

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MEETING: JANUARY 22, 2019
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 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	Present
Richard Kunze	Borough of Oakland	Present
Donna Gambutti	Twp of S. Hackensack	Present
Joseph Catenaro	Township of Fairfield	Present
Gregory Franz	Township of Edgewater	Present
Alternates		
Jerry Giannis	Borough of Saddle River	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval
Attorney	Huntington Bailey, LLP	Russ Huntington
Treasurer	Joseph Iannaconi	Absent
Third Party Administrator	Aetna	Joseph Rodrigues
Dental Claims Administrator	Delta Dental of NJ, Inc.	Kim White
Auditor	Lerch, Vinci & Higgins	Gary Vinci
Actuary	John Vataha	Absent
Independent Consultant	LaMendola Associates	Clark LaMendola
Benefits Consultant	Conner Strong	Jozsef Pfeiffer
RX Administrator	Express Scripts	Absent

OTHERS PRESENT:

Tom Ucko, IMAC
Mathew McArow, GJEM
Dave Vozza, Vozza Agency
Suzanne Pennell, Sirocco Group
Deb Ginetto, Burton Agency

CORRESPONDENCE – None

APPROVAL OF MINUTES:

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

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

Roll Call of 2018 Fund Commissioners

<u>Municipality</u>	<u>Fund Commissioner</u>	<u>Alternate</u>	<u>Attendance</u>
Alpine	Paul Tomasko		Absent
Borough of Edgewater	Gregory Franz		Present
Borough of Maywood	Roberta Stern		Absent
Carlstadt	Joseph Crifasi		Absent
Carlstadt BOE	Open		Absent
East Rutherford	John Hansen		Present
East Rutherford BOE	Mark Kramer		Absent
Emerson	Robert Hoffmann		Absent
Fairfield	Joseph Catenaro	Denise Cafone	Present
Fairfield BOE	Iyanna rios		Present
Franklin Lakes	Gregory Chapman Hart		Present
Ft. Lee	Alfred Restaino		Absent
Hillsdale	jonathan deJoseph		Absent
Lodi	Vincent Caruso		Present by Phone
Mine Hill	Katelyn Wild		Absent
Montvale	Timothy Lane		Absent
Moonachie	Anthony Ciannanmea		Present by Phone
N. Arlington	Open		Absent
Oakland	Richard Kunze		Present
Park Ridge	Julie Falkenstern		Present
Ridgefield Park	Hugo Poli		Present
Rochelle Park	Robert Davison		Present by Phone
Rutherford	Robert Kakoleski		Present
S. Hackensack	Donna Gambutti		Present
Saddle River	Jerry Giaimis		Present
Township of Verona	Matthew Cavallo		Present
Wallington	Khaldoun Androwis		Present
Wanaque Valley Regional Sewerage Authority	Frank Covelli		Present
Westwood	Jon Birkner		Absent
Wood-Ridge	Dominick Azzolini		Absent

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

Ms. Koval read a slate of officers that was developed from soliciting for officers in addition to a recommendation by Commissioner Covelli to add Commission Kakoleski as an Alternate:

Chairman Gregory Hart, Borough of Franklin Lakes
Secretary Richard Kunze, Borough of Oakland
Executive Committee Members:

Hugo Poli, Village of Ridgefield Park
 Donna Gambutti, Township of South Hackensack
 Joseph Catenaro, Township of Fairfield
 Gregory Franz, Borough of Edgewater
 Jerry Giaimis, Borough of Saddle River

Alternates:

Matthew Cavallo, Township of Verona
 Bob Kakoleski, Borough of Rutherford

Fund Attorney recommended that Commissioner Cavallo be Alternate #1 and Commissioner Kakoleski be Alternate #2

MOTION TO ADOPT 2019 SLATE OF EXECUTIVE COMMITTEE AS RECOMMENDED AND CLOSE NOMINATIONS:

MOTION: Commissioner Kunze
SECOND: Commissioner Gambutti
ROLL CALL VOTE: 16 Ayes, 0 Nays

Fund Attorney swore in the Executive Committee.

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

Chairperson		
Gregory Hart	Borough of Franklin Lakes	Present
Secretary		
Richard Kunze	Borough of Oakland	Present
Executive Committee	Members	
Hugo Poli	Village of Ridgefield Park	Present
Joseph Catenaro	Fairfield Township	Absent
Gregory Franz	Borough of Edgewater	Present
Donna Gambutti	Twp of S. Hackensack	Present
Jerry Giaimis	Borough of Saddle River	Present
Alternates		
Matthew Cavallo	Township of Verona	Present
Bob Kakoleski	Borough of Rutherford	Present

EXECUTIVE DIRECTORS REPORT

FAST TRACK FINANCIAL REPORTS – as of November 30, 2017

Executive Director said the Fast Track shows a strong year which included a \$2.1 million loss from the dividend released to the members. He said there has been a slight spike in claims over the past quarter, but may be just a trend and not concerned. He said that the Fund experienced a 12% decrease in medical trends over the past year, so claims may just be leveling out.

2019 REORGANIZATION

The Reorganization resolutions are included in the consent agenda for approval. Please note the following:

#5-19 – Please note the dates. This resolution will be sent to all members and posted on the website. Chair Hart suggested that the February meeting serve as a strategic planning meeting, in addition to its regular meeting agenda items.

#7-19 – Current Signatories – The treasurer has requested that Commissioner Franz be a signatory, along with the newly elected Chair and/or Secretary. The Committee agreed.

#8-19 – RMP – note change in specific and aggregate retentions.

#9-19 – Need new representatives for MRHIF for 2019. Commissioner Kunze was elected as Commissioner to the MRHIF and Chair Hart as alternate.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - Executive Director said that the MRHIF met in December and acted upon the following items.

1. MRHIF had contracted with Adler Associates to complete an audit of ESI's performance against discount and rebate guaranties for 2017. The audit was completed verified that ESI met overall discount and pricing guaranties.
2. MRHIF also commissioned an audit of Delta Dental that confirmed accurate performance and recommended the implementation of contractual performance standards and improved procedures for coordination of benefits
3. The contract award to US Fire for reinsurance was ratified. This contract culminates a lengthy RFP process that was instituted due to the withdrawal of Munich Re. from the American health reinsurance market. Executive Director thanked Mr. Vozza for his work on this renewal.
4. The 2019 budget was adopted with an overall reduction of 6.19% and an assessment reduction for BMED of 15.62%.
5. The Executive Committee requested a review of the marketing contract to assess its effectiveness and relevancy. This report has been received and was included with the agenda for your review.

In addition, the current chairman and secretary of the MRHIF both are retiring thus opening the need for new Executive Committee leadership for 2019 and thereafter.

2019 COMMITTEE APPOINTMENTS -

Below are the standing Committees that were appointed in 2019. If a Commissioner is interested in joining a committee, please reach out to Emily Koval.

<u>Claims Committee</u>	<u>Wellness Committee</u>	<u>Finance & Operations Committee</u>
Open	Gregory Franz	Richard Kunze
Donna Gambutti	Gregory Hart	Matthew Cavallo
Hugo Poli	Donna Gambutti	Open

INDEMNITY AND TRUST AGREEMENTS - On November 1, 2018 PERMA sent Indemnity and Trust Agreements and Resolutions to be adopted by the governing body to renew membership with the Fund for an additional 3 years. Below is a list of members who have renewing agreements due by December 31, 2018 and older. Please reach out to PERMA (kkamprath@permainc.com) for a blank

form to be executed. The list was last updated on December 19, 2018. In response to Commissioner Kunze, Fund Attorney said that expired agreements are not a legal issue, but highly recommends they get cleaned up.

MEMBER	I & T end date
BOROUGH OF RUTHERFORD	1/1/2015
BOROUGH OF EAST RUTHERFORD	12/31/2017
BOROUGH OF HILLSDALE	12/31/2017
EAST RUTHERFORD BOARD OF ED	12/31/2017
BOROUGH OF CARLSTADT	12/31/2017
BOROUGH OF MONTVALE	12/31/2017
BOROUGH OF PARK RIDGE	12/31/2017
BOROUGH OF MOONACHIE	12/31/2018
BOROUGH OF NORTH ARLINGTON	12/31/2018
BOROUGH OF WOOD-RIDGE	12/31/2018
BOROUGH OF EMERSON	12/31/2018
BOROUGH OF WESTWOOD	12/31/2018
Verona Township	12/31/2018

CLAIMS AGENT CONTRACT RENEWALS

We have completed negotiations with claims agents for the BMED and other HIFs with the following outcomes:

- Aetna
 - 1 year agreement
 - Fees will remain at \$51.32 per employee per month
 - \$1.25 per employee per month can be refunded against wellness and marketing expenses of the BMED
- Delta Dental
 - 1 year agreement
 - Fees will increase from \$3.10 to \$3.12 per employee per month.
 - Performance guaranties will be added to the agreement.

For Express Scripts, we are finishing the first year of a 3 year agreement awarded by MRHIF. However, this agreement allows for a market check and possible renegotiation that will take place in the first half of 2019. Resolution -19 awarding TPA contracts under the Extraordinary Unspecified Services is included in the consent agenda.

In response to Commissioner Kunze, Executive Director said that the performance guarantees were typical for the industry, such as claim accuracy and customer service call time.

WELLNESS

FRANKLIN LAKES GRANT APPROVAL - A resolution approving a grant for Franklin Lakes is included in the consent agenda.

Chair Hart distributed the details of the grant to the Board. He said the program has been running successfully for a few years and is asking for \$10,000 for biometric screenings, wellness exams, incentives and the wellness ambassador. He said the Borough is putting in its own funding. He said, ideally, he'd like to bring some program results back to the BMED.

BENEFIT'S CONSULTANT'S REPORT

ELIGIBILITY/ENROLLMENT: Please direct any eligibility, enrollment, or system related questions to our dedicated BMED enrollment 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. *Please confirm the invoice detail as retro adjustments are limited to two months by Fund policy.* If you find a discrepancy, please report it to the BMED eligibility/enrollment team bmedenrollments@permainc.com or by fax at 856-552-4945.

BROKER CONTACT INFORMATION - Please direct any escalated claims, benefit coverages, prescription coverage, Medicare advantage or appeal related questions to our dedicated BMED Client Servicing Team. The team can be reached by email at brokerservices@permainc.com.

2019 OPEN ENROLLMENT UPDATE - The 2019 Open Enrollment period concluded in the middle of November. Only members who were looking to make changes were required to complete enrollment forms. All changes were processed timely, and new ID cards were sent out for January 1.

AETNA UPDATES

- As previously reported Aetna issued new ID cards to the majority of their population due to an administrative update. In Mid-December PERMA reached out to enrollment contacts for every entity with members impacted. The communication is included in your agenda packet.
- As required by CMS, Aetna issued their Annual Notice of Change (ANOC) to all Medicare Advantage enrollees. The ANOC is a booklet that explains any changes in your plan's benefit coverage, costs or service area. There are no material changes to Medicare Coverage for 2019.
- As a reminder, effective January 1, 2019 Labcorp is now a participating lab.

Express Scripts Updates

- Expanded network 1/1/2019 - As previously reported and approved by the Fund, the BMED transitioned to ESI's National Plus Network, which is a larger, more inclusive pharmacy network. Additional pharmacies such as Walgreens and some non-retail chain pharmacies are now an in-network pharmacy for all BMED members. BMED enrollees are encouraged to visit www.express-scripts.com and register their account to see what pharmacies are available to them. We have included a flyer, which instructions on how to register for the ESI Member Portal.
- SafeGuard Rx- Migraines Care Value - effective 1/1/2019 ESI implemented a new disease management program for migraine patients. The program is designed to ensure that patients are receiving the most appropriate and cost-effective treatment for their migraines. It is a proactive response to a new class of medications, *Calcitonin Gene-Related Peptide* inhibitors (CGRP).

that were recently approved by the FDA or are in the pipeline for approval in the near future. There are currently no members in BMED utilizing the impacted medications. Mr. Pfeiffer said that there will be no impact on this Fund, but continue tracking in case a member does hit this value program.

END OF YEAR REPORTING UPDATE

As a courtesy to Fund members, PERMA has provided the below reports to the designated enrollment representatives:

- **Dependent Age Out Reports** - for the entities with dependent children terminating coverage at the year of the year in which they turn 26. .
- **Affordable Care Act Reporting:**
 - **W2 Reporting** - report of "billed premium," per individual enrolled in plan in CY 2018.
 - **1095 A/B-** Benefits Express Extract of employees and dependents enrolled in the plan throughout CY 2018.

LEGISLATIVE UPDATES

Mr. Pfeiffer said , as a reminder, the following State mandates were approved in October 2018 and were implemented effective January 1, 2019.

- **NJSA 2793- 3-D Mammography Preventive Service Mandate:**
- **NJSA 2297- Extended Contraceptive Benefit**
- **Updated NJSA 3753 - NJ Newborn Mandate**

INDUSTRY UPDATES/MERGERS - AETNA/CVS - On 11/28/18, CVS Health completed its acquisition of Aetna. Aetna will be a subsidiary of CVS and we expect there to be no member impact.

CIGNA/ESI - On 12/18/18, Express Scripts and Cigna received regulatory approval, allowing them to move forward with their merger. The entities will continue to operate individually, and we expect there to be no member impact.

ADMINISTRATION AUTHORIZATIONS

There was one appeal by the small claims committee which needs to be ratified. The claims committee approved the claimant’s appeal and approval is in the consent agenda.

FUND ATTORNEY - Fund Attorney said there have been no litigations pending against the Fund at this time.

TREASURER - Ms. Koval said the January 2019 bills list is not completed due to a delay in enrollment. She requested authorization for the October 2018, November 2018 and December 2018 bills list as well as authorization to pay the January 2018 bills once complete.

Confirmation of Payment

FUND YEAR OCTOBER 2018	AMOUNT
Closed Year	\$705,776.00
Fund Year 2018	\$505,574.61
TOTAL	\$1,211,350.61

FUND YEAR NOVEMBER 2018		AMOUNT
FY 2017		\$491,856.74
TOTAL		\$491,856.74

Confirmation of Payment - Dividend List

FUND YEAR CLOSED		AMOUNT
FY Closed		\$3,357,659.00
TOTAL		\$3,357,659.00

Confirmation of Payment

FUND YEAR DECEMBER 2018		AMOUNT
FY 2018		\$512,807.23
TOTAL		\$512,807.23

BOARD ADVISOR - Board Advisor said he strongly encourages other members to partake in the BMED wellness program. He said Wellness will be a major topic at the strategy meeting next week.

AETNA - THIRD PARTY ADMINISTRATOR - Mr. Rodrigues reviewed the monthly claim report, high claimants and dashboard, along with the new teladoc utilization report. In response to Chair Hart, Mr. Rodrigues said that the utilization is within trend, but there are some high cancer medical and rx claimants. In addition, BMED's in network utilization could be stronger. Chair Hart said these are good tops for the strategy session.

PHARMACY NETWORK (Express Scripts) - Executive Director reviewed the ESI report included in the agenda. He said removing the Medicare Advantage lives helped decrease this trend over time.

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: none

PUBLIC COMMENT: Mr. Covelli thanked the Board Advisor and Executive Director for their work on the Wellness Program.

MOTION TO ADJOURN

MOTION:	Commissioner Poli
SECOND:	Commissioner Kunze
VOTE:	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