

MINUTES
OF
MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS
REGULAR MEETING

June 25, 2019

Chairman Pulomena called the meeting to order at 1:08 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	Absent
Commissioner, Joseph Cryan	Utilities Authority	Absent
Alternate, Jayne Gelder	Utilities Authority	Present
Commissioner, Patricia Byrd	Board of Social Services	Absent
Alternate, Norman Skolnick	Board of Social Services	Present
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	Absent
Alternate, John Kranz	Mosquito Commission	Present
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 Linda Monge
Program/Risk Manager	Business & Governmental Insurance Agency Tracey Murdock
Treasurer	Joe Pruiti

OTHERS PRESENT:

Renee Parsons
Jeanne Facendo

ABSENT:

Scott Clelland
Stuart Migdon
Patricia McSweeney
Sara Picard

APPROVAL OF AGENDA

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

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Skolnick, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

PUBLIC PARTICIPATION

Chairman Pulomena asked for a motion to open the floor to the public. Moved by Commissioner Skolnick 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 Skolnick and seconded by Commissioner Cattano to close the floor to the public.

Roll Call: Aye: Chairman Pulomena, Commissioners Gelder, Skolnick,
Cattano, Kranz and Fialka
Nay: None
Abstain: None

APPROVAL OF MINUTES – May 28, 2019

Moved by Commissioner Fialka and seconded by Commissioner Cattano to approve the minutes of May 28, 2019 Commissioners' Meeting (Public Meeting).

Roll Call: Aye: Chairman Pulomena, Commissioners Gelder, Cattano,
Kranz and Fialka
Nay: None
Abstain: Commissioner Skolnick

ADMINISTRATOR'S REPORT

Mr. McManus said his report is included in Section II of the Commissioners agenda packet. He asked everyone to turn to Section II, Fund Administrator Section (page two) to see Monthly Activities and Correspondence for June 2019. Mr. McManus said in addition to the items listed, he wanted to remind the Commissioners that in December we discussed closing the 2017 Plan Year and finalized that in the form of a resolution. That closing date will be the end of this month. As a result of closing the 2017 Plan Year, a distribution of surplus will be made to each of the entities in the MCJHIF. We will finalize that calculation during July. Based on the resolution and the numbers as of 2017 and updated through the end of April 2019, it looks like \$3.9 million will be held for distribution at the end of this month. There will be a resolution at next month's meeting. Between now and then, we will have final numbers available to tell you the exact number to be distributed.

In addition, as Joe Pruiti will report, the 2018 Plan Year is doing very well, as is the 2019 Plan Year.

Next item; we engaged with a firm called Remedy Analytics as of January 1, 2019. They are auditing the prescription drug program. We went through an analysis with Remedy of Rx plan results for the first quarter 2019 versus first quarter 2018. Very good news, our overall spend is down so far this year. Normally, with trend and inflation the spend goes up by 4-6%. However, we are down 7% for the first quarter when adjusted for population. As you will remember, the insured population grew due to adding the College and the Mosquito Commission in October 2018 and January 2019 to CVS. The population grew by approximately 850 individuals. Therefore, our overall spend went up slightly, which was due to the inclusion of the College and the Mosquito Commission Rx claims which were outside of the MCJHIF prescription drug program administered by CVS.

FINANCE REPORT

Mr. Pruiti said the Bill List is included in Section III of the Commissioners agenda packet. He handed out the June Financials. We had a very good month which follows a pattern of decreasing IBNR reserves. We started the year off with a negative month and it has progressively been getting better each month. In the 2017/2018 Plan Years, there is a decrease in profit of \$145,000 which represents December

2018 Horizon claims administration fee which was initially charged to the 2019 Plan year. The YTD surplus for the 2019 plan year is \$1,323,000.

Resolution 2019-06-01 to approve the June 2019 Bill List.

Moved by Commissioner Fialka and seconded by Commissioner Cattano to approve payment of the June 2019 Bill List.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Skolnick, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

PROFESSIONAL REPORTS

- a) **Program/Risk Manager:** BGIA's professional report is included in Section IV of the Commissioners agenda packet. No stop loss claims have been paid in the last month for the 2018 Plan Year.
- b) **Network Provider:** Horizon's professional report is included in Section IV of the Commissioners agenda packet. For the High Claims Report paid through May 31, 2019, there are twelve claimants so far. Four of the claimants are exceeding \$100,000 and two are exceeding \$250,000.
- c) **Attorney:** Mr. Diegnan's professional report is included in Section IV of the Commissioners agenda packet.

OLD BUSINESS

None

NEW BUSINESS

Resolution 2019-06-02 to approve retirement and appointment of new Commissioner and Alternate Commissioner has been postponed and will be included in the July 2019 Commissioners agenda packet.

Resolution 2019-06-03 to approve Claims Administrators.

Discussion: Mr. McManus explained that the resolution is to accept the Claims Administrators contract rates. As you will remember, we were authorized earlier this year by the Commissioners to go to RFP for each of our carrier partner contracts, since their contracts expire December 31, 2019. Each of our carrier partners responded to the RFP. We did a financial analysis in two parts. The first part was a soft dollar analysis where we take actual claim data and census information from this JHIF and we send it out to an objective third party organization called The Informed Data Submission Group. They take the claims information and compare discount rate by carrier. We do this, so we clearly understand if there is

any discernable difference in CIGNA contract rates with doctors, hospitals, etc. versus Horizon and Aetna contract rates.

It is important to go through this process, because if you have a 5-6% difference in rates (overall discounts) significant savings are available. We did the analysis with the thought that if there were any significant differences, we would maybe go down the path of consolidating coverages with one provider. While there were some differences in discount rates, the margin of error related to the analysis of savings offset potential savings to a considerable extent. It did not make sense therefore to recommend moving all coverages to one carrier.

The second part of the analysis was the easy part, it is a hard dollar amount. After reviewing the RFP responses, we went out for "Best and Final Offers". The results of this exercise were an overall reduction in hard dollar administrative fees which are charged by each of our carrier partners. Roughly, \$275,000 was saved for 2020 over 2019.

Moved by Commissioner Fialka and seconded by Commissioner Cattano to approve Claims Administrators.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Skolnick Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

EXECUTIVE SESSION

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

OPEN SESSION

Resolution 2019-06-04 to approve June 2019 Large Claims.

Moved by Commissioner Fialka and seconded by Commissioner Cattano to approve payment of Large Claims.

OTHER BUSINESS

None

ADJOURN

Moved by Commissioner Fialka and seconded by Commissioner Cattano and approved unanimously to adjourn the meeting at 1:23 p.m.