

**MINUTES**  
**OF**  
**MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS**  
**REGULAR MEETING**  
**February 26, 2013**

Chairman Pulomena called the meeting to order at 1:12 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, Richard Fitamant	Utilities Authority	Present
Alternate, Jayne Gelder	Utilities Authority	Absent
Commissioner, Patricia Byrd	Board of Social Services	Absent
Alternate, Norman Skolnick	Board of Social Services	Present
Commissioner, Susan Perkins	College	Present
Alternate, Patrick Madama	College	Present
Commissioner, Richard Pucci	Improvement Authority	Absent
Alternate, Jane Leal	Improvement Authority	Present
Commissioner, John Kranz	Mosquito Commission	Absent
Alternate, Deepak Matadha	Mosquito Commission	Absent
Commissioner, Paul Abbey	Roosevelt Hospital	Absent
Alternate, Job Gash	Roosevelt Hospital	Absent

**APPOINTED FUND PROFESSIONALS AND SERVICE ORGANIZATIONS PRESENT:**

Administrator	North American Insurance Management Corporation Jay McManus Lynn Collins Dave Hissey
Auditor	Wiss & Company Diana Miller
Network Provider	Horizon BCBS of New Jersey Kevin Duffy
Program/Risk Manager	Business & Governmental Insurance Agency Stuart Migdon
Treasurer	Albert Kuchinskas

**OTHERS PRESENT:**

Jennifer Kaznowski

**ABSENT:**

Patrick Diegnam  
Gail Bazyl

**APPROVAL OF AGENDA**

Chairman Pulomena asked if there were any changes to the Agenda. There were no changes to the Agenda.

Chairman Pulomena asked for a motion to approve the Agenda. Moved by Commissioner Perkins and seconded by Commissioner Fitamant.

**PUBLIC PARTICIPATION**

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

No one was present from the public to speak.

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

## APPROVAL OF MINUTES – January 22, 2013

Moved by Commissioner Fitamant and seconded by Commissioner Perkins to approve the minutes of January 22, 2013 Commissioners' Meeting (Public Meeting).

Roll Call:	Aye:	Chairman Pulomena, Commissioners Fitamant and Perkins
	Nay:	None
	Abstain:	Commissioners Skolnick and Leal

## ADMINISTRATOR'S REPORT

Mr. McManus said his report was included in Section II of the agenda packet. He said his report was on page Two. In addition to summarizing monthly activities and correspondence relating to regulatory and compliance filings, there were a couple of items he wanted to bring to everyone's attention. One, we are in possession of the preliminary draft for the Aetna Claims Audit which was completed recently. By all accounts, the results of the audit were very good. Aetna performed well within internal and industry standards in each of their areas measured. It is our intent to have **Healthcare Analytics**, the claims auditor, present their findings at the March Professionals meeting. This presentation will be in preparation for a Resolution to the Commissioners to accept the audit if appropriate at the March Commissioners meeting.

Next item: The Professionals RFP responses were received last Tuesday (February 19, 2013) which was the scheduled date for opening the RFP responses. A number of RFP responses were received and we are in the process of reviewing and scoring every response. We plan to convene a Contracts Committee meeting on March 6 for the purpose of developing recommendations for the Commissioners for consideration of appointments at the March Commissioners meeting. Bare in mind that April 1, 2013 is the expiration date for many of the Professionals' contracts.

Moving back up the Agenda, Mr. McManus missed item number Three. The Fund Actuary, Sam Kikla, has completed the IBNR certification for the 2011 and 2012 plan years. Al Kuchinskis will address this topic when he gives his Treasurer's report. The end result is that the 2011 year has turned out to be a very good year and the remaining IBNR has been reduced. Mr. McManus mentioned this because he wanted everyone to begin thinking about the 2011 surplus. We will schedule a Budget Committee meeting over the course of the next couple of months as we become certain about the 2011 IBNR balance. The purpose of this committee meeting will be a potential recommendation by us to the Budget Committee and their consideration of possibly bifurcating the existing surplus because it is so significant. So that we can retain some of those monies in reserve for future use to offset potential rate increases; then releasing a portion of the balance as we traditionally do to offset the assessments later in the year. It is not necessary to consider this presently, but something to think about. In April or May, we will have something more concrete in terms of recommendations.

Last item, items number Six, Seven and Eight which have to do with the implementation of the new eligibility system. Dave Hissey from our office is working closely with Unicorn, the vendor developing the system for the County. Dave gave a brief update on the progress.

Dave Hissey said Unicorn is the vendor providing the Electronic Eligibility System. They are presently working with the County on a more robust implementation. Over the past month, Unicorn has been working behind the scenes to develop the infrastructure or the environment upon which eligibility will be entered. They have an internal meeting every Monday to discuss the progress. Mr. Hissey has not received an update on yesterday's meeting; he should receive an update in the next day or so. At the

same time they are developing their infrastructure, Lynn Collins and I went on a road trip to most of the entities. The only entity they did not meet with is the Mosquito Commission. Mr. Hissey plans to meet with them in the near future. The purpose of meeting with everyone was to learn their employee rules which will be built into the system. The rules will be programed into the infrastructure so that the eligibility will be handled properly. Once that is completed, it's just a matter of uploading the data. The data will come by multiple sources; internal sources, the various entities, vendors, etc. The goal is to get the County up for April 1 and the other entities up on May 1. Ms. Collins and I will have a weekly update with Unicorn every Wednesday and we will report back to the Commissioners. Ms. Collins and I are the focal points, so questions should be directed to us. We plan to have a demo to show how the system will work. This will happen in the near future. We will also cover training needs for each entity.

## **FINANCE REPORT**

Mr. Kuchinskas said his report was included in Section III of the agenda packet. January was a good month for the 2011 and 2013 plan years. The 2013 plan year shows a surplus of \$311,045. This surplus should be marginally higher as Mr. Kuchinskas over accrued for Horizon's administrative fees by \$4,304. An adjustment will be made in the February financial statements.

For 2012, it is hard to determine whether or not January was a good month as paid claims were offset by a reduction in IBNR. We will have a better feel for the 2012 plan year after receipt and review of the February 2013 claims charged to plan year 2012. There is a balance in 2012 IBNR as of January 31, 2013 of \$2,124,221 and an overall surplus of \$1,078,326. Dave Hissey questioned why the paid claims and IBNR for the 2012 plan year were not identical. Mr. Kuchinskas responded that there was a \$13,545 credit obtained from CIGNA in December 2012 which was applied in January 2013 creating the surplus. Regarding the 2011 Plan year, paid claims in January were \$20,517 which was offset by a reduction in IBNR. If 2011 claims average \$20,517 for the remaining 5 months of the 2011 plan, IBNR will be reduced by a total of \$102,585 from the current IBNR balance of \$204,483 to \$101,898. This projected IBNR balance at the June 30, 2013 close of the 2011 plan year end, plus \$10,000 for accrued expenses (which will not be used) and the current Fund balance of \$4,634,463 will result in a projected Fund balance at the close of the 2011 plan year exceeding \$4,700,000.

### **Resolution 2013-02-01** – Approval of the Bill List.

Moved by Commissioner Leal and seconded by Commissioner Perkins to approve payment of the February 2013 Bill List.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Fitamant, Skolnick, Perkins and Leal
	Nay:	None
	Abstain:	None

## **PROFESSIONAL REPORTS**

- a) **Auditor:** The Wiss report is included in Section IV of the agenda packet. Diana Miller provided a brief overview of their report. The second of two semi-annual eligibility audits is complete. It is much better than other years. All entities confirmations have been received and discrepancies have been clarified. They have begun the 2012 audit. All information has been received and the narrative will be sent to Al Kuchinskas and Jay McManus to review. If there are no issues, they will have a draft for March and the audit will be finalized in April. The final report will be filed with DOBI in April 2013.

- b) Program/Risk Manager: BGIA's report is included in Section IV of the agenda packet. In addition to the information included in the packet, BGIA is at the tail end of completing the recommendation for Wellness. The Wellness Coach has been interviewed and will be on board shortly.
- c) Network Provider: The Horizon report is included in Section IV of the agenda packet. For 2013, there was one claim paid which was over \$25,000 and no members have approached 50% the annual stop loss attachment point. For 2012, there were six claims paid in excess of \$25,000. There are still only three members who have exceeded the 2012 stop loss attachment point. An email was sent in error to 180,000 Horizon members who were in the member portal. There were 393 MCJHIF members from mostly the County and Social Services. Horizon's spam caught the transmission and a correction email was sent.

**OLD BUSINESS**

None

**NEW BUSINESS**

**Resolution 2013-02-02** – Amendment of Bylaws.

Discussion: - Mr. McManus asked everyone to turn to Section VI, pages Two through Five, in order to review this resolution. Resolution 2013-02-02 is amending the Bylaws. If you will turn to page six in the same section, we've prepared a brief summary of the changes to the Bylaws noted in the resolution. The first two changes 3.04D and 3.04H pertain to changing the status of the Fund Attorney from employee to independent contractor. The next change, 13.05 which is a re-writing of the claims appeal procedure to bring it in line with the Fund's Risk Management Plan and also to bring it in line and compliance with Federal Health Care Reform. Essentially, the re-write adds an additional layer as a final option for claims in dispute through an Independent Review Organization (IRO). We talked about that when we lost our grandfather status. The next two items, 4.01 and 4.05 have the effect of removing life insurance as a referenced benefit offered under the MCJHIF. Number 5.01 adds the telephone and email meetings and voting options for the Commissioners. The Bylaws revisions were done in concert with the Fund Attorney and the Fund Attorney has reviewed these changes. A final version of the Bylaws is included in this section.

Moved by Commissioner Fitamant and seconded by Commissioner Leal to approve Amendment of Bylaws

Roll Call:	Aye:	Chairman Pulomena, Commissioners Fitamant, Skolnick, Perkins and Leal
	Nay:	None
	Abstain:	None

**Resolution 2013-02-03** – Approval of Eligibility System Vendor.

Discussion: The purpose of this resolution is to confirm an earlier email vote resolution appointing Unicorn as the Electronic Eligibility System vendor. This resolution will confirm the vote resolution taken by email in December 2012 which is required by the Bylaws.

Moved by Commissioner Leal and seconded by Commissioner Fitamant to approve Eligibility System vendor.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Fitamant, Skolnick, Perkins and Leal
	Nay:	None
	Abstain:	None

**EXECUTIVE SESSION**

Commissioner Pulomena said it was not necessary to go into Executive Session.

**OPEN SESSION**

**Resolution 2013-02-04** – to approve Payment of Large Claims

Moved by Commissioner Byrd and seconded by Commissioner Fitamant to approve payment of large claims.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Fitamant, Skolnick, Perkins and Leal
	Nay:	None
	Abstain:	None

**OTHER BUSINESS**

None

**ADJOURN**

Moved by Commissioner Perkins and seconded by Commissioner Fitamant and approved unanimously to adjourn the meeting at 1:30 p.m.