

**MINUTES**  
**OF**  
**MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS**  
**REGULAR MEETING**  
**May 21, 2013**

Chairman Pulomena called the meeting to order at 1:03 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	Present
Commissioner, John Kranz	Mosquito Commission	Present
Alternate, Deepak Matadha	Mosquito Commission	Absent
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 Jay McManus Lynn Collins Dave Hissey
Attorney	Patrick J. Diegnan, Jr., Esq.
Network Provider	Horizon BCBS of New Jersey Kevin Duffy
Program/Risk Manager	Business & Governmental Insurance Agency Stuart Migdon
Treasurer	Albert Kuchinskas

**OTHERS PRESENT:**

**ABSENT:**

Scott Clelland  
Gail Bazyl

**APPROVAL OF AGENDA**

Moved by Commissioner Fitamant and seconded by Commissioner Perkins to approve the agenda as submitted.

Roll Call:	Aye:	Chairman Pulomena and Commissioners Fitamant, Byrd, Perkins, Leal, Kranz and Abbey
	Nay:	None
	Abstain:	None

**PUBLIC PARTICIPATION**

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

Chairman Pulomena opened the floor to the public.

No one from the public was present to speak. Chairman Pulomena closed the floor to the public.

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

Roll Call: Aye: Chairman Pulomena and Commissioners Fitamant,  
Byrd, Perkins, Leal, Kranz and Abbey  
Nay: None  
Abstain: None

### **APPROVAL OF MINUTES** – April 23, 2013

Moved by Commissioner Leal and seconded by Commissioner Fitamant to approve the minutes of April 23, 2013 Commissioners' Meeting (Public Meeting).

Roll Call: Aye: Chairman Pulomena and Commissioners Fitamant,  
Byrd, Perkins, Leal and Abbey  
Nay: None  
Abstain: Commissioner Kranz

### **ADMINISTRATOR'S REPORT**

Mr. McManus said that his report is included in Section II of the Agenda packet. Mr. McManus asked that everyone turn to page two of Section II of the Agenda packet. In addition to our monthly report and standard regulatory reporting and filings there were a few items he wanted to bring to everyone's attention. Move to number nine of the Monthly Activities and Correspondence memo. There was a Claims Review Committee meeting held on May 14, 2013. Mr. McManus asked Chairman Pulomena to be aware that it would be necessary to go into Closed (Executive) Session later in the meeting in order to provide a summary of the appeal.

Number eleven on the Monthly Activities and Correspondence memo, was the next item Mr. McManus discussed. A Health Care Reform Seminar was held on May 14, 2013 in the Freeholders Chambers Room. There was a good turnout of 35-40 in attendance. The purpose of the seminar was to detail to each of our member entities their responsibility as an employer as outlined under Health Care Reform. Mr. McManus thanked Kevin Duffy and his associates at Horizon for making available one of their corporate lawyers to provide the seminar. We have provided copies of the slide show today along with your agenda. Entities with questions or need of guidance should feel free to call our office for help.

Pages 27 and 28, also under Health Care Reform, are two memos prepared by our office. These memos outline some immediate financial impact. The impact is not directly to our member entities but directly to the JHIF financially in the form of a tax. First on page 27, is Patient Centered Outcomes Research Institute (PCORI) Tax. The second is a more significant tax on page 28, the Reinsurance PPACA Tax. Mr. McManus noted that the memos were provided by Dave Hissey and asked Dave to provide a brief synopsis of the impact and timing of each.

Dave Hissey said the first tax is called the PCORI Tax. PCORI is an institute established by the HCR law. The organization will evaluate patient utilization and care data for the ultimate purpose of minimizing future health care costs. This tax applies to plan year 2012 for all medical plans that ended subsequent to October 31, 2012. It will apply to the MCJHIF for the 2012 plan year. The tax will be \$1.00 per member per year for plan year 2012. In plan year 2013, the tax will be \$2.00 per member per year. Going forward, the tax will sunset in 2019 and will increase by inflation for the years 2014 through 2019. The tax for 2012 is estimated to be \$10,000 and will double to approximately \$20,000 for 2013.

The next tax is more onerous. The Reinsurance tax is not related to the reinsurance as we know of it relative to the MCJHIF plan. By reinsurance, PPACA is referring to money being put aside to help cover loses which are expected to occur once individual products are offered through Exchanges (Health Insurance Marketplace). The tax will begin in 2014 and is payable in 2015. MCJHIF will need to accrue during 2014 to cover the expense. The tax is \$63.00 per member per year for 2014. It does not include individuals covered under Medicare as primary and our members covered under the Oxford plan because it is fully-insured. This tax does apply to all plans; however fully insured plans will pay the tax for our members rather than the JHIF. The anticipated cost to MCJHIF for 2014 is \$480,000. Going forward (three year tax) law; the anticipated cost is \$300,000 in 2015 and \$200,000 in 2016.

Mr. McManus asked everyone to turn to page 30 of the Agenda packet. He wanted to remind everyone that the Financial Disclosure Forms are due to be filed by Commissioners. We contacted the Division of Local Government Services and received confirmation that Alternate Commissioners also must complete the Financial Disclosure Form. Please print and sign the form and send it to our office for the total MCJHIF filing.

## **FINANCE REPORT**

Mr. Kuchinskas said that his report is included in Section III of the Agenda packet. April was a good month. For the 2013 plan year, there was net income of \$225,873. Year to date surplus is \$1,298,253. For the 2012 plan year, there was a \$162,000 claim credit from CIGNA in the month of April which resulted in only \$21,337 being charged to IBNR. Year to date surplus for 2012 is \$1,364,912. For the 2011 plan year, there was only \$4,925 in paid claims for April. Projected surplus for the 2011 plan year end as of June 30, 2013 is \$4,850,000.

**Resolution 2013-05-01** to approve May 21, 2013 Bill List.

Moved by Commissioner Byrd and seconded by Commissioner Perkins to approve payment of the May 2013 Bill List.

Roll Call:	Aye:	Chairman Pulomena and Commissioners Fitamant, Byrd, Perkins, Leal, Kranz and Abbey
	Nay:	None
	Abstain:	None

## **PROFESSIONAL REPORTS**

- a) **Program/Risk Manager:** BGIA's report is included in Section IV of the Agenda packet. A Partners in Care handout was provided and Mr. Midgon gave a brief presentation; there were few questions and it was decided it be a subject to discuss at a future Professional Committee meeting.
- b) **Network Provider:** Horizon's report is included in Section IV of the Agenda packet. There were four claims over \$25,000 and no members have approached 50% of the annual stop loss attachment point. For 2012, there are still only three members who have exceeded the 2012 stop loss attachment point with minimal additional payment this month.
- c) **Attorney:** Mr. Diegnan said his report is included in Section IV of the Agenda packet.

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**EXECUTIVE SESSION**

Moved by Commissioner Fitamant, seconded by Commissioner Byrd and approved unanimously to go into Executive Session.

**OPEN SESSION**

Moved by Commissioner Fitamant, seconded by Commissioner Abbey and approved unanimously to return to Open Session.

**Resolution 2013-05-02** 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 and Commissioners Fitamant, Byrd, Perkins, Leal, Kranz and Abbey
	Nay:	None
	Abstain:	None

**OTHER BUSINESS**

None

**ADJOURN**

Moved by Commissioner Byrd and seconded by Commissioner Fitamant and approved unanimously to adjourn the meeting at 2:01 p.m.