

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
OPEN MEETING: JANUARY 23, 2018  
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 2017 EXECUTIVE COMMITTEE:**

<b>Chairperson</b>		
Peter Van Winkle	Borough of Rutherford	Present
<b>Secretary</b>		
Open		
<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
<b>Joseph Catenaro</b>	Township of Fairfield	Present
<b>Alternates</b>		
Gregory Franz	Township of Edgewater	Present
Jerry Giaimis	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>	Absent
Third Party Administrator	<b>Aetna</b>	Kim Ward Joseph Rodrigues
Dental Claims Administrator	<b>Delta Dental of NJ, Inc.</b>	Kim White
Auditor	<b>Lerch, Vinci &amp; Higgins</b>	Gary Vinci
Actuary	<b>John Vataha</b>	Absent
Independent Consultant	<b>LaMendola Associates</b>	Absent
Benefits Consultant	<b>Conner Strong</b>	Jozsef Pfeiffer Brandon Lodics
RX Administrator	<b>Express Scripts</b>	Ken Rostkowski Kyle Colalillo

**OTHERS PRESENT:**

Tom Ucko, IMAC  
John Birkner, Westwood  
Mathew McArow, GJEM

Anthony Ciannamea, Moonachie  
 Matthew Laracy, Verona Township  
 Dave Voza, Voza Agency

**CORRESPONDENCE - None**

**APPROVAL OF MINUTES:**

**MOTION TO APPROVE THE PRESENTED OPEN AND CLOSED MINUTES OF OCTOBER 24, 2017:**

**MOTION:** Commissioner Hart  
**SECOND:** Commissioner Kunze  
**ROLL CALL VOTE:** 8 Ayes, 0 Nays

**Roll Call of 2018 Fund Commissioners**

2018 FUND COMMISSIONERS			
MUNICIPALITY	FUND COMMISSIONER	ALTERNATE	
Alpine	Paul Tomasko		Absent
Emerson	Robert Hoffmann		Present VIA CC
Hillsdale	Chris Looes		Absent
Lodi	Bruce Masopust	Vincent Caruso**	Present
Moonachie	Anthony Ciannamea		Present
N. Arlington			Absent
Park Ridge	Julie Falkenstern	Ronald Berg	Present
S. Hackensack	Donna Gambutti		Present
Saddle River	Jerry Giaimis	Susan Hodgins	Present
Wallington			Absent
Westwood	Jon Birkner	Ben Kezmarsky	Present
Wood-Ridge	Dominick Azzolini		Absent
Rutherford	Peter Van Winkle		Present
Montvale	Timothy Lane		Absent
Ridgefield Park	Hugo Poli		Present
Rochelle Park	Robert Davison	Elizabeth Kroll	Absent
Wanaque Valley Regional Sewerage Authority	Frank Covelli		Present
Carlstadt	Joseph Crifasi		Absent
East Rutherford	John Hansen		Present
East Rutherford BOE	Mark Kramer		Absent
Ft. Lee	Alfred Restaino		Absent
Carlstadt BOE			Absent
Oakland	Richard Kunze		Present
Franklin Lakes	Gregory Chapman Hart		Present
Fairfield	Joseph Catenaro		Present
Fairfield BOE	yvonne hellwig		Present
Mine Hill	Katelyn Wild		Absent
Township of Verona	Matthew Cavallo	Matthew Laracy*	Present
Borough of Edgewater	Gregory Franz		Present
Borough of Maywood	Roberta Stern		Absent
** Alternate Present			

Executive Director said that a quorum was present. He said a slate of officers or individual nominations can be made.

Commissioner Van Winkle said Secretary Baginski needs to be replaced. Commissioner Catenaro recommended Commissioner Poli a replacement. Commissioner Poli declined. Chair VanWinkle said it would be a logical move to recommend Commissioner Hart as Secretary since his municipality is the location of the meetings. Chair VanWinkle made a motion recommending the following slate for 2018:

- Chairman Peter VanWinkle, Borough of Rutherford
- Secretary Gregory Hart, Borough of Franklin Lakes
- Executive Committee Members:**
  - Hugo Poli, Village of Ridgefield Park
  - Richard Kunze, Borough of Oakland
  - Donna Gambutti, Township of South Hackensack
  - Joseph Catenaro, Township of Fairfield
  - Gregory Franz, Borough of Edgewater
- Alternates:**
  - Jerry Giaimis, Borough of Saddle River

**MOTION TO ADOPT 2018 SLATE OF EXECUTIVE COMMITTEE AS RECOMMENDED AND CLOSE NOMINATIONS:**

**MOTION:** Chair VanWinkle  
**SECOND:** Commissioner Gambutti  
**ROLL CALL VOTE:** 16 Ayes, 0 Nays

Fund Attorney swore in the Executive Committee.

**ROLL CALL OF 2018 EXECUTIVE COMMITTEE:**

<b>Chairperson</b>		
Peter Van Winkle	Borough of Rutherford	Present
<b>Secretary</b>		
Gregory Hart	Borough of Franklin Lakes	Present
<b>Executive Committee</b>	<b>Members</b>	
Hugo Poli	Village of Ridgefield Park	Present
Richard Kunze	Borough of Oakland	Present
Gregory Franz	Borough of Edgewater	Present
Donna Gambutti	Twp of S. Hackensack	Present
<b>Alternates</b>		
Jerry Giaimis	Borough of Saddle River	Present

## EXECUTIVE DIRECTORS REPORT

### **FAST TRACK FINANCIAL REPORTS – as of November 30, 2017**

Executive Director said the Fast Track shows a loss of \$338,000 based on some exceptional claims. He said operationally the Fund made \$2.8 million in 2017.

### **AETNA AUDIT**

Executive Director said NIIS completed its claims and operations audit of Aetna. A copy of the Audit as well as Aetna's response were distributed prior to the meeting. He said the results were favorable with 99.97% financial accuracy. A follow up meeting is scheduled with Aetna and NIIS to review the responses and recommendations including coordination of benefits.

### **2018 REORGANIZATION**

The Reorganization resolutions were included in the consent agenda. Ms. Koval reviewed the resolutions that needed completion. Chair VanWinkle and Secretary Hart will be signatories for the Fund and Chair VanWinkle and Secretary Hart will serve as Commissioner and Alternate on the MRHIF, respectively.

Ms. Koval said there was one change to the Risk Management plan regarding enrollments that go past 60 days. She said any group that is requesting a change past 60 days will be reviewed by the small claims committee via email.

### **MUNICIPAL REINSURANCE HEALTH INSURANCE FUND**

Ms. Koval said the MRHIF Executive Committee met on December 13, 2017 to formally adopt the 2018 budget. The Committee also awarded a marketing contract with the firm that works for the MEL. The cost is being covered by negotiated contributions from Aetna, AmeriHealth and Munich Re. In addition, the Express Scripts contract continues to be negotiated for better pricing.

### **2018 COMMITTEE APPOINTMENTS**

Below are the standing Committees that were appointed in 2017. If a Commissioner is interested in joining a committee, please reach out to Emily Koval or Chair VanWinkle.

<u>Claims Committee</u>	<u>Wellness Committee</u>	<u>Finance &amp; Operations Committee</u>
Peter VanWinkle	Victor Baginski	Richard Kunze
Donna Gambutti	Gregory Hart	Matthew Cavallo
Hugo Poli	Donna Gambutti	Open

### **MRHIF RENEWAL**

A resolution authorizing the Fund's membership renewal in the Municipal Reinsurance Health Insurance Fund for a three year period effective January 1, 2018 is included in the Consent Agenda.

### **MOTION TO ADOPT THE CONSENT AGENDA AS DISCUSSED:**

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

## **BENEFIT'S CONSULTANT'S REPORT**

### **AETNA EMPLOYER GROUP WAIVER PLAN (EGWP)**

Benefits Consultant said the implementation of the EGWP Medicare Advantage prescription drug plan occurred on January 1<sup>st</sup>. He said the majority of the Medicare eligible retirees in the Fund received their new ID cards prior to the effective date. AETNA's third party ID Card vendor experienced some delays in production due to the Holidays and weather and as a result some retirees received their cards in the first week of January. He said as of today all retirees should have received their ID cards. All retirees had coverage and access to benefits on January 1, 2018.

The UnitedHealth care Medicare Advantage plan is now fully phased out. All retirees enrolled in UHC Medicare Advantage were successfully transitioned to the new Aetna EGWP plan. Retirees who are newly 65 in December 2017, January, and February 2018 may see a delay in their enrollment being processed. These retirees will become effective March 1<sup>st</sup>.

### **ESI UPDATES**

Benefits Consultant said beginning on January 1, 2018, the HIF plans will cover certain generic low-to-moderate dose statin medications at a \$0 copay.

To qualify for a \$0 copay individuals will need to satisfy the two below criteria:

1. Be between the ages of 40 and 75
2. Taking a generic low-to-moderate dose statin

Examples of Low-to-moderate dose statins (include but not limited to):

<b>Low-Dose Statins</b>	<b>Moderate-Dose Statins</b>
Fluvastatin 20 to 40 mg	Atorvastatin 10 to 20 mg
Lovastatin 10 to 20 mg	Fluvastatin 40 mg BID
Pravastatin 10 to 20 mg	Fluvastatin XL 80 mg
Simvastatin 5 to 10 mg	Lovastatin 40 mg
	Pravastatin 40 to 80 mg
	Rosuvastatin 5 to 10 mg
	Simvastatin 20 to 40 mg

### **1095 C IRS ENFORCEMENT LETTERS**

Benefits Consultant said over the past several weeks that the IRS has been issuing letters to employers related to their enforcement of the ACA employer mandate penalty for the year 2015. These letters are based on what employers submitted to the IRS (themselves or through the company

they used to manage their record keeping and reporting) and where the IRS has apparently concluded that an employer did not offer benefits to 70% of their full time employees (you'll recall that the initial year of the ACA required 70% be met, thereafter 95%). The IRS determines whether an employer may be liable for a penalty based on the information reported by the employer on Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and subsidy information reported on an employees' individual income tax returns. Thus, if the information reported to the IRS by the employer or employee is incorrect, the IRS's determination may also be incorrect. Accordingly, if an employer receives a letter, they should carefully review the information that it previously submitted to the IRS

### **END OF YEAR REPORTING**

Benefits Consultant said PERMA provides each entity with 1) an ACA report that can be used to assist with the completion of 1095 reporting 2) a W2 report that includes the total cost of each member's health benefits which can be used to update W2s. Both reports were sent in mid-December to each entity.

### **JANUARY INVOICES/PAYMENT COUPONS**

Benefits Consultant said January payment coupons for Direct Billed retirees and COBRA members as well as group monthly premium invoices will be forthcoming for the month of January. Typically in January, there is a delay in getting coupons and invoices mailed due to administrative updates and rate changes. Direct Billed retirees and COBRA members should receive their payment coupons within the next few weeks and there will be no penalties or non-payment terminations during this period. Members who opt to make a payment for the same amount as they paid in 2017 prior to receiving the 2018 coupons will be sent an adjusted invoice in February.

### **MODIFIED ADJUSTED GROSS INCOME (MAGI)**

Benefits Consultant said Medicare and Social Security have a Modified Adjusted Gross Income (MAGI) adjustment based on each individual retiree's reported income. The assessment is based on a retiree's reported income from 2 years prior (see chart below). The MAGI adjustment impacts both Medicare Part B and Part D premiums. The Fund is billed by Aetna for Medicare Part D premiums for each retiree enrolled in our prescription drug plan. However, retirees in certain income ranges could be subject to the additional withholdings.

The State Health Benefits Plan also participates in a Medicare Part D EGWP plan.

Please note, that retirees may appeal the MAGI adjustments annually. Affected retirees will receive notification from CMS and may file an appeal electronically with Social Security by visiting [www.socialsecurity.gov/disability/appeal](http://www.socialsecurity.gov/disability/appeal). For your information we have attached a Social Security booklet that further details the rules for higher-income beneficiaries. We would recommend retirees go through this exercise each year as a best practice.

<b>Modified Adjusted Gross Income (MAGI)</b>	<b>Part B monthly premium amount</b>	<b>Prescription drug coverage monthly premium amount</b>
Individuals with a MAGI of \$85,000 or less Married couples with a MAGI of \$170,000 or less	2017 standard premium= \$134.00	Your plan premium
Individuals with a MAGI above \$85,000 up to \$107,000 Married couples with a MAGI above \$170,000 up to \$214,000	Standard premium + \$53.50	Your plan premium + \$13.30
Individuals with a MAGI above \$107,000 up to \$160,000 Married couples with a MAGI above \$214,000 up to \$320,000	Standard premium + \$133.90	Your plan premium + \$34.20
Individuals with a MAGI above \$160,000 up to \$214,000 Married couples with a MAGI above \$320,000 up to \$428,000	Standard premium + \$214.30	Your plan premium + \$55.20
Individuals with a MAGI above \$214,000 Married couples with a MAGI above \$428,000	Standard premium + \$294.60	Your plan premium + \$76.20

**ADMINISTRATIVE AUTHORIZATIONS:**

There is one small claim appeal which needs to be ratified.

Fund Attorney said the small claim was under \$100.

**MOTION TO OVERTURN CLAIM SC 01-18-01**

<b>MOTION:</b>	Commissioner Gambutti
<b>SECOND:</b>	Commissioner Catenaro
<b>VOTE:</b>	7 Ayes, 0 Nays

**FUND ATTORNEY** - Fund Attorney thanked the fund for reappointment.

**TREASURER** - Ms. Koval said the January 2018 bills list is not completed due to a delay in enrollment. She requested authorization for the November 2017 and December 2017 bills list as well as authorization to pay the January 2018 bills once complete .

Confirmation of Payment

<b>FUND YEAR NOVEMBER 2017</b>	<b>AMOUNT</b>
FY 2017	\$422,861.93
<b>TOTAL</b>	<b>\$422,861.93</b>

Confirmation of Payment - Dividend List

<b>FUND YEAR CLOSED</b>	<b>AMOUNT</b>
FY Closed	\$2,191,967.00
<b>TOTAL</b>	<b>\$2,191,967.00</b>

Confirmation of Payment

<b>FUND YEAR DECEMBER 2017</b>	<b>AMOUNT</b>
FY 2016	\$5,000
FY 2017	\$418,425.98
<b>TOTAL</b>	<b>\$423,425.98</b>

Confirmation of Payment - Dividend List

<b>FUND YEAR CLOSED</b>	<b>AMOUNT</b>
FY Closed	\$199,296.00
<b>TOTAL</b>	<b>\$199,296.00</b>

**MOTION TO APPROVE THE NOVEMBER 2017, DECEMBER 2017 AND JANUARY 2018 BILLS LISTS AS DISCUSSED.**

**MOTION:** Commissioner Kunze  
**SECOND:** Commissioner Gambutti  
**VOTE:** 7 Ayes, 0 Nays

**BOARD ADVISOR** - Executive Director said Board Advisor will distribute a written report and provide a Wellness update at the February meeting.

**AETNA - THIRD PARTY ADMINISTRATOR** - Ms. Ward thanked the Fund for reappointment. She said she will be moving to a new position and introduced Joe Rodrigues who will be the new representative. Mr. Rodrigues reviewed the claims from January 2017 - November 2017. He said the increase in lives in June is due to the implementation of Park Ridge members. He reviewed the high claims and said there were 5 high claims in September, 3 in October and 7 in November. In response to Commissioner Catenaro, Mr. Rodrigues said the billed amount is most likely lower than the paid amount because it is a case rate. He said he will follow up.

**PHARMACY NETWORK (Express Scripts)** - Mr. Rostkowski said the utilization stabilized in 2017. He said the main driver were Hepatitis C patients. He introduced Kyle Colalillo who will be replacing Jeff Basile as the Fund pharmacist.

**DELTA DENTAL** - Ms. White thanked the Fund for reappointment. She said Delta continues to negotiate fees with premier dentists to keep the costs down for the Fund.

**OLD BUSINESS:** None

**NEW BUSINESS:** Chair VanWinkle said an additional alternate should be considered for the next meeting.

**PUBLIC COMMENT:** Mr. Covelli wished Ms. Ward well and welcomed Mr. Rodrigues.



**MOTION TO ADJOURN**

**MOTION:**  
**SECOND:**  
**VOTE:**

Commissioner Hart  
Commissioner Kunze  
Unanimous

**MEETING ADJOURNED:** 12:45 pm

**NEXT MEETING:** February 27, 2018  
Franklin Lakes Borough  
12:00 P.M.

Karen Kamprath, Assisting Secretary  
Date Prepared: February 6, 2018