

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
OPEN MEETING: FEBRUARY 26, 2019
FRANKLIN LAKES, NEW JERSEY
12:00 P.M.**

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

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

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval Shah Mapp
Attorney	Huntington Bailey, LLP	Russ Huntington
Treasurer	Joseph Iannaconi	Joseph Iannaconi
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	Clark LaMendola
Benefits Consultant	Conner Strong	Jozsef Pfeiffer Maggie Friel
RX Administrator	Express Scripts	Kyle Colalillo

OTHERS PRESENT:

Frank Covelli, PIA
Matt McArow, GJEM
Tom Ucko, IMAC
Dave Vozza, Vozza Agency

CORRESPONDENCE - None

APPROVAL OF MINUTES:

MOTION TO APPROVE THE PRESENTED OPEN MINUTES OF JANUARY 22, 2019:

MOTION:	Commissioner Kunze
SECOND:	Commissioner Gambutti
ROLL CALL VOTE:	Unanimous

EXECUTIVE DIRECTORS REPORT

FAST TRACK FINANCIAL REPORTS – as of December 31, 2018. Executive Director said the fast track shows a dividend in the amount of \$968,000 for the month of December. He said that there were funds that were moved from surplus that were owned by prior members and have been moved to a payable and not shown in the financial fast track. He said, year to date, the statutory profit is \$3.3 million. He said there is a slight deficit for the year, due to the aggressive dividend policy, but operationally, the Fund is did better than expected.

PLANNING SESSION - In addition to providing normal updates and completing essential functions, this meeting will focus on longer term planning considerations. Prior to the planning session, reports from claims agents will focus on yearly rather than monthly trends. Mr. LaMendola included a memo for discussion at the end of the public meeting.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - The Municipal Reinsurance Health Insurance Fund met on February 20th to reorganize for 2019.

2019 MEL & MR HIF EDUCATIONAL SEMINAR - The 9th annual seminar is scheduled for Friday, May 3rd 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. The registration form can be found on page 6.

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 for a blank form to be executed. The list was last updated on February 14, 2019.

HIF ENROLLMENT AND BILLING SYSTEM - The HIF billing and enrollment system is provided by Benefits Express, a subcontractor to Conner Strong and Perma. BE is experiencing problems with the accuracy of rate uploads and the timeliness of billing. We are working with them to implement performance standards in order to preclude these problems from continuing in the future.

INTEREST IN NEW HIF FORMATION - ESSEX COUNTY - Insurance brokers and government officials in Bloomfield are interested in starting a HIF for larger public entities such as Bloomfield, the

Oranges, Irvington, etc. However, they are also reaching out to the municipal manager profession more broadly to solicit interest. The primary focus on larger Essex County entities can expand and strengthen the MRHIF franchise, but extension of membership to entities in the current NJMEBF and BMED footprints necessitates territorial courtesy consultations with existing HIFs.

BENEFIT'S CONSULTANT'S REPORT

AETNA UPDATES - Aetna is rebranding their ID Cards to incorporate their new partnership with CVS. Beginning in March 2019, Aetna ID cards will look like the below. After March, members who request new/additional ID Cards, or new groups joining the Fund will begin receiving the new version. Members currently enrolled can continue to use their current ID Cards and will not require a new one. CVS/Aetna is now offering a value added discount program for any group that has Aetna Medicare Advantage with Rx participants, the enrollees will be receiving the attached flyer CVS Enhanced ExtraCare Card communication. Enrollees in these plans are offered an opportunity to take advantage of 20% discount on CVS brand products such as - vitamins, eye drops, first aid, ect. Enrollees may take advantage of these savings at their own discretion. The attached flyer and savings card were sent out to Aetna Medicare enrollees the first week of February.

SAVEON SP SAVINGS PROGRAM

For calendar year 2018, the SaveOn program has produced a net savings of \$109,970 on just 87 prescription claims impacted only 16 members.

VITAL STATISTICS REPORT - Mr. Pfeiffer reviewed the vital statistics report through 12/31/2018.

A summary of the report was distributed and reviewed. He said, although there was a loss of membership, the Fund continued to perform well. He said that Aetna's trend increased from 2017, but still below industry trend and falling within the other Funds in the State.

Mr. Pfeiffer said that the statistic that stands out the most with the BMED is the Out of Network Utilization which is 82%. This is better than prior years, but still way below industry standard. He said moving the Fund to the new Out of Network reimbursement schedule helped, but with rich plans, there are some members who do not see a disadvantage to going out of network.

Mr. Pfeiffer said that the prescription trend is also down, which could be a result of moving the retiree population to the EGWP program. He said that 80% of the prescription cost comes from 20% of the drugs dispensed. In addition, he reviewed the specialty, mail and retail statistics. In response to Commissioner Gambutti, Mr. Pfeiffer said he will find out what drug specifically changed from a 90 day fill to a 30 day fill. In many cases, this is an FDA requirement and not an Express Scripts change.

In response to Commissioner Kakoleski, Mr. Pfeiffer said that compound drugs that are not FDA approved are excluded from the plan.

Overall, Mr. Pfeiffer said that the Fund is running well and the programs that have been put in place prove to be successful.

ADMINISTRATIVE AUTHORIZATIONS: One appeal for Executive Session.

FUND ATTORNEY - Fund Attorney said there is nothing to report at this time.

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

AETNA - THIRD PARTY ADMINISTRATOR – The Aetna report was included in the agenda. Mr. Rodrigues reviewed the claims and high claimant report. In addition, he said he said that there is an influx of cancer in the Fund which is attributing to an increase in trend, along with the out of network utilization.

PHARMACY NETWORK (Express Scripts) – Report included in the agenda.

DELTA DENTAL – Ms. White said that the dental program is running well and will have reports for the next meeting.

OLD BUSINESS: None

NEW BUSINESS: Executive Director said that last year, the BMED hired an employee for wellness, but that did not work out. Since then, there is still a need for a coordinator for the wellness plan. Franklin Lakes is offering one of its employees who handles the Borough’s wellness program to be hired as a coordinator for the Fund. In lieu of the contract being through the Borough, Executive Director suggested an inter local government contract between Franklin Lakes and the BMED.

MOTION TO APPROVE A DIANE MCCLEAN AS WELLNESS COORDINATOR TO THE BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND WHILE THE CONTRACT IS FORMALIZED.

MOTION:	Chair Hart
SECOND:	Commissioner Kunze
VOTE:	Unanimous

MOTION TO ENTER EXECUTIVE SESSION FOR CLAIM APPEAL DISCUSSION

MOTION:	Commissioner Franz
SECOND:	Commissioner Kunze
VOTE:	Unanimous

PUBLIC COMMENT: Mr. Covelli thanked the board for their help with the claim discussed during closed session.

STRATEGIC PLANNING – Mr. LaMendola said he would like to develop a Task Force Committee to review future planning. He distributed a survey for the membership to think about and complete. When the results are collected, he will set up another meeting to review. He requested the survey be completed in one week.

MOTION TO ADJOURN

MOTION:	Commissioner Franz
SECOND:	Commissioner Kunze

VOTE:

Unanimous

MEETING ADJOURNED: 12:45 pm

NEXT MEETING: April 23, 2019
Franklin Lakes Borough
12:00 P.M.

Shah Mapp, Assisting Secretary
Date Prepared: April 17, 2019