will begin to debate the bill in the near term. We will continue to keep you apprised on this issue.
- **Expanded Fertility Mandate** - On Monday, May 1, 2017, Governor Christie signed a new bill into law that expands the mandates of insurance coverage of infertility procedures for the State Health Benefit Plan (SHBP) and the School Employees Health Benefit Plan (SEHPB). The expanded law mandates insurance coverage for any woman is who trying to conceive outside of a heterosexual relationship. The BMED is a self-funded plan and not subject to the mandate. However, we will be exploring the ramifications of adopting the mandate and provide a recommendation to the trustees.

CARRIER WELLNESS PROGRAMS

Aetna Simple Steps Program

Aetna is offering an online health coaching program to BMED members. The *Simple Steps To A Healthier Life* program provides online health coaching and offers tools and resources to members to

implement “small steps” strategies for healthier living. Coaching is available for a variety of common health issues. For further information please see the flyer included in your agenda.

VISION RFP UPDATE

The MRHIF has authorized the PM to prepare and release an RFP for a separate vision plan vendor. We believe that having an alternate vision plan that is separate from medical plans will allow us to provide groups with the option of a one-stop shop for Medical, Rx and Vision and COBRA elections. We anticipate that having a standalone vision plan available will improve member experience with vision claim issues.

PLAN CHANGES

Any requested September 1st plan changes will need to be submitted no later than Friday June 30th. As a reminder, PERMA kindly requests a minimum of 60 days notice for any plan adds, edits, or deletions.

COMPLIANCE UPDATES:

NJ Opioid Law – As reported at the last fund meeting, New Jersey Governor Chris Christie signed legislation aimed at curbing the state's opioid addiction epidemic. 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. We recommend that the existing BMED members adopt the mandate as well, on renewal January 1, 2018. He said the impact is approximately 1% and all new members before 1/1/2018 will be underwritten with this mandate included.

EPI PEN RECALL

Express Scripts informed us that the manufacturer (Meridian Technologies) issued a world-wide voluntary recall on March 30, 2017 of EpiPen Auto-Injector devices. The recall is only on devices from 13 specific production lots that were distributed between 12/17/2011 and 7/1/2016. Affected patients were notified by the manufacturer and given instructions for obtaining a free replacement for the defective devices. There is no financial impact to the Fund.

CMS UPDATE

Perma would like to provide an update that will affect UHC Medicare Advantage members. CMS now requires an Annual Health Risk Assessment (HRA) to be completed. UHC has redesigned their outreach process to meet the requirements.

In the past a CMS required UHC to reach out to newly enrolled Medicare Advantage Members to complete a Health Risk Assessment (HRA); which is a member survey to make sure we have the most up-to-date information about our members. CMS now requires MA members to complete an annual HRA. However, there is no penalty if a Medicare enrollee does not complete.

ADMINISTRATIVE AUTHORIZATION:

No small claim appeals need to be approved.

No appeals for executive session.

Benefits Consultant introduced Steve Rodriguez who is an intern at Conner Strong & Buckelew.

FUND ATTORNEY - No Report

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

Confirmation of Payment - May 2017

FUND YEAR	AMOUNT
FY 2016	\$8,000
FY 2017	\$371,827.59
TOTAL	\$379,842.54

Resolution 17-17 June 2017 Bills List

FUND YEAR	AMOUNT
FY 2017	\$398,423.14
TOTAL	\$398,423.14

AETNA - THIRD PARTY ADMINISTRATOR - Executive Director said the reports are included in the agenda.

PHARMACY NETWORK (Express Scripts) - Mr. Basile said in regards to the opioid legislation, copay would be pro-rated for the first fill.

Benefits Consultant said the MRHIF approved SaveonSP which is a copay assistance offset program which allows the Fund to take advantage of manufacturers discounts. He said Saveon identifies medications that offer a large manufacturer rebate, they then artificially raise the member's copay behind the scenes, they then receive the rebate from the manufacturer allowing for the member to have a zero dollar copay. He said on a Fund wide basis there is about \$1.4 million in savings on the table. He said this is an optional program for the member and the member would need to authorize enrollment.

Mr. Basile said the member would be contacted 45 days out with a letter advising them to enroll in the program. If there is no response a call will be placed at 30 days, followed by another letter at 15 days. If there is still no response, there would be a warm transfer to Saveon when the member calls to fill their prescription through Accredo. Benefits Consultant said there is no penalty if they do not enroll. In response to Commissioner Kunze, Executive Director said the \$1.4 million represents around 2.5% of overall spend across the State.

Commissioner Baginski said he has had an issue obtaining a mail order prescription through ESI and he will discuss further after the meeting.

DELTA DENTAL - None

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED.

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

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN

MOTION:

Commissioner Hart

SECOND:

Commissioner Kunze

VOTE:

Unanimous

MEETING ADJOURNED: 12:30 pm

NEXT MEETING: August 22, 2017
Franklin Lakes Borough
12:00 P.M.

Karen Kamprath, Assisting Secretary
Date Prepared: June 23, 2017