

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MEETING: JUNE 26, 2018
FRANKLIN LAKES, NEW JERSEY
12:00 P.M.**

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

ROLL CALL OF 2018 EXECUTIVE COMMITTEE:

Chairperson		
Peter Van Winkle	Borough of Rutherford	Present
Secretary		
Gregory Hart	Borough of Franklin Lakes	Present
Executive Committee	Members	
Hugo Poli	Village of Ridgefield Park	Absent
Richard Kunze	Borough of Oakland	Present
Joseph Catenaro	Twp of Fairfield	Present
Gregory Franz	Borough of Edgewater	Present
Donna Gambutti	Twp of S. Hackensack	Absent
Alternates		
Jerry Giaimis	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	Bill Bailey
Treasurer	Joseph Iannaconi	Absent
Third Party Administrator	Aetna	Joseph Rodrigues
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	Ken Rostkowski Kyle Colalillo

OTHERS PRESENT:

Frank Covelli, RMC
Matt McArow, GJEM
Tom Ucko, IMAC

Suzanne Pennel, Scirocco Group
Dave Vozza, Vozza
Sean Critchley, Conner Strong & Buckelew
Deb Ginetto, Burton

CORRESPONDENCE - None

APPROVAL OF MINUTES:

MOTION TO APPROVE THE PRESENTED OPEN MINUTES OF AUGUST 23, 2018:

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

EXECUTIVE DIRECTORS REPORT

Executive Director suggested the addition of the Pledge of Allegiance at the beginning of the Meeting. The Committee agreed to add to future meetings.

FAST TRACK FINANCIAL REPORTS - as of July 31, 2018

Executive Director said the Fund made \$340,000 in July.

2019 BUDGET ADOPTION

Executive Director said the Budget was introduced at the August meeting. He said at that time it was recommended to include 1% of the total assessments in the Loss Fund Contingency line item. He said the introduced budget and the budget for adoption are included in the Agenda. He said there is a difference in the reinsurance line item because a new contract was awarded to US Fire. Executive Director said the budget can be adopted in consent.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2019 BUDGET:

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Hart
ROLL CALL VOTE:	All in favor

MOTION TO CLOSE THE PUBLIC HEARING:

MOTION:	Commissioner Hart
SECOND:	Commissioner Catenaro
ROLL CALL VOTE:	All in favor

RFP RESULTS

Executive Director said as discussed at the previous meeting the RFP results were reviewed and approved by the Contracts Committee. The fee requests are reflected in the budget being adopted.

There is a resolution appointing the Fund Professionals and a resolution approving the EUS contracts included in the consent agenda.

DIVIDEND

Executive Director said a dividend in the amount of \$3,800,000 was approved at the August Meeting. He said a resolution is included in the consent agenda to ratify the release.

MRHIF MEETING

The MRHIF Executive Committee met on September 12th. Chair VanWinkle's report is included in Appendix III. At the meeting, the Committee introduced the 2019 budget which had an overall decrease of almost 6.09%. The Coastal HIF is receiving a decrease of 15.62% because of good loss experience. The budget is mostly predicated on a lengthy reinsurance RFP process that resulted in strong arrangement through US Fire/Starline Insurance Company.

MARKETING EFFORTS

Through the MRHIF and paid by the fee concessions provided by our Fund TPA's, the Marketing firm, Princeton Group, was awarded a contract earlier this year to develop a logo, website and marketing campaigns. Below is a logo that the firm has developed with PERMA. This is strictly for marketing efforts – the local Fund logos and regulatory websites will remain.



New Jersey Health Insurance Fund

Schools | Municipalities | Public Entities

Marketing campaigns:

- Publications within the NJ School Board Association and NJ League of Municipalities
- Advertisements on NJ.com
- Email campaigns before, during and after the NJ League of Municipalities
- New revised booth for School Board and Municipal conventions
- Direct Mailings to Mayors and School Board Presidents
- New marketing website (does not replace current local fund websites): HIFundNJ.com

DELTA DENTAL AUDIT

NIIS has completed the audit of Delta Dental. Overall, the report is very positive:

- Claims turnaround time is better than industry standards.
- Average speed of answer and call abandonment rates are better than industry standards.
- Internal quality audits are undertaken on a regular basis.

- Financial and procedural accuracy for claims processing is over 99%, again above industry standards.
- Cost containment efforts are successful.

We are following up with Delta on recommendations to:

- Incorporate performance standards in the HIF contracts.
- Improve coordination of benefits procedures and documentation.
- Report at least annually on overpayments and recoveries.

We will provide a follow up report at our next meeting, and likely at local HIF meetings, and the improvement efforts are perfected.

BENEFITS CONSULTANT REPORT

ONLINE ENROLLMENT SYSTEM TRAINING -

The Executive Committee voted and approved mandatory use of the online enrollment system by each member group. If you need training or would like a refresher course on the online enrollment system, please reach out to Karen Kidd at kkidd@permainc.com of PERMA.

CONTACT INFORMATION

Please direct any eligibility, enrollment, billing or system related questions to our dedicated BMED Team. The team can be reached by email at bmedenrollments@permainc.com or by fax at 856-552-4945.

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.

2019 OPEN ENROLLMENT

The 2019 annual Open Enrollment (OE) period for BMED members will begin on 10/15/2019. As occurred last year, each entity will receive OE materials and instructions electronically from PERMA. As in the past, Open Enrollment is passive, only members who wish to make plan changes or dependent coverage changes need to submit enrollment forms. Members who are not making changes will automatically continue with the same coverage they had in 2018. The timeline for 2019 is as follows:

- 10/15/2018 - group contacts will receive OE instructions and materials on or about 10/15
- 11/9/2018 - suggested deadline for members to submit plan change requests to the entity
- 11/16/2018 - the deadline for all entities to enter all OE changes into the Benefit Express system.
- 1/1/2019 - effective date for anyone making plan changes. ID cards should be received by members who make a plan change on/before 1/1.

Non Medicare Retirees and COBRA enrollees will receive OE information from PERMA at their residencies.

Open Enrollment Materials will be distributed to all Risk Managers prior to distribution to group contacts.

January 1st Implementation Deadline

As with previous years, we are kindly asking for additional lead time for January 1st implementations and plan changes. Given the increased volume for January 1st, all plan changes or additions need to be finalized with PERMA no later than **Friday October 12th** to ensure proper implementation for January 1st. Any plan additions or changes submitted to PERMA after Friday October 12th may not be accommodated.

HACKENSACK - MERIDIAN

Aetna is currently in negotiations with Hackensack – Meridian group. The current term date has been extended to November 15, 2018. Initially this group was set to term on August 15th, however the contract has been temporarily extended to continue negotiations. Aetna is in the final stages of negotiations and is very confident an agreement will be reached before the term date.

MONTEFIORE

Aetna initially reported this group was set to term on August 1, 2018. However an agreement was reached and Montefiore remains in-network with no member disruption.

LABCORP

Aetna and LabCorp have signed an expanded agreement to make LabCorp a preferred national laboratory for all Aetna Commercial and Medicare health plans, products and members beginning January 1, 2019. The addition of LabCorp offers more choices and access for lab services for your members. There will be no change in status for Quest Diagnostics in the Aetna Network. This update will be highlighted in the 2019 Open Enrollment Guides.

AETNA NEW ID CARDS - 11/2019

All *Non-Medicare* AETNA members in the BMED will be receiving new ID Cards effective January 1, 2019. This is the result of an AETNA system update. Member ID numbers, group numbers and PCP elections will not be impacted. PERMA will work with AETNA to assure that the ID cards are released after open enrollment, to assure any members that made plan changes receive the correct ID Card. We have highlighted this in your Open Enrollment guides, and will also continue to provide communications to you and your members.

EXPRESS SCRIPTS - 2019 FORMULARY UPDATE

ESI has announced that the National Preferred Formulary Guide (NPF) which the BMED plans follow will be updated. Beginning 1/1/2019, the below formulary changes will go into effect for BMED members. ESI will be sending personalized notifications to affected members prior to January 1 and will include a list of alternative medications that the member may want to discuss with their provider. We will present more information on BMED member impact in November. A copy of the 2019 Formulary will be distributed to all entities with Prescription coverage as a part of Open Enrollment materials.

ANNUAL NOTICE OF CREDITABLE COVERAGE (NOCC)

As a courtesy, the BMED in conjunction with ESI will be mailing an NOCC to all retirees enrolled in a BMED Prescription Drug Plan. This notice is required (by CMS) to be sent to annually to retirees on or before October 1st. A sample notice is included with your agenda.

- **Updated NJSA 3753 - NJ Newborn Mandate**

On January 16, 2018, New Jersey legislature updated the NJ Newborn Mandate Act which initially provided coverage for all newborns for the first 30 days from birth. The law was

amended to require coverage for newborns up to the 61st day following birth.

Recommendation: We recommend that the BMED comply with this update effective January 1, 2019.

▪ **NJSA 2793- 3-D Mammography Preventive Service Mandate:**

The NJ legislature enacted a new benefits mandate that requires health insurance coverage without cost share for digital tomosynthesis (3-D Mammography) to detect or screen for breast cancer in women over age 40, once per benefit year. Currently the Fund covers an annual 3-D Mammogram but cost share is applied. Insured plans and the SHBP must comply with the update upon first renewal on/after **August 1, 2018**.

Recommendation: We recommend that the BMED updates benefit coverage for 3-D Mammography to comply with this mandate effective January 1, 2019.

▪ **NJSA 2297- Extended Contraceptive Benefit**

On December 15, 2017, New Jersey legislature voted to update the existing NJ Prescription Female Contraceptive Mandate, requiring all health insurance and medical providers to cover contraceptive drugs and devices with the following day supply access:

- A three-month period for the first dispensing of the contraceptive
- A six-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing limit.
 - o Currently the Fund follows standard maintenance medication limits of up to 90 day (mail order/retail access vary amongst groups)

Recommendation: We recommend that the BMED updates benefit coverage for Female Contraceptives to comply with this mandate on January 1, 2019.

MOTION: Motion to amend the member plan documents to comply with State Mandates 3753, 2793 and 2297 effective January 1, 2019.

MEDICARE SCAM

As previously reported, CMS is issuing new ID cards to all members in an effort to curb identity theft by replacing social security numbers with unique ID numbers. Unfortunately, this campaign has spawned a new wave of “scammers” who are targeting Medicare participants by posing as Medicare representatives and asking for payment in exchange for the new ID card. As a reminder, the cards are being mailed automatically to all participants between April 2018 and April 2019 (certain geographic regions every few months) and there is NO cost for participants.

APPEALS

There was one appeal heard by the small claims committee which needs to be ratified. A resolution is in consent. The small claims committee approved the claimants appeal.

FUND ATTORNEY -

TREASURER -

Resolution 26-18 - September 2018 Bills List

FUND YEAR	AMOUNT
FY 2017	\$5,488.00
FY 2018	\$497,749.45
TOTAL	\$503,237.45

AETNA - THIRD PARTY ADMINISTRATOR -

PHARMACY NETWORK (Express Scripts) -

DELTA DENTAL -

MOTION TO APPROVE THE CONSENT AGENDA AS DISCUSSED.

MOTION:	Commissioner
SECOND:	Commissioner
VOTE:	5Ayes, 0 Nays

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN

MOTION:	Commissioner
SECOND:	Commissioner
VOTE:	Unanimous

MEETING ADJOURNED: 1:00 pm

NEXT MEETING: January 22, 2018
Franklin Lakes Borough
12:00 P.M.

Karen Kamprath, Assisting Secretary
Date Prepared: October 8, 2018