

MINUTES
OF
MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS
REGULAR MEETING
January 24, 2017

Secretary Fitamant called the meeting to order at 1:05 p.m. Open Public Meeting Act read into Minutes by Secretary Fitamant.

ROLL CALL OF COMMISSIONERS

Chairman, John Pulomena	County	Absent
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	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.
Auditor	Wiss & Company Scott Clelland Avni Kastrati
Network Provider	Horizon BCBS of New Jersey Mike Mauro
Program/Risk Manager	Business & Governmental Insurance Agency Tracey Murdoch
Treasurer	Joe Pruiti

OTHERS PRESENT:

Kelly Boyd
Giaet DeLaCruz
Ann Casillo

ABSENT:

Stewart Migdon
Brian Rosenson
Sara Picard

APPROVAL OF AGENDA

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

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

PUBLIC PARTICIPATION

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

No one from the public was present to speak.

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

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

APPROVAL OF MINUTES – December 13, 2016

Moved by Commissioner Perkins and seconded by Commissioner Byrd to approve the minutes of December 13, 2016 Commissioners' Meeting (Public Meeting).

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano and Fialka
	Nay:	None
	Abstain:	Commissioner Kranz

ADMINISTRATOR'S REPORT

Mr. McManus said the Fund Administrator's report is included in Section II of the Commissioners agenda packet. He asked everyone to turn to Section II, page two Correspondence and Activities for January 2017. In addition to items listed in the Activities, please move down to number nine which is reporting requirements for the Affordable Care Act. Dave Hissey is working on the requirements with the various entities.

Mr. Hissey said that the Executive Order signed by President Trump last weekend unfortunately does not absolve us of the responsibility of the 1094/1095 reporting. Mr. Hissey thanked the Mosquito Commission and the Utilities Authority because they have sent their data files to him. He is waiting for one item from the Improvement Authority/Roosevelt Care Center. Forms are due to be filed by March 2, 2017. Mr. McManus confirmed that the County Administration is handling the reporting requirements for 2017 as they did in 2016. Mr. Pruiti agreed, they are.

Mr. McManus moved down to item number ten, it looks like the plan design changes have been finalized for the entities who will be adopting the medical and prescription drug changes for this year. That would be the County Administration and the Utilities Authority. We are targeting some date after May 2017 and we will be phasing it in by bargaining unit as they sign on and approve the changes.

We have been contacted by the Department of Banking and Insurance, that they will be conducting a financial audit of the 2015 year. Every five years they conduct an audit of the various Joint Health Insurance Funds. The MCJHIF is coming up on their five-year rotation. DOBI will be in the County Building for much of their process. The audit will begin February 14, 2017. Mr. Pruiti will host them for the three-month period which they require to complete their review.

FINANCE REPORT

Mr. Pruiti said the January 2017 Bill List is included in Section III of the Commissioners agenda packet. He gave out the Financials at the meeting. Avni Kastrati is here today from Wiss, the auditing firm to begin work on the 2016 Financial Audit.

An income to expense deficit of \$748,000 was realized for the 2016 fund year. We were able to recover a small amount through the 2015 fund year, mainly due to the reverse of some charges and the release of IBNR. The 2016 deficit was mainly due to a large claim which Mr. Hissey will discuss shortly. For the positive side, cash flow is good, we are at a better status this year than last year. The JHIF will transfer \$2,000,000 to an account earning 1.5% interest. The IBNR level is relatively high and we will release the balance remaining in the 2015 plan year as of June 30, 2017, when the 2015 plan year is closed.

Mr. Hissey said the Aetna claims were higher than normal which caused us to dig deeper to determine why. We found a million-dollar claim paid on a small child. The child has numerous comorbidities. There was a hospitalization for thirty days and now the child is out of the hospital but going through treatment for many issues and the child is receiving expensive medications. As long as there are no more hospitalizations, the 2017 claims should be around \$50,000. Aetna will continue to monitor the claim. Secretary Fitamant asked if the claim would hit the reinsurance and Mr. Hissey said yes. The December financials show a \$500,000 insurance recovery.

Resolution 2017-01-01 to approve the January 2017 Bill List.

Moved by Commissioner Perkins and seconded by Commissioner Byrd to approve payment of the January 2017 Bill List.

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

PROFESSIONAL REPORTS

- a) **Auditor**: Wiss' professional report is included in Section IV of the Commissioners agenda packet. Mr. Clelland said the Financial Audit will begin today and he brought Avni Kastrati with him to introduce him to the Commissioners. Mr. Kastrati has been the supervisor on the account for the last couple years. Mr. Clelland said they are ninety percent complete on the second Semi Annual Audit. They should complete the audit in a week or so and have it ready for the February 2017 Commissioners meeting. They have two items for which they need additional information.
- b) **Program/Risk Manager**: BGIA's professional report is included in Section IV of the Commissioners agenda packet. Tracey Murdock gave an update on Partners in Care, they have been notified that they are being terminated effective February 1, 2017. They have accepted the termination. BGIA is having difficulty printing the Wellness Coaches annual report and will forward to Lynn Collins shortly for distribution.

- c) Network Provider: Horizon's professional report is included in Section IV of the Commissioners agenda packet. Mr. Mauro touched briefly on some of the high-level claims for 2016 versus 2015. In 2015, there were fourteen members who hit fifty percent of the \$500,000 attachment point. Total charges for those fourteen members was \$16,000,000 and Horizon paid just over \$6,000,000. Three member exceeded the attachment point resulting in a payment of \$782,000 back to the MCJHIF. We had 80 claims at or over \$25,000. There were a total of 425 claims with total paid on those claims of \$5,750,000.

2016 numbers were slightly better; eleven members reached the fifty percent attachment point. Charges were \$10,600,000 with paid claims north of \$4,600,000. To date, two members have exceeded the \$500,000 threshold resulting with payment back to the MCJHIF of \$335,000. Those numbers could go up as we continue to get 2016 claims. There were 78 claims at or over \$25,000. Claims totaled \$19,500,000, however due to the decrease in pool charges they went down to \$5,100,000 with paid claims at \$2,500,000. There has been a twelve percent drop in actual claims and a sixty percent drop in paid claims.

- d) Attorney: Mr. Diegnan's professional report is included in Section IV of the Commissioners agenda packet.

OLD BUSINESS

None

NEW BUSINESS

Resolution 2017-01-02 to approve the 2017 Fund Officers and Committees.

Discussion: Mr. McManus said this resolution was to appoint the Fund Officers. The Nomination and Search Committee met during January 2017 and is recommending the reappointment of Commissioner John Pulomena as Chairman and Commissioner Richard Fitamant as Vice Chairman and Secretary to the Fund. In addition, the Committee is recommending the slat of Committee members as shown on the document attached to the resolution.

Moved by Commissioner Perkins and seconded by Commissioner Byrd to accept the above Resolution.

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

Resolution 2017-01-03 to establish Fund Treasurer compensation.

Discussion: Mr. McManus said this resolution is to establish the Fund Treasurer's compensation. The Fund Contracts Committee met during January 2017 and is recommending compensation of \$26,324 which represents a two percent adjustment to the 2016 compensation.

Moved by Commissioner Perkins and seconded by Commissioner Byrd to accept the above Resolution.

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

Resolution 2017-01-04 to approve Assistant to the Fund Treasurer's Contract.

Discussion: Mr. McManus this resolution is to approve the Assistant to the Fund Treasurer. The Contracts Committee also met in January and is recommending Essam Abbas to the position of Assistant to the Fund Treasurer with an annual compensation of \$6,326 which also represents a two percent adjustment to the 2016 compensation.

Moved by Commissioner Perkins and seconded by Commissioner Byrd to accept the above Resolution.

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

Resolution 2017-01-05 to approve Email and Telephonic Voting.

Discussion: Mr. McManus said this resolution is to approve email and telephonic voting. This resolution is renewed every year. There are occasions when a vote outside of the Commissioners meeting is necessary. It is recommended that this resolution be approved.

Moved by Commissioner Perkins and seconded by Commissioner Byrd to accept the above Resolution.

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

EXECUTIVE SESSION

Secretary Fitamant said there was no need to go into Executive Session.

OPEN SESSION

Resolution 2017-01-06 to approve payment of Large Claims

Moved by Commissioner Perkins and seconded by Commissioner Byrd to approve payment of Large Claims.

Roll Call:	Aye:	Secretary Fitamant, Commissioners Cerami, Byrd, Perkins, Cattano, Kranz and Fialka
	Nay:	None
	Abstain:	None

OTHER BUSINESS

None

ADJOURN

Moved by Commissioner Perkins and seconded by Commissioner Byrd and approved unanimously to adjourn the meeting at 1:21 p.m.