

**MINUTES**  
**OF**  
**MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS**  
**REGULAR MEETING**  
**January 22, 2013**

Chairman Pulomena called the meeting to order at 1:00 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 | Present |
| Alternate, Norman Skolnick     | Board of Social Services | Absent  |
| Commissioner, Susan Perkins    | College                  | Present |
| Alternate, Patrick Madama      | College                  | Present |
| Commissioner, Richard Pucci    | Improvement Authority    | Absent  |
| Alternate, Jane Leal           | Improvement Authority    | Absent  |
| Commissioner, John Kranz       | Mosquito Commission      | Absent  |
| Alternate, Deepak Matadha      | Mosquito Commission      | Present |
| Commissioner, Paul Abbey       | Roosevelt Hospital       | Present |
| Alternate, Job Gash            | Roosevelt Hospital       | Absent  |

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

|                      |   |
|----------------------|---|
| Administrator        | North American Insurance Management Corporation<br>Jay McManus<br>Lynn Collins<br>Dave Hissey |
| Attorney             | Patrick J. Diegnan, Jr., Esq.   |
| Auditor              | Wiss & Company<br>Diana Miller  |
| Drug                 | MEDCO/Express Scripts<br>Gail Bazyl   |
| Network Provider     | Horizon BCBS of New Jersey<br>Joe Ciampa  |
| Program/Risk Manager | Business & Governmental Insurance Agency<br>Stuart Migdon                                     |
| Treasurer            | Albert Kuchinskas   |

**OTHERS PRESENT:**

Jennifer Kaznowski

**ABSENT:**

None

**APPROVAL OF AGENDA**

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

**PUBLIC PARTICIPATION**

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

## **APPROVAL OF MINUTES** – December 18, 2012

Moved by Commissioner Byrd and seconded by Commissioner Fitamant to approve the minutes of December 18, 2012 Commissioners' Meeting (Public Meeting).

|            |          |   |
|------------|----------|---|
| Roll Call: | Aye:     | Chairman Pulomena, Commissioners Fitamant, Byrd, Perkins, Matadha and Abbey |
|            | Nay:     | None  |
|            | Abstain: | None  |

## **ADMINISTRATOR'S REPORT**

Mr. McManus asked everyone to turn to Section II in their agenda packet. The Activities and Correspondence Report is on page two. The monthly and annual regulatory filings and the Assessments are the next few pages. Mr. McManus directed everyone to look at the fifth activity. Mr. McManus chaired a Contracts Committee meeting on December 20, 2012 regarding the new eligibility system. The minutes of the meeting are on page ten. A recommendation to appoint the vendor Unicorn HRO to lead the effort to develop an electronic eligibility system. On December 24, 2012, that was confirmed by resolution through email vote. A copy of the resolution is on page eight. We are at contract stage with Unicorn and over the next two weeks we will be scheduling meetings with each of the member entities to talk about final record layout so we can move the process forward. The system is designed to make the HR folks life easier and streamline the process and decrease the error rates on eligibility entry. Our hope is that the system will be in place by the beginning of the second quarter of this year.

Number six, is the Toprol settlement and has to do with a class action suit filed against the manufacturer, AstraZenica. The Fund Attorney has recommended that we join the class action as a member and we are in the process of assembling data to make the filing date. We will keep you up to date as to whether there will be any refunds. The suit is an Anti-Competition law suit. AstraZenica filed law suits against competitors to keep them from entering the market with their generic drugs. Therefore, AstraZenica extended their exclusive period of having a single source brand name drug. Everyone who spent money on Toprol is entitled to some refund equal to the differential between the brand drug and the generic drug. The law suit goes back to 2007. MCJHIF did not have a PBM prior to 2011. The Fund Administrator's office will apportion the money for scripts and any fund prior to 2011 will go back to the entity itself. Anything post January 1, 2011 will go to MCJHIF. Refunds prior to 2011 will be minimal since AstraZenica was in a protected period, the bulk of the refunds will be for 2011 and 2012.

We just completed this week the IBNR certification with the Fund Actuary for 2011 and 2012, which is number thirteen under Activities. Al will go into more detail in his report. Certification resulted in a significant reduction of the required IBNR for 2011 which resulted in a substantial increase of available surplus for 2011. Plan year closes in June 2013.

The last item Mr. McManus discussed was number 14. The Professionals RFP was posted on the MCJHIF website on January 10, 2013 and is available for download. The RFP was also posted in the Star Ledger and Home News Tribune. The responses are due in the Treasurer's Office on February 19, 2013 by 10:00 a.m.

## **FINANCE REPORT**

Mr. Kuchinskas said his report is included in Section III of the Agenda packet.

Starting with the 2012 Balance Sheet, Mr. Kuchinskas pointed out that we adjusted the receivable for the Rx refunds to \$1,403,616. This represented an increase of \$430,000 made at the recommendation of the Fund Actuary. The Fund Actuary will certify this change in writing for the auditors. The total projected Rx rebates are \$1,875,777.

The medical IBNR (as of 12/31/2012) is \$4,650,000. The Fund Actuary recommended that we increase IBNR for the month of December by \$545,321 in addition to the scheduled \$19,605. This too will be certified by the Fund Actuary. The Rx IBNR may be overstated at \$1,795,709 as of 12/31/2012; however the Fund Actuary recommended maintaining this level.

The net income for December 2012, net of all adjustments is \$387,679 and 2012 year to date income is \$1,039,236.

There has been a reclassification of \$1,475,156 (based upon the recommendation of Dave Hissey), in order to correct the allocation of claims between Horizon Traditional and Horizon Choice. There was no effect on the bottom line as Traditional claims were decreased by \$1,476,156 and Choice claims were increased by the same amount.

For the 2011 year, as noted on the balance sheet, the year-end IBNR is \$225,000. This total is after the Fund Actuary's recommendation to reduce 2011 IBNR by \$735,798. The net income is \$4,634,239 which is good.

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

Moved by Commissioner Byrd and seconded by Commissioner Fitamant to approve payment of the January 2013 Bill List.

|            |          |   |
|------------|----------|---|
| Roll Call: | Aye:     | Chairman Pulomena, Commissioners Fitamant, Byrd, Perkins, Matadha and Abbey |
|            | Nay:     | None  |
|            | Abstain: | None  |

**PROFESSIONAL REPORTS**

- a) Auditor: Wiss' report is included in Section V of the agenda packet. They have completed their procedures related to the second of two semi-annual eligibility procedures for the MCJHIF. All entities confirmations have been received and discrepancies are being researched for clarification. They anticipate a report next month. The year-end audit of the MCJHIF has begun. They are scheduled to meet with the Fund Treasurer during the week of January 28, 2013. Information requests have been sent to the Fund Administrator and Treasurer. They anticipate a draft Financial Statement tentatively in March. The final report will be filed with DOBI in April 2013.
- b) Program/Risk Manager: BGIA's report is included in Section V of the agenda packet. BGIA is moving forward with the Wellness Coach in coordination with Commissioner Pulomena. They anticipate a presentation in the next couple of weeks. They are working with Horizon to allocate the funding they provided to the Wellness Fund. Horizon has a new program which will be provided to the MCJHIF. BGIA tentatively will make a presentation next month on the Wellness Program.
- c) Network Provider: The Horizon report is included in Section V of the agenda packet. Horizon has gone through an extensive RFP process for a behavioral health vendor. Their vendor is now

Magellan. The new vendor will be Value Option and their effect date will be 2014. Mr. Ciampa also mentioned that Summit Medical Group, with whom they have been negotiating with for years is now a par provider in networks.

- d) Attorney: Mr. Diegnan said that his report is included in Section V of the the agenda packet.

## **OLD BUSINESS**

None

## **NEW BUSINESS**

### **Resolution 2013-01-02** – Appointment of Officers and Committees.

Discussion: - Mr. McManus chaired the Nominations and Search Committee meeting on January 7, 2013 and as a result the Committee had several recommendations. The recommendations coming out of that meeting were the appointment of Commissioner John Pulomena as Chairman of the Fund and Commissioner Richard Fitamant as Secretary of the Fund. In addition, included in the Resolution is the listing of recommended Committees and Committee members that came out of the Nominations/Search Committee meeting as well.

Moved by Commissioner Perkins and seconded by Commissioner Byrd to appoint Officers and Committees.

|            |          |   |
|------------|----------|---|
| Roll Call: | Aye:     | Chairman Pulomena, Commissioners Fitamant, Byrd, Perkins, Matadha and Abbey |
|            | Nay:     | None  |
|            | Abstain: | None  |

### **Resolution 2013-01-03** – Establish Treasurer’s Compensation.

Discussion: Mr. McManus chaired the Contracts Committee meeting on January 7, 2013 to discuss the compensation as it relates to the Fund Treasurer. The recommendation that came out of that meeting was to establish compensation at \$29,367 which was included in the Resolution.

Moved by Commissioner Fitamant and seconded by Commissioner Perkins to approve establishment of Treasurer’s Compensation.

|            |          |   |
|------------|----------|---|
| Roll Call: | Aye:     | Chairman Pulomena, Commissioners Fitamant, Byrd, Perkins, Matadha and Abbey |
|            | Nay:     | None  |
|            | Abstain: | None  |

### **Resolution 2013-01-04** – To approve Email or Telephonic Voting.

Discussion: Mr. McManus said that this is a repeat of the expired 2012 Resolution which empowers the Commissioners to meet and take notes by either telephone or email. This Resolution is no

different than the Resolution which was approved last year; this is a year to year Resolution. The prior Resolution expired December 31, 2012.

Moved by Commissioner Byrd and seconded by Commissioner Fitamant to approve email or telephonic voting.

|            |          |   |
|------------|----------|---|
| Roll Call: | Aye:     | Chairman Pulomena, Commissioners Fitamant, Byrd, Perkins, Matadha and Abbey |
|            | Nay:     | None  |
|            | Abstain: | None  |

### **EXECUTIVE SESSION**

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

### **OPEN SESSION**

**Resolution 2013-01-05** – 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, Byrd, Perkins, Matadha and Abbey |
|            | Nay:     | None  |
|            | Abstain: | None  |

### **OTHER BUSINESS**

None

### **ADJOURN**

Moved by Commissioner Fitamant and seconded by Commissioner Perkins and approved unanimously to adjourn the meeting at 1:25 p.m.