

**CENTRAL JERSEY HEALTH INSURANCE FUND  
OPEN MINUTES  
JANUARY 19, 2011 MEETING  
BRIELLE BOROUGH MUNICIPAL BUILDING  
1:00 PM**

Meeting called to order by Acting Chair Adeline Schmidt. The Open Public Meeting notice read into record.

**PLEDGE OF ALLEGIANCE**

**MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER**

**ROLL CALL OF 2010 EXECUTIVE COMMITTEE:**

<b>CHAIRPERSON</b>		
Thomas Nolan	Borough of Brielle	Absent
<b>SECRETARY</b>		
Adeline Schmidt	Township of Shrewsbury	Present
<b>EXECUTIVE</b>	<b>COMMITTEE</b>	
Richard Bethea	Borough of Ship Bottom	Present
Jerome Cevetello	Manasquan River RSA	Present
William Rieker	Township of Lakewood	Present
Joseph Gilsenan	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
<b>ALTERNATES:</b>		
Frank Mason	Borough of Red Bank	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services	<b>Paul Laracy</b> <b>Emily Koval</b>	Present Present
Program Manager	Conner Strong	<b>Diane Peterson</b> <b>Paul Chae</b>	Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	<b>Jack Sahradnik</b>	Present
Treasurer		<b>Stephen Mayer</b>	Present
Network & Medical Claims Service	Qualcare Inc.	<b>Jerry Eisenberg</b> <b>Gary Epstein</b>	Present Present
Network & Medical Claims Service	Aetna	<b>Gary Lopez</b>	Present
Dental Claims Service	Delta Dental	<b>Don Hickey</b>	Present
Rx Administrator	Express Scripts	<b>Kelly Depcik</b>	Absent

		<b>Joyce Dunn</b>	Absent
		<b>Katty Mercado</b>	Absent
Auditor	Green, Holman, Frenia & Co.	<b>Rodney Haines</b>	Absent

**OTHERS PRESENT:**

Peter Gorbatuk, Borough of Englishtown  
Dawn McDonald, Borough of Interlaken  
Jane Gillespie, Borough of Spring Lake  
Laurie Gavin, Borough of Eatontown  
Adam Hubeny, Borough of Atlantic Highlands  
Brian Valentino, Township of Hazlet  
Joe Criscuolo, Township of Aberdeen  
Holly Reycraft, Township of Aberdeen  
Cindy Lisa, Danskin  
Charles Casagrande, Danskin

**CORRESPONDENCE:** None

**APPROVAL OF MINUTES: NOVEMBER 17, 2010 OPEN:**

**MOTION TO APPROVE OPEN MINUTES OF NOVEMBER 17, 2010:**

**MOTION:** Commissioner Bethea  
**SECOND:** Commissioner Cevetello  
**VOTE:** Unanimous

**ADJOURN SINE DINE MEETING** - Chairs vacated – Acting Chairperson Schmidt asks Executive Director to run meeting.

**MOTION TO ADJOURN SINE DIE MEETING:**

**MOTION:** Commissioner Gilsenan  
**SECOND:** Commissioner Schmidt  
**VOTE:** Unanimous

**ROLL CALL OF 2011 FUND COMMISSIONERS:**

<b>MEMBER</b>	<b>COMMISSIONER</b>	
ATLANTIC HIGHLANDS BORO	ADAM HUBENY	PRESENT
BARNEGAT TOWNSHIP	DAVID BREEDEN	ABSENT
ALLENTOWN BORO	ROBERT BENICK	ABSENT
RED BANK BORO	FRANK MASON	ABSENT

BRIELLE BORO	TOM NOLAN	PRESENT
ENGLISHTOWN BORO	PETER GORBATUK	PRESENT
HAZLET TOWNSHIP	BRIAN VALENTINO	PRESENT
LAKWOOD TOWNSHIP	WILLIAM RIEKER	PRESENT
MANASQUAN RIVER REGIONAL SA	JEROME CEVETELLO JR	PRESENT
MANCHESTER TOWNSHIP	DIANE LAPP	PRESENT
PLUMSTED TOWNSHIP	ERIC SURKOL	ABSENT
SHIP BOTTOM BORO	RICHARD BETHEA	PRESENT
SHREWSBURY TOWNSHIP	ADELINE SCHMIDT	PRESENT
EATONTOWN BOROUGH	LAURIE GAVIN	PRESENT
BRICK TOWNSHIP	JOSEPH GILSENAN	PRESENT
MANASQUAN BORO	JOSEPH DEIORIO	ABSENT
INTERLAKEN BORO	DAWN MCDONALD	PRESENT
SPRING LAKE BORO	JANE GILLESPIE	PRESENT
ABERDEEN TOWNSHIP	JOSPH CRISCUOLO	PRESENT
KEANSBURG BOE	JOHN WHITE	ABSENT
NEPTUNE CITY	MARY SAPP	PRESENT
MATAWAN BORO	WILLIAM GAROFALO	ABSENT
HOLMDEL TOWNSHIP	VACANT	
GREEN BROOK TWP BOE	GLORIA GROSS	ABSENT
EATONTOWN SA	VACANT	
SPOTSWOOD BOE	VACANT	
MONTGOMERY TWP	DONATO NIEMAN	PRESENT

A quorum of Fund Commissioners was achieved. The following nominations were presented and resolutions adopted.

Acting Chairperson Schmidt offered the following nominations for the 2011 Executive Committee:

- Nomination of Chairperson:** Thomas Nolan
- Nomination of Secretary:** Adeline Schmidt
- Nomination of Executive Committee:** Richard Bethea  
Jerome Cevetello  
William Reiker  
Joseph Gilsenan  
Diane Lapp
- Nomination of Alternates:** Frank Mason  
Adam Hubeny

**MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTION:**

**MOTION:** Commissioner Cevetello  
**SECOND:** Commissioner Gilsenan  
**VOTE:** 14 Ayes, 0 Nays

Oaths of Office distributed, and Fund Attorney swore in the 2011 Executive Committee.

**ROLL CALL OF 2011 EXECUTIVE COMMITTEE**

<b>CHAIRPERSON</b>		
Thomas Nolan	Borough of Brielle	Absent
<b>SECRETARY</b>		
Adeline Schmidt	Township of Shrewsbury	Present
<b>EXECUTIVE</b>	<b>COMMITTEE</b>	
Richard Bethea	Borough of Ship Bottom	Present
Jerome Cevetello	Manasquan River RSA	Present
William Rieker	Township of Lakewood	Present
Joseph Gilsenan	Township of Brick	Present
Diane Lapp	Township of Manchester	Present
<b>ALTERNATES:</b>		
Frank Mason	Borough of Red Bank	Absent
Adam Hubeny	Atlantic Highlands Twp	Present

**EXECUTIVE DIRECTOR:**

Executive Director thanked the board for the reappointment and reported on the following items:

**REORGANIZATION RESOLUTIONS-** Enclosed you will find the 2011 Reorganization Resolutions for adoption. Resolution 1-11 awards professional vendor contracts and fees for the 2011 Fund year.

**MOTION TO ADOPT RESOLUTION NO. 1-11:**

**MOTION:** Commissioner Cevetello  
**SECOND:** Commissioner Bethea  
**VOTE:** 7 Ayes, 0 Nays

Resolution 7-11 was amended to include Commissioner Cevetello as the authorized alternate signatory. Executive Director noted changes to Resolution 10-10 specifically wording on numbers 9, 10 and 12. Resolution 11-11 was amended to include Commissioners Schmidt as Fund

Commissioner, Commissioner Lapp as Alternate Fund Commissioner, and Commissioner Cevetello as Special Alternate Commissioner as the CJHIF representative for the MRHIF.

**MOTION TO ADOPT RESOLUTIONS 2-11 – 11-11 AS AMENDED:**

<b>MOTION:</b>	Commissioner Schmidt
<b>SECOND:</b>	Commissioner Gilsenan
<b>VOTE:</b>	Unanimous

**PRO FORMA MONITORING REPORTS** – The following reports were included in the agenda: the Financial Fast Track as of October 31, 2010 & November 30, 2010, Cash Flow Tracking Report as of November 2010, the Budget Reconciliation for January 2011 and the Monthly and Yearly Regulatory Filing Checklist.

**FUND OFFICER NOMINATIONS** – Since Mr. Trengrove retired, there is a vacancy in the Alternate Fund Commissioners. The board will need to make nominations and elect a replacement.

**FINANCE COMMITTEE MEETING** – The Finance Committee recently met to discuss two RFQ submissions for Program Manager that were received from Grinspec and Conner Strong. Fund Attorney’s minutes from the meeting are included. The motion was inclusive of Resolution 1-11.

**EXAMINATION OF FUND BY NJ DEPARTMENT OF BANKING AND INSURANCE** - The DOBI periodically examines joint insurance funds operating within the State. An examination of the Fund commenced this past week. All five health insurance funds, the four local funds and MRHIF, are being examined concurrently. We will keep the executive committee advised of the progress of the examination and of any findings. The Fund was last examined as of 12/31/2001.

**IMPLEMENTATION OF ON LINE ENROLLMENT SYSTEM** - The MRHIF has authorized the use of a new, on-line enrollment system that will be provided to the Fund by Benefits Express through a contract with Perma. The current system conversion schedule is as follows:

- BMED – March 1
- CJ – May 1
- NJ – July 1
- SNJ – September 1

Our initial focus will be on assuring the accuracy of the system and we will then focus on implementing the on-line features. As with other projects that are underway, we will report regularly at our meetings on our progress and on any policy issues for which your direction will be sought. Executive Director said this system should be much more effective than the current system.

**FINANCIAL DISCLOSURE STATEMENTS** - PERMA will be mailing Financial Disclosure forms for each Fund Commissioner. We would encourage all Fund Commissioners to complete these forms and provide two copies with original signatures to the Fund office on or before April 1, 2011. In accordance with State regulations, the Fund must file these disclosures with the Department of Community Affairs.

**INCLEMENT WEATHER PROCEDURE** - A procedure has been instituted for Commissioners to confirm whether a meeting has been cancelled. The Executive Director will talk to the Chair to determine if a meeting should be cancelled. In the case of an early morning or evening meeting, PERMA will leave a message, which can be obtained by dialing the Fund's main number of (201) 587-0555. For meetings that occur during normal business hours, meeting status can also be obtained by dialing the Fund office.

*Executive Director's Report and Attachments made part of the Minutes.*

**PROGRAM MANAGER: CONNER STRONG**

Program Manager reported on the following:

**ADMINISTRATIVE ISSUES**

**Confirmation of Sub-Contractors Relationship**

Conner Strong provides the local field service and marketing activities on behalf of the Fund. In certain cases a member may request another appointed Broker to perform the field service in which case, after approval by the Fund's Executive Committee, Conner Strong enters into a subcontract agreement with the appointed Broker. These sub-contractor agreements are currently with: (1) Grinspec Consulting, a Division of Brown and Brown and (2) The Danskin Agency. Program Manager said she is requesting the approval to continue the relationship with these brokers.

**MOTION TO APPROVE SUBCONTRACT AGREEMENTS WITH GRINSPEC CONSULTING AND DANSKIN AGENCY FOR FUND YEAR 2011.**

Moved:	Commissioner Cevetello
Second:	Commissioner Bethea
Vote:	7 Ayes, 0 Nays

PERMA is a wholly-owned subsidiary of Conner Strong, which is disclosed each year to the Fund Commissioners.

**Conner Strong HIF Team**

Conner Strong continues to evaluate the services provided to the Central Jersey Health Insurance Fund. We strive to provide quality service through a dedicated team of HIF Associates. Diane Peterson will continue to manage the daily HIF operations, reporting to Paul Laracy, SVP and Practice Leader. The operations include claims advocacy, cost savings strategies, the data warehouse, implementation and plan changes, and plan document preparation.

There are several team members who are dedicated to providing the services to the HIF; though, often are not recognized in their contribution. To enhance the service of deliverables to the members of the CJHIF, the team will be adding additional Associates:

- Lisa Cisternino will be coming aboard the HIF team on January 31, 2011. Her primary responsibilities are creation of plan documents and HIF communication materials.
- Jason Miller, starting in January 2011, will be a new addition to the HIF team in servicing clients and serve with Brandon Lodics as additional support for Paul Chae.

#### Remaining Team Members

- Paul Chae will remain as the dedicated Health JIF Associate servicing the CJHIF.
- Brandon Lodics will remain as the back up Health JIF Associate and also services Aberdeen Township directly.
- Deb Budrow will continue to manage the data warehouse as she has done for several years.
- Jamie Vargas-Vila will continue to manage the new member implementations and plan changes since she joined the team in October.
- Milena Moroz is dedicated to the data underwriting team. Milena is in the process of taking her actuarial exams and is assigned to the HIFs.

#### Change in Role

- Michael Jose has accepted an opportunity in the sales division of Conner Strong. His focus will be on the CJHIF territory and will work to assist in growing the HIF with solid membership. Mike's knowledge of the HIFs will be an asset to this function.

#### **NEW MEMBER**

Montgomery Township joined the Central Jersey Health Insurance Fund. Effective January 1, 2011, there are 122 employee lives enrolled for medical and prescription drug benefits.

### **PLAN CHANGE – HAZLET TOWNSHIP**

Hazlet Township will be making changes to their health benefits, effective February 1, 2011:

- Medical – They will be moving from Qualcare PPO to the Qualcare POS network.
- Prescription Drug – They will be moving two existing plans into a new prescription drug plan.

### **PLANNING AND STRATEGY MEETING**

Conner Strong wants to advise all members of the CJHIF that we are available to meet to review plan savings and assist with bargaining unit communications. Please reach out to Paul Chae @ 866-834-0022 to coordinate meetings and requests.

### **Borough of Atlantic Highlands**

On December 7, 2010, HIF professionals from Conner Strong met with Mr. Hubeny at Atlantic Highlands to discuss cost saving measures for their employee health benefits plans; regarding medical network offerings and prescription copayment options.

### **HEALTH CARE REFORM**

**More Agency FAQs issued on Health Care Reform** – A handout was distributed at the meeting.

### **HIF WELLNESS UPDATE**

We are requesting that each member in the CJHIF appoint a HIF Wellness Coordinator for their own respective group. The primary responsibilities of the HIF Wellness Coordinator will be to attend the Wellness implementation/kick-off meeting, help rollout the wellness initiative to their group, and assist employees with questions regarding the HIF Wellness program. We will be sending out a flyer at the end of January to each town with information and a more detailed request.

### **ELIGIBILITY INFORMATION FORM**

In September 2010, Eligibility Information Forms have been mailed to all Fund Commissioners in the CJHIF. It is important that these are filled out and returned to aid in the completion of your plan documents.

If you have not received a copy, or if you need any assistance in completing the form; please do not hesitate to call either Paul Chae or Brandon Lodics @ 866-834-0022.

<b>Eligibility Information Form Receipt</b>	<b>Received</b>
ATLANTIC HIGHLANDS BOROUGH	X
BARNEGAT TOWNSHIP	
BOROUGH OF ALLENTOWN	X
BOROUGH OF RED BANK	X
BRIELLE BOROUGH	X
EATONTOWN SEWERAGE AUTHORITY	X
ENGLISHTOWN BOROUGH	
HAZLET TOWNSHIP	X
LAKWOOD TOWNSHIP	X
MANASQUAN RIVER REG'L SEWERAGE AUTH	X
MANCHESTER TOWNSHIP	X
PLUMSTED TOWNSHIP	X
SHIP BOTTOM BOROUGH	X
TOWNSHIP OF SHREWSBURY	X
EATONTOWN BOROUGH	
BRICK TOWNSHIP	
BOROUGH OF MANASQUAN	
BOROUGH OF INTERLAKEN	
BOROUGH OF SPRING LAKE	
TOWNSHIP OF ABERDEEN	
KEANSBURG BOE	
BOROUGH OF NEPTUNE CITY	
SPOTSWOOD BOE	
BOROUGH OF MATAWAN	
HOLMDEL TOWNSHIP	X
GREEN BROOK BOE	X

## **MARKETING REPORT**

The majority of Municipalities and Boards of Educations are contacted during marketing campaigns. As of December 23, 2010, the following groups have provided data for actuarial rating:

Name of Prospect	Proposed Effective Date
Borough of Matawan	1/1/2011
Township of Scotch Plains	1/1/2011
Linden BOE	2/1/2011
Township of Wall	2/1/2011
Highland Park	3/1/2011
Milltown BOE	3/1/2011
Clark BOE	4/1/2011

## **CLAIM APPEALS**

There are no claim appeals to be reported in closed session.

## **TREASURER:**

Fund Treasurer was absent, Executive Director read the report that was included in the agenda.

Bills lists:

### **December 2010 – Confirmation of Payment**

<b>FUND YEAR 2010</b>	<b>\$398,928.34</b>
<b>TOTAL ALL FUND YEARS</b>	<b>\$398,928.34</b>

### **January 2011 – Resolution 12-11**

<b>FUND YEAR 2010</b>	<b>\$1,996.90</b>
<b>FUND YEAR 2011</b>	<b>\$419,404.03</b>
<b>TOTAL ALL FUND YEARS</b>	<b>\$421,400.93</b>

### **January 2011 Dividend List – Resolution 13-11**

<b>CLOSED YEAR</b>	<b>\$44,091.00</b>
<b>TOTAL ALL FUND YEARS</b>	<b>\$44,091.00</b>

**MOTION TO APPROVE DECEMBER 2010 BILLS LIST AND ADOPT  
RESOLUTION 12-11 TO PAY JANUARY 2011 BILLS LIST:**

**MOTION:** Commissioner Gilsean  
**SECOND:** Commissioner Cevetello  
**VOTE:** 6 Ayes, 0 Nays, 1 Abstain  
(Abstained – Commissioner Hubeny)

Cash balance by line of coverage and by fund year, cash reconciliation, assets reports were distributed to the Committee.

**MOTION TO APPROVE BALANCE OF TREASURER’S REPORTS AS  
SUBMITTED:**

**MOTION:** Commissioner Bethea  
**SECOND:** Commissioner Lapp  
**VOTE:** 6 Ayes, 0 Nays, 1 Abstain  
(Abstained - Commissioner Hubeny)

**ATTORNEY:**

The Fund Attorney thanked the Executive Committee for reappointment.

**QUALCARE:**

**CLAIM PAYMENTS** – Mr. Epstein thanked the Committee for the reappointment. He reported the claims paid and year to date savings for the period through December 31, 2010 and high dollar report above \$10,000. The reports indicated that there were 61,252 claims paid during the 2011 Fund Year. Of those claims, \$50,089,936.57 charges were incurred, but \$17,731,305.01 was paid. Mr. Epstein said that the total system upgrade is expected to begin on February 1, 2011.

In addition, a Hospital Network map was distributed showing the latest facilities to join the Qualcare network.

**AETNA:**

**CLAIM PAYMENTS** – Mr. Lopez thanked the Executive Committee for their reappointment. The Aetna Monthly Claim Activity Report was distributed to the Committee. The claims paid report through November 2010 showed an average of \$692.02 per employee. The Large Claimant Report through October 2010 indicated a billed amount of \$639,895.79, of which \$286,351.25 was

paid. The Large Claimant report through November 30, 2010 showed a billed amount of \$461,505.35 of which \$179,233.65 total was paid.

Commissioner Cevetello questioned a high dollar claim where \$106,384.50 was billed and only \$260 was saved. Mr. Lopez said most like that claim was out of network where Aetna's discounts were ineffective.

**EXPRESS SCRIPTS:**

No report.

**DELTA DENTAL:**

Mr. Hickey thanked the Executive Committee for their reappointment.

**NEW BUSINESS:**

None

**OLD BUSINESS:**

None.

**PUBLIC COMMENT:**

None

**MOTION TO ADJOURN MEETING:**

<b>MOTION:</b>	Commissioner Cevetello
<b>SECOND:</b>	Commissioner Lapp
<b>VOTE:</b>	Unanimous

**MEETING ADJOURNED: 1:41 PM**