

MINUTES
OF
MIDDLESEX COUNTY JOINT HEALTH INSURANCE FUND COMMISSIONERS
REGULAR MEETING
September 26, 2017

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	Absent
Alternate, Jayne Gelder	Utilities Authority	Present
Commissioner, Patricia Byrd	Board of Social Services	Present
Alternate, Norman Skolnick	Board of Social Services	Absent
Commissioner, Maureen Lawrence	College	Present
Alternate, Martha Velez	College	Present
Commissioner, Lory Cattano	Improvement Authority	Present
Alternate,	Improvement Authority	P/A
Commissioner, Deepak Matadha	Mosquito Commission	Present
Alternate, John Kranz	Mosquito Commission	Absent
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.
Network Provider	Horizon BCBS of New Jersey Mike Mauro Robert DiNardo Joe Ciampa
Program/Risk Manager	Business & Governmental Insurance Agency Stuart Migdon
Treasurer	Joe Pruiti

OTHERS PRESENT:

Kelly Boyd
Giaet DeLaCruz

ABSENT:

Scott Clelland
Andy Cooper
Sara Picard

APPROVAL OF AGENDA

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

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Lawrence, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

PUBLIC PARTICIPATION

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

No one from the public was present to speak.

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

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Lawrence, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

APPROVAL OF MINUTES – July 25, 2017

Moved by Commissioner Byrd and seconded by Commissioner Fialka to approve the minutes of July 25, 2017 Commissioners' Meeting (Public Meeting).

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Lawrence, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	Commissioner Byrd

ADMINISTRATOR'S REPORT

Mr. McManus said his report is included in Section II of the Commissioners agenda packet. Mr. McManus asked everyone to turn to Section II, Fund Administrator Section (page two) to see Monthly Activities and Correspondence for September 2017. The budget and rates for 2018 are in the process of being formulated. It is expected that budget and rates determination will be completed by the October 17th budget meeting. After discussions with, and approval by the Budget Committee we will make a recommendation to the Commissioners at the October 24th Commissioners meeting.

For the purpose of establishing the budget, we are looking at an increase in the six percent range. This is consistent with increases in previous years. Except for MCIA (the Fund Actuary has not yet finalized those numbers), Mr. McManus expects to have the initial budget draft in the next few days. Mr. McManus further stated that the JHIF is considering bringing MCIA/Roosevelt Care Center into the MCJHIF for prescription drug. The Fund Actuary is preparing these numbers for review which should be available within the next week.

Mr. McManus said the Fund received a refund check from Oxford for approximately \$64,000. The payment is part of the Affordable Care Act (ACA) regulation which mandates a refund if a certain minimum loss ratio is not achieved. The Oxford plan did not achieve the ratio, so consequently we received the refund check as required by law. This calculation, set and determined by the ACA law, identified two ways the Fund can deliver the refund back to the membership. They are both prescribed by statute:

- 1) Issue a check to everyone who participated in the Oxford plan which would require a detailed calculation. We would have to determine what the average distribution would be based on the number of participants and then determine what their average contribution percentage under Chapter 78 schedules for the year 2016, and then make that calculation and issue a check to each individual. If we select this option, there are some assumptions we would have to make which would result in a check for approximately \$40 per individual.

- 2) The law also allows the Fund to take the money and carry it forward to subsequent years. Having received the check last week, the law will allow us to carry the amount forward and reduce premiums for the 2018 plan year as it applies to Oxford.

Our recommendation would be to do the later. It is simpler, it accomplishes the same objective and is one of the two options available under the law. We are recommending the second option; take the \$65,000 and ask the Fund Actuary to apply it to the 2018 Oxford rates and reduce them accordingly. The effect would be the same for the individuals and reduce their Chapter 78 contributions the same as if we had sent them a check.

We would like to move forward in that process and inform each of the HR Departments of the methodology. The second part of this is, by law Oxford must send a letter to the Oxford membership. The letter is written into the statute. It will probably generate some phone calls to the HR Departments asking, "where is my money". If we agree that option two is the process, we will create correspondence the HR Departments can use to answer any questions. Mr. McManus asked if anyone had questions or would prefer additional discussion, he would answer those questions at that time.

Commissioner Lawrence asked where the funds will go if anyone dropped out of the Oxford plan. Mr. McManus said the \$65,000 would be applied to the premium. The vast majority of the reduction will go to the entities because they were paying the premium, therefore the \$65,000 would be extinguished. If the premium increase provided by Oxford is \$100,000, we would apply \$65,000 to premium. The increase would be the difference between the \$100,000 minus the \$65,000. The individuals who move out of the Oxford plan or leave the plan would not participate, but the law allows for that movement and applying the refund to rates going forward.

The Fund Counsel asked the Commissioners if anyone objected to taking option two which is applying the \$65,000 to reduce the 2018 Oxford premium. All entities Commissioners agreed to following options two of the regulation.

The last item Mr. McManus covered was the affidavit being passed out by Lynn Collins. DOBI requires that the Fund entities sign the affidavit verifying their receipt of the DOBI Financial Audit of the 2015 plan year. Mr. McManus said the audit is included in the Commissioners agenda packet in Section II beginning on page fifteen. A Commissioner from every entity signed the affidavit and returned it to Lynn Collins. To be in compliance with the DOBI requirement, she will forward a copy of the affidavits to DOBI.

FINANCE REPORT

Mr. Pruiti said the August and September Bill Lists are included in Section III of the Commissioners agenda packet. He distributed the August 2017 Financials. Mr. Pruiti said the last time the Commissioners met the July Financials were not available. The MCJHIF experienced three good months, particularly July. As a result, the 2017 Plan Year shows a surplus of \$2,563,000 which offsets the current loss in the 2016 Plan Year of \$1,441,000. Presently, for all Plan years combined the JHIF is showing a surplus of \$1,200,000.

Resolution 2017-09-01 to approve the August and September Bill Lists.

Moved by Commissioner Byrd and seconded by Commissioner Lawrence to approve payment of the August and September 2017 Bill Lists.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Lawrence, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

PROFESSIONAL REPORTS

- a) Program/Risk Manager: BGIA's professional report is included in Section IV of the Commissioners agenda packet. Mr. Migdon said the partnership between the RWJ Fitness Center and the County will kick off on November 1, 2017. Qualified employees will receive a discount. He also said next month the Wellness Coaches will have the ability to separate out clinical metrics based on claims for those who are not coached. He felt it would be interesting to see the difference between the coached employees vs. the non-coached employee's metrics.

- b) Network Provider: Horizon's professional report is included in Section IV of the Commissioners agenda packet. August was a much better month for claims. We have ten claims which exceeded \$25,000, just under \$20,000 in paid claims. One person has exceeded the Stop Loss coverage limit with a \$606,000 claim, the MCJHIF should get approximately \$106,000 back from the Stop Loss provider.

Mike Mauro will be leaving Horizon, he introduced Robert DiNardo as the MCJHIF's new Account Manager. Mr. Mauro thanked everyone for their patience when working with him. Chairman Pulomena thanked Mr. Mauro for his service while working with the MCJHIF.

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

OLD BUSINESS

None

NEW BUSINESS

Resolution 2017-09-02 to appoint Dental providers.

Discussion: Mr. McManus said the responses to the Dental RFP were review and scored. The detail was provided to the Contracts Committee in a meeting held on September 19, 2017. The recommendation of the Contracts Committee is to stay with the present Delta Dental program and to replace the Aetna Dental HMO program with CIGNA's Dental HMO program. It also is the

recommendation of the Contracts Committee that a Delta Dental Premier buy-up plan be offered. These plans will be effective January 1, 2018.

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

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Lawrence, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

EXECUTIVE SESSION

Chairman Pulomena said there was no need to go into Executive Session.

OPEN SESSION

Resolution 2017-09-03 to approve payment of Large Claims

Moved by Commissioner Fialka and seconded by Commissioner Cattano to approve payment of Large Claims.

Roll Call:	Aye:	Chairman Pulomena, Commissioners Gelder, Byrd, Lawrence, Cattano, Matadha and Fialka
	Nay:	None
	Abstain:	None

OTHER BUSINESS

None

ADJOURN

Moved by Commissioner Lawrence and seconded by Commissioner Cattano and approved unanimously to adjourn the meeting at 1:35 p.m.