

**MINUTES**  
**OF**  
**MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS**  
**REGULAR MEETING**  
**December 15, 2020**

Chairman Pulomena called the meeting to order at 2:31 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	Present
Alternate, Jeanne Facendo	Utilities Authority	Absent
Commissioner, Patricia Byrd	Board of Social Services	Present
Alternate,	Board of Social Services	Absent
Commissioner, Joseph Morgan	College	Present
Alternate, Jeffrey Herron	College	Absent
Commissioner, William Brennan	Improvement Authority	Present
Alternate, John DeLorenzo	Improvement Authority	P/A
Commissioner, Deepak Matadha	Mosquito Commission	Present
Alternate, Adrian Kabigting	Mosquito Commission	Present
Commissioner, Donna Smith	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 Cian Gray
Program/Risk Manager	Business & Governmental Insurance Agency Stuart Migdon Tracey Murdock
Treasurer	Joe Pruiti

**OTHERS PRESENT:**

Patrick Gallagher  
Renee Parsons  
Miles Diener-Bennett  
Charles Kratovil  
Herb Tarbous

**ABSENT:**

Scott Clelland  
Patricia McSweeney  
Sara Picard

**APPROVAL OF AGENDA**

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

Roll Call:	Aye:	Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith
	Nay:	None
	Abstain:	None

**BUDGET HEARING**

Chairman Pulomena asked for a motion to open the public budget hearing. Moved by Commissioner Byrd and seconded by Commissioner Matadha to open the public budget hearing.

Chairman Pulomena opened the floor to the public, he asked if anyone from the public had comments on the 2021 budget and rates being presented. Two people from the public were present –

Charles Kratovil and Herb Tarbous. Charles Kratovil said he was a resident of New Brunswick and he had several questions. First, he questioned the time for the meeting; he thought the meetings were at 1:00 p.m. He wanted to know if as notice was given of the 2:30 p.m. meeting time and when did the time change. Fund Administrator, Jay McManus said the meeting times were changed several months ago because of the pandemic because certain County personnel were required to be on New Jersey State telephone calls regarding the pandemic causing a time conflict. Therefore, rather than having the meeting not properly attended nor have a quorum, it was decided to change the meeting to 2:30 p.m. Mr. Kratovil said that was fine, he just wanted to make sure there was proper notice published for the change. Mr. McManus asked Lynn Collins to respond. Ms. Collins said the meeting times are published every month and advertised in the newspapers. Mr. Kratovil asked if the meetings were being recorded, since it was a virtual meeting. Ms. Collins responded that the meetings are recorded.

Mr. Kratovil asked for an overview on the 2021 budget, he didn't know where to find it on the website or if it is on the website. He said his questions were not going to be very informed questions, but he wanted to know the overall size of the budget and what choices are being made. Chairman Pulomena asked Mr. McManus to make comments on the 2021 budget and rates. Mr. McManus said the 2021 budget introduced in October 2020 has no changes since that meeting. The total budget for 2021 for all medical plans, prescription drug and dental plans for the employees and retirees of the County as well as the other entities is projected at \$119,129,000. Chairman Pulomena said in line with the total budget amount, there is no impact on rates to our members for the third consecutive year based on the various programs we have put in place, i.e., our Wellness Coaches, enhanced assessment of our prescription and medical plans over the last couple of years. This has allowed us to have no increases on member payments. Mr. McManus said a little more specifically, the actual total budget for 2021 will be a reduction of just under 1%. He said that as the Chairman indicated that has to do with the many measures that have been implemented. For 2021, the most significant cost saving driver will be the implementation of the Employer Group Waiver Program (EGWP) for prescription drug coverage for our retirees. That is projecting a net savings in excess of \$1,500,000. Introduction of the other savings measures over the past several years has been instrumental in keeping the budget flat or slightly reducing each year.

Mr. Kratovil thanked everyone for their overview, he just wanted to zero in on one section of the budget. He asked how much was allocated for legal expenses and attorney fees last year. The legal expense and litigation expense blended together covering inhouse counsel as well as budget expenses for litigation defense work with outside counsel, is budgeted at \$143,000. That is a 2% increase in the budgeted amount over the 2020 year budgeted amount. Mr. Kratovil thanked Mr. McManus and asked how much of the legal budget was for the inhouse counsel, Mr. Diegnan. Mr. McManus said the number is \$118,314. Mr. Kratovil asked if Mr. Diegnan was the only inhouse legal counsel. Mr. McManus said correct, he serves as the Fund's attorney and counsel. Mr. Kratovil said that he had no more questions on the budget. He asked if he would have another opportunity later in the meeting to speak. Chairman Pulomena said there would be.

Chairman Pulomema ask there was anyone else who wished to speak as related to the 2021 budget and rates. If so, please state your name for the record. No one from the public asked to speak.

Chairman Pulomena asked for a motion to close the public budget hearing. Moved by Commissioner Facendo and seconded by Commissioner Byrd to close the public budget hearing.

**Resolution 2020-12-01** – to adopt the 2021 Budget and Rates.

Discussion: Mr. McManus said that there was no change to the document which was presented to the Commissioners at the October 2020 Commissioners meeting.

Moved by Commissioner Matadha and seconded by Commissioner Byrd to adopt the 2021 Budget and Rates.

Roll Call: Aye: Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith

Nay: None

Abstain: None

## **PUBLIC PARTICIPATION**

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

Herb Tarbous, he said he lives at 411 New Market Road in Piscataway. Mr. Tarbous said he recently had the opportunity to review the website and the September 2020 minutes, which were the most recent minutes posted. Looking at the minutes, he noted that Senator Cryan is a member of the Board. Last year, he had the opportunity to look at the East Brunswick facility and met some of the employees covered by this plan. It was obvious that Senator Cryan was well liked by those working at MCUA. I imagine he is a talented leader in the workplace. Unfortunately, it seems just the opposite for the Chairman of this Board, Mr. Pulomena. He said he learned of Mr. Pulomena's action as described in the lawsuit between Maureen Lawrence and the County of Middlesex College which included a description of retaliation against a former member of this Board. Mr. Tarbous stated that he believes Mr. Pulomena is morally unfit to continue in the role as Middlesex County Administrator and by extension as Chairman of this Board. He called for the immediate resignation of Mr. Pulomena and he asked the members of the Board to join him in this request that the two State Senators affiliated with this Board, Mr. Cryan and Mr. Diegnan also call for and advocate for the removal of Mr. Pulomena.

Chairman Pulomena asked if anyone else wished to speak. Charles Kratovil, a New Brunswick resident, and Editor of the community Newspaper New Brunswick Today. He wanted to understand how the Fund Administrator which is a very important role and makes a lot of money, was chosen to be the Fund Administrator and how long has that relationship been in place. Mr. McManus said the Fund Administrator is selected by the Contracts Committee which is made up of members of the Fund. It is subject to public bidding; we submit a proposal as do all other vendors. Our contract runs year to year. We have been Fund Administrator since 2013. Ms. Collins, said 2012. It was asked if the Fund is required to choose the lowest bid or is it like professional services where they choose whomever they want. Mr. McManus said it is done on a point scoring basis. He said the actual cost is part of the scoring process along with other criteria. Mr. Kratovil wanted to learn a little more about the Fund Administrator's company. He asked what the relationship is between North American and Acrisure. Mr. McManus said North American is a wholly owned by Acrisure. Mr. Kratovil asked how long that was the case and when did Acrisure purchase North American. Mr. McManus said July of 2013. Mr. Kratovil said in light of that, you are part of the same corporation as a number of other wholly owned subsidiaries of Acrisure and that includes Reliance Insurance. Are you familiar with this company? Mr. McManus said that he was aware; there is probably about 200 plus entities owned by Acrisure. Mr. Kratovil said the reason he was concerned by this is that Reliance Insurance is owned by a member of the County College Board, Mr. Gary Taffet. He asked if there was any control in place to end conflicts of interest influencing decisions or having bad outcomes. Mr. McManus said that he has not attended County College Board meetings. It is his understanding that Mr. Taffet recuses himself from any voting matters related to insurance as it impacts the College. Mr. Kratovil shares some of Mr. Tarbous' concerns about the litigation and for the benefit of anyone who is not familiar with it, he advised the litigation was settled. The County paid a former member of this Board, Maureen Lawrence \$75,000 this summer to drop the case, it was a whistle blower case. She basically alleged identifying illegal misbehavior in terms of the competition by the County College Board and that instead of correcting the problems right away it took a couple of months to correct them and then the people who got caught retaliated. He said he didn't know

the extent of this Board connection with Ms. Lawrence’s dismissal from her job and the litigation, but for better or worse it’s been settled and there is no confidentiality component to the settlement. It is now something that should be discussed, and he wanted to hear if anyone has anything to say about Ms. Lawrence in regard to her service on the Board and whether or not you think that she is a creditable person and whether or not we should take seriously her concerns that she swore to in court.

Chairman Pulomena asked if Mr. Kratovil has any other questions. Mr. Kratovil said he was hoping that someone would speak; either say she is a trustworthy citizen, or she is not trustworthy. Some of you must worked with her, she was on this Board for years, he asked if that was correct. Chairman Pulomena asked Fund Attorney Diegnan to comment. Mr. Diegnan said these were just allegations. Chairman Pulomena asked again if Mr. Kratovil has anything else at that time. Mr. Kratovil said yes, he wanted to know if North American has anything to do with the Educational Commission in New Jersey. Mr. McManus said that North American Insurance management is not involved in the Commission. Mr. Kratovil said it was the end of his questions, however he is concerned about the allegations and no one on the meeting call refuted them. He said he would be following up at Freeholders meetings and he intends to attend more of these meetings, it has been a good couple of years since he saw everyone. He hoped that they were all doing well in this difficult time and he knows that these things are complicated, but he hoped that everyone understands the role he must play and his concerns. He hopes that in the future, meeting agendas can be prominently posted on the website and minutes can be uploaded quickly and meetings can be advertised more prominently. He said he was glad that the meetings are being recorded and that the meeting is open to public comment. He said he appreciated everyone hearing him out today, so god bless and have a happy holiday.

Chairman Pulomena asked if anyone from the public wished to speak. No one else was present to speak.

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

Roll Call:	Aye:	Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith
	Nay:	None
	Abstain:	None

### **APPROVAL OF MINUTES** – November 24, 2020

Moved by Commissioner Matadha and seconded by Commissioner Byrd to approve the minutes of November 24, 2020 Commissioners’ Meeting (Public Meeting).

Roll Call:	Aye:	Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith
	Nay:	None
	Abstain:	None

### **ADMINISTRATOR’S REPORT**

Mr. McManus said his report is included in Section III of the Commissioners agenda packet. He said his report begins on page 28, there is a listing of activities and correspondence for the month of December. He noted that the change over to the Employer Group Waiver Program will happen on

January 1, 2021 which is the prescription drug program for the MCJHIF retirees over 65. In late November, we sent out correspondence on MCJHIF and County letterhead to all individuals that are affected by the change. That was followed in early December with a letter from SilverScripts CVS. As a result due to those two letters, we have seen under fifty calls between our office and Millennium. This is a good sign. There were some concerns, primarily were the members going to use their same pharmacy and did their copays change. The answer is no which was stated in both letters. We will continue to field calls as they come into our office. Overall, the confusion level was minimal. Between the seventeenth and the twenty-second of this month, new ID cards and Welcome packages will be going out to all those affected individuals. He asked the Commissioners to refer questions to us and we will be happy to service the members.

## **FINANCE REPORT**

Mr. Pruiti said the Bill List for December is included in Section IV of the Commissioners agenda packet.

**Resolution 2020-12-02** to approve amendment to the 2020 Budget.

Discussion: Mr. McManus said while the resolution says it is an amendment to the 2020 budget, the budget totals have not changed. There were a handful of inter account minor transfers where accounts came in over or under the actual budgeted amount. The overall budget does not change.

Moved by Commissioner Matadha and seconded by Commissioner Byrd to approve amendment to the 2020 Budget.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith
	Nay:	None
	Abstain:	None

**Resolution 2020-12-03** to approve the December 2020 Bill List.

Moved by Commissioner Byrd and seconded by Commissioner Facendo to approve payment of the December 2020 Bill List.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith
	Nay:	None
	Abstain:	None

## **PROFESSIONAL REPORTS**

- a) Program/Risk Manager: BGIA's professional report is included in Section IV of the Commissioners agenda packet. The Stop Loss contract is signed and delivered. The limit is \$550,000. The initial increase was 24% and was reduced to 15% savings about \$150,000. Without getting any clear marketplace competition, we stayed with our current Stop Loss vendor.

We are very pleased it went that way, since there are seven claimants that will continue. Mr. Migdon thanked everyone for their cooperation to help in getting the final contract.

Mr. Migdon said the Wellness Coaches are assembling their 2021 plan in the Covid craziness which we are all now living and identifying what is relative to the gaps in care.

- b) Network Provider: Horizon's professional report is included in Section IV of the Commissioners agenda packet. Mr. Gray said for 2020 there are 36 claimants more than \$50,000 with 18 exceeding \$100,000 and one over the Stop Loss threshold thus far.
- c) Attorney: Mr. Diegnan's professional report is included in Section IV of the Commissioners agenda packet.

### **OLD BUSINESS**

None

### **NEW BUSINESS**

**Resolution 2020-12-04** to approve appointment of Alternate Commissioner.

Moved by Commissioner Matadha and seconded by Commissioner Byrd to approve appointment of Alternate Commissioner.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith
	Nay:	None
	Abstain:	None

**Resolution 2020-12-05** to approve 2021 Risk Management Plan.

Moved by Commissioner Facendo and seconded by Commissioner Byrd to approve 2021 Risk Management Plan.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Facendo, Byrd Morgan, Brennan, Matadha and Smith
	Nay:	None
	Abstain:	None





