

MINUTES
OF
MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS
REGULAR MEETING

July 23, 2019

Chairman Pulomena called the meeting to order at 1:17 p.m. Open Public Meeting Act read into Minutes by Chairman Pulomena.

ROLL CALL OF COMMISSIONERS

Chairman, John Pulomena	County	Present
Alternate, Dennis Cerami	County	Present
Commissioner, Joseph Cryan	Utilities Authority	Absent
Alternate, Jayne Gelder	Utilities Authority	Present
Commissioner, Patricia Byrd	Board of Social Services	Present
Alternate, Norman Skolnick	Board of Social Services	Absent
Commissioner, Maureen Lawrence	College	Absent
Alternate, Martha Velez	College	Absent
Commissioner, Lory Cattano	Improvement Authority	Present
Alternate,	Improvement Authority	P/A
Commissioner, Deepak Matadha	Mosquito Commission	Present
Alternate, John Kranz	Mosquito Commission	Absent
Commissioner, Alan Fialka	Roosevelt Hospital	Present
Alternate,	Roosevelt Hospital	P/A

APPOINTED FUND PROFESSIONALS AND SERVICE ORGANIZATIONS PRESENT:

Administrator	North American Insurance Management Corporation Jay McManus Lynn Collins Dave Hissey
Attorney	Patrick J. Diegnan, Jr., Esq.
Network Provider	Horizon BCBS of New Jersey Brian Mead
Program/Risk Manager	Business & Governmental Insurance Agency Stuart Migdon
Treasurer	Joe Pruiti

OTHERS PRESENT:

Lori Wilkin
Jeffrey Herron
Renee Parsons
Caitlyn Hickey
Jeanne Facendo
Karen Lalla

ABSENT:

Patricia McSweeney
Sara Picard
Scott Clelland

APPROVAL OF AGENDA

Moved by Commissioner Byrd and seconded by Commissioner Fialka to approve the agenda as submitted.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

PUBLIC PARTICIPATION

Chairman Pulomena asked for a motion to open the floor to the public. Moved by Commissioner Byrd and seconded by Commissioner Fialka to open the floor to the public.

No one from the public was present to speak.

Chairman Pulomena asked for a motion to close the floor to the public. Moved by Commissioner Fialka and seconded by Commissioner Byrd to close the floor to the public.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

APPROVAL OF MINUTES – June 25, 2019

Moved by Commissioner Fialka and seconded by Commissioner Byrd to approve the minutes of June 25, 2019 Commissioners' Meeting (Public Meeting).

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Cattano, and Fialka
	Nay:	None
	Abstain:	Commissioners Byrd and Matadha

NEW BUSINESS

Resolution 2019-07-01 to approve retirement of Middlesex County College Commissioners and appointment of Commissioners.

Discussion: Mr. McManus asked everyone to look at Resolution 2019-07-01 which is to approve the retirement of two Commissioners at the Middlesex County College and appoint two Commissioners which are listed on the resolution. Once the Commissioners approve the resolution, MCJHIF Attorney will swear in the both the Commissioner and the Alternate Commissioner.

Moved by Commissioner Fialka and seconded by Commissioner Byrd to approve the above resolution.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

MCJHIF Attorney Diegnan swore in the two Commissioners. Chairman Pulomena welcomed the new Commissioners.

ADMINISTRATOR'S REPORT

Mr. McManus said the Fund Administrator's report is included in Section III of the Commissioners agenda packet. He asked everyone to turn to Section III, page two Correspondence and Activities for July 2019. Due to the volume of correspondence every month, we decided to omit daily correspondence unless it is pertinent. If there is any correspondence you are interested in obtaining, please let Lynn Collins know and she will email it to you. In addition to items listed in the Activities and Correspondence, Mr. McManus pointed out items not listed under the activities, recently the New Jersey House passed a bill to repeal the Cadillac Tax which is part of the Affordable Care Act. Basically, it said

that there would be an excise tax of 40% on premiums that exceeded the threshold; \$11,000 for an individual and \$30,000 for a family. Virtually, every plan in the public sector is well over the thresholds to a total of \$10,000. Family plans are \$5,000-\$7,000 over the threshold. Therefore, there would have been a 40% tax on those amount over which would be transferred back to the public entities and by extension to employees as part of Chapter 78. The tax was repealed overwhelmingly by the House and will hit the Senate next week. The expectation is that it will also be repealed by the Senate. Our hope is that next week it will go away; probably not great for the Federal budget but good news for local entities. This was of major concern; it would have been fazed in at 100% two years from now.

We are completing the process of budget preparation. We will be requesting data from our carrier partners in the near future. Timing for that is; we will have a Budget Committee meeting scheduled for mid-September-early October in preparation of presenting the budget to the Commissioners at the October Commissioners meeting. Hopefully we will engage in conversation with the Board of Social Services to bring them into the same plan design that all the other entities now utilize. We will prepare rates with and without them going to the new plan design.

Lastly, we have taken a deeper dive on the prescription drug plan. Please think back several years ago. There were compound medication claims where we were spending \$1,500,000 a year for compound medications where two drugs were mixed together which cost maybe \$20 each, however the end result was a \$1,300 hit to the MCJHIF. We excluded compound drugs from the plan. The mixed medications were not FDA approved and there were some other issues. Health insurance is like a water balloon, you squeeze it on one end and it will bust the other end. There is now 510K drugs, one of which is a semi-compound process called Sil K pads. Our expenditure for this compound is around \$1,000,000 plus for the first seven months of the year. We just recently identified this, the drugs are technically FDA approved but not to the same extent regular medications are approved. An example is the Sil K pads compound is basically Lidocaine on a gauze pad which is packaged and sold. Our average cost is in the tens of thousands of dollars for those scripts. We currently have 22 patients that are using this medication. We want to act quickly on making some adjustments on what the plan covers, that may require a discussion among Commissioners. We will be prepared to take some kind of action by the next meeting.

FINANCE REPORT

Mr. Pruiti said the Bill List is included in Section IV of the Commissioners agenda packet. He handed out the July Financials. There was a surplus of \$1,250,000 for the 2019 plan year. Year to date surplus is \$2,574,000. For all plan years combined, the surplus is \$19,350,000.

Resolution 2019-07-02 to approve July 23, 2019 Bill List.

Moved by Commissioner Fialka and seconded by Commissioner Byrd to approve the July 23, 2019 Bill List.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Wilkin, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

Resolution 2019-07-03 to close 2017 Plan Year.

Moved by Commissioner Byrd and seconded by Commissioner Fialka to approve the above resolution.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Wilkin, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

Resolution 2019-07-04 to approve disbursement of funds.

Discussion: Mr. McManus said that this resolution was the finish of the December 2018 resolution releasing funds to the entities in the form of a dividend, cash back to each participating entity. This an amount equal to one month's 2019 assessment. The resolution shows the exact amount to be distributed to each of the entities. There is a balance due to the County of \$5,000 which is basically a rounding calculation error in December 2018. The addition of the funds to the County brings the total amount disbursed to the County equal to one month's 2019 assessment. After this distribution, there will be a remaining balance of \$1,200,088 which will be transferred to the 2018 Plan Year.

Moved by Commissioner Byrd and seconded by Commissioner Fialka to approve above resolution.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Wilkin, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

PROFESSIONAL REPORTS

- a) Program/Risk Manager: BGIA's professional report is included in Section V of the Commissioners agenda packet.
- b) Network Provider: Horizon's professional report is included in Section V of the Commissioners agenda packet. Mr. Mead said the High Claims Report shows there are 17 claimants in excess of \$50,000, six of the claimants are in excess of \$100,000, one is in excess of \$250,000 and one is in excess of \$338,000.
- c) Attorney: Mr. Diegnan's professional report is included in Section IV of the Commissioners agenda packet.

OLD BUSINESS

None

EXECUTIVE SESSION

Chairman Pulomena said there was no need to go in to Executive Session.

OPEN SESSION

Resolution 2019-07-05 to approve payment of large claims.

Moved by Commissioner Byrd and seconded by Commissioner Fialka to approve above resolution.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Fitamant, Byrd Wilkin, Cattano and Fialka
	Nay:	None
	Abstain:	None

OTHER BUSINESS

None

ADJOURN

Before Chairman closed the meeting, he wished Jayne Gelder from the Utilities Authority good luck on her retirement effective July 31, 2019.

Moved by Commissioner Byrd and seconded by Commissioner Fialka and approved unanimously to adjourn the meeting at 1:35 p.m.