

**CENTRAL JERSEY HEALTH INSURANCE FUND
OPEN MINUTES
MARCH 16, 2011 MEETING
BRIELLE BOROUGH MUNICIPAL BUILDING
1:00 PM**

Meeting called to order by Chairman Tom Nolan. The Open Public Meeting notice read into record.

PLEDGE OF ALLEGIANCE

MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER

ROLL CALL OF 2011 EXECUTIVE COMMITTEE:

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

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services	Paul Laracy Emily Koval Despina Kontomanolis	Present Present Present
Program Manager	Conner Strong	Diane Peterson Paul Chae Mike Jose	Present Present Present
Attorney	Berry, Sahradnik, Kotzas & Benson	Jack Sahradnik	Present
Treasurer		Stephen Mayer	Absent
Network & Medical Claims Service	Qualcare Inc.	Jerry Eisenberg Gary Epstein	Present Present
Network & Medical Claims Service	Aetna	Gary Lopez	Present

Dental Claims Service	Delta Dental	Don Hickey	Present
Rx Administrator	Express Scripts	Kelly Depcik Joyce Dunn Katty Mercado	Absent Absent Absent
Auditor	Green, Holman, Frenia & Co.	Rodney Haines	Absent

OTHERS PRESENT:

Angela Morin, Township of Aberdeen
 Kathy Janeski, Barnegat Twp
 Jane Gillespie, Spring Lake Borough
 Donato Nieman, Montgomery Twp
 Cindy Lisa, Danskin
 Charles Casagrande, Danskin

CORRESPONDENCE: None

Chairman Nolan thanked the Fund Commissioners for re-election.

APPROVAL OF MINUTES: JANUARY 19, 2011 OPEN: Commissioner Schmidt said the minutes reflected that Chairman Nolan called the meeting to order, although he was not in attendance. Ms. Koval said the minutes will be amended and filed correctly.

MOTION TO APPROVE OPEN MINUTES OF JANUARY 19, 2011, AS AMENDED:

MOTION:	Commissioner Cevetello
SECOND:	Commissioner Schmidt
VOTE:	Unanimous

EXECUTIVE DIRECTOR:

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

SCHOOL BOARD MEMBER RATE INCREASES - The proposed rate increases and assessments for the School Board members for 2011-2012 have been received from the Fund Actuary. The medical plans for Keansburg BOE, Spotswood BOE and Green Brook BOE are expected to increase by an average of 11%. A detailed description of these calculations and Resolution #14-11 adopting these rates and assessments are included in the agenda. Executive Director said the increase is close to trend, but higher than the municipality’s increases in January.

MOTION TO ADOPT RESOLUTION #14-11 RATE INCREASE FOR KEANSBURG BOARD OF EDUCATION, SPOTSWOOD BOARD OF EDUCATION AND GREEN BROOK BOARD OF EDUCATION AS PRESENTED BY THE FUND ACTUARY FOR THE PERIOD 7/1/2011 – 6/30/2012.

MOTION: Commissioner Gilsenan
SECOND: Commissioner Reiker
VOTE: 6 Ayes, 0 Nays

STATE OF NEW JERSEY SURCHARGE FOR SCHOOL BOARD MEMBERS - Attached in the agenda was Resolution# 15-10 authorizing the payment of the State's surcharge to the Fund's school board members. The amounts are \$2,685 for 2009, \$56,816 for 2010 and \$56,816 for 2011 and have been included on the March bills list for approval.

MOTION TO ADOPT RESOLUTION #15-11 AUTHORIZING PROCESS OF PAYMENT FOR STATE SURCHARGE TO SCHOOL BOARD MEMBERS

MOTION: Commissioner Cevetello
SECOND: Commissioner Schmidt
VOTE: Unanimous

MUNICIPAL REINSURANCE HIF - The MRHIF met on February 2, 2011 for their annual reorganization meeting. Commissioner Schmidt's report was included in the agenda. She said she feels the new wellness program should be very successful.

DEPARTMENT OF BANKING AND INSURANCE EXAMINATION - The DOBI examination of the HIFs is proceeding efficiently. Executive Director said the Fund Year 2009 balances were confirmed but the only discrepancy they discovered was with IBNR. The Fund had approximately \$100,000 more than the actuary determined, which is not a serious concern. He said this exam should cost each Fund approximately \$8,000 to be paid by the MRHIF.

PRIMA CONFERENCE - The next PRIMA convention will take place in Portland, Oregon from June 5th to June 8th, 2011. Please check your calendars and determine if you are interested in attending this year's conference. Resolution #15-11 authorizing travel and related expenses for the conference is included. The Executive Committee decided to send no more than two Executive Committee members at an amount not to exceed \$3,000 per person.

MOTION TO ADOPT RESOLUTION #16-11 AUTHORIZING TRAVEL AND RELATED EXPENSES FOR ATTENDANCE OF TWO MEMBERS AT THE ANNUAL RISK MANAGEMENT CONFERENCE

MOTION: Commissioner Schmidt
SECOND: Commissioner Reicker

VOTE:

6 Ayes, 0 Nays

2011 PROFESSIONAL CONTRACTS - The Professional Services Agreements have been sent to the various Fund Professionals for 2011. Upon completion of the Professional Service Agreements, the Chair will be asked to execute the Agreements.

FINANCIAL DISCLOSURE STATEMENT - Included with your agenda is the Financial Disclosure form. Please remember to add your position as a Fund Commissioner of the Central Jersey HIF when completing your form. Also note “fill in” forms are also available online at http://www.state.nj.us/dca/lgs/ethics/pdfs/fds_fill-in_form.pdf. We encourage all Fund Commissioners to complete these forms and provide two copies with original signatures to your local 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.

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

PROGRAM MANAGER: CONNER STRONG

Program Manager reported on the following:

LAKEWOOD TOWNSHIP – PLAN CHANGE - Lakewood Township will be changing their medical and prescription benefits effective 4/1/2011. There will be a special open enrollment to accommodate only adult child dependents that were prevented from enrolling during open enrollment in October 2010; because of Lakewood Township’s grandfathered status.

AETNA HMO PLANS - Durable medical equipment coverage has been added to all current CJHIF Aetna HMO plans to comply with PPACA and State Mandates. This only affects a small population of members in the CJHIF.

HEALTH CARE REFORM -President Obama’s 2012 Budget Analysis (PPACA) –

President Obama “is committed to implementing the Patient Protection and Affordable Care Act swiftly and efficiently since rising health care costs is the single biggest driver of our long-term fiscal problems. As a down payment towards a permanent fix, the budget proposes additional reforms to our health care system that would be sufficient to pay for 2 years of fixing the Medicare’s sustainable growth rate, thus preventing a large cut in Medicare reimbursements for doctors that would jeopardize care for older Americans.” A handout with more information as distributed at the meeting.

EXPRESS SCRIPTS UPDATE - The FDA is ordering manufacturers of unapproved prescription cough, cold and allergy drugs to remove their products from the market. Since they have not been evaluated by FDA for safety, effectiveness and quality, patients may be a greater

risk when using these products than when using FDA-approved drug products. Please go to <http://tiny.cc/fdaunapproved> for more information on FDA's unapproved list.

On March 22, 2011 the patent on Pfizer's glaucoma drug Xalatan will expire, allowing generics to become available. This will be the first drug in a class known as ophthalmic prostaglandins to become available generically.



Paul Laracy
Executive Director

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Saddle Brook, NJ 07663
permainc.com

Dear Commissioners,

After two years of research, we are excited to announce that Onlife has been selected to partner with the Health Insurance Funds to provide one-on-one employee wellness coaching through its proprietary online health and lifestyle support services and portal. This is a major value proposition for the Funds and a huge leap in the direction of prevention and claims management. In essence, this is the healthcare version of the Safety and Loss Control program that is provided for the Joint Insurance Funds on the Property and Casualty side. The Funds continue to evolve and we are pleased to take the next step in addressing a major health epidemic across the nation.

The Onlife Health and Wellness program will launch April 1, 2011. There will be no additional cost to the Funds to implement the Onlife program. As new groups and employees are added, the costs will be embedded in the rates. The program will be available to all employees currently enrolled in the Fund's medical benefit plans. However, the health and wellness program may be rolled out to adult dependents of employees for an additional cost, should the entity so choose. Each employee will be mailed a New Member Brochure to their home. The material will include information on how to log in and instructions on getting started.

To introduce the new health and wellness program, we will host an Onlife Kick Off Meeting, held at a location convenient to each Fund. Under the MRHIF, each Fund appointed Wellness Commissioners who have been involved with discussing roll out efforts. **We ask that each entity select a Wellness Ambassador to be involved in the Onlife introduction and ongoing support of the program.** If the entity so chooses, the Wellness Committee member that has already been established can act as the Wellness Ambassador. If a separate ambassador is chosen, both the committee member and ambassador are invited to attend the Kick Off meeting.

The Kick Off meeting will be used as a time for each Wellness Ambassador to meet Onlife and be introduced to the program. Onlife will also review, in detail, the products and services that are made available to the Funds at no additional cost to employees. The times and locations respective to each Fund are listed in the table on the reverse side of this letter. Healthy foods and beverages will be provided at the meetings.

Please RSVP for this event no later than March 11th to:

Emily Koval

emilyk@permainc.com

201-518-7028

NEW JERSEY

PENNSYLVANIA

DELAWARE

FLORIDA

Fund	Date and Time	Location
Northern New Jersey Health Insurance Fund	Monday, March 21, 2011 9:30-12:00	Hanover Township Municipal Building 1000 Route 10 Whippany, NJ 07981
BMED/Gateway Health Insurance Fund	Monday, March 21, 2011 2:00-4:30	Saddlebrook Marriott Hotel 138 New Pehle Avenue Saddle Brook, NJ 07663
Central New Jersey Health Insurance Fund	Tuesday, March 22, 2011 9:30-12:00	Forsgate Country Club 375 Forsgate Drive Monroe Township, NJ 08831
Southern New Jersey Health Insurance Fund	Tuesday, March 22, 2011 2:00-4:30	Tavistock Country Club 100 Tavistock Lane Haddonfield, NJ 08033

We are thrilled to employ this wellness initiative and look forward to helping all members of the Fund achieve a healthier lifestyle and improved well-being.

Sincerely,

Paul Laracy

ELIGIBILITY INFORMATION FORM / PLAN DOCUMENT

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. Below is the order in which plan documents will be completed.

<i>CJHIF Eligibility Information Form Receipt</i>	<i>Received</i>	<i>Proposed Order For Completion</i>
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BARNEGAT TOWNSHIP		1
TOWNSHIP OF ABERDEEN		2
TOWNSHIP OF SHREWSBURY	X	3
ATLANTIC HIGHLANDS BOROUGH	X	4
BOROUGH OF RED BANK	X	5
MANASQUAN RIVER REG'L SEWERAGE AUTH	X	6
LAKEWOOD TOWNSHIP	X	7
BOROUGH OF ALLENTOWN	X	8
SHIP BOTTOM BOROUGH	X	9
BRIELLE BOROUGH	X	10
BOROUGH OF INTERLAKEN		11
MANCHESTER TOWNSHIP	X	12
EATONTOWN SEWERAGE AUTHORITY	X	13
EATONTOWN BOROUGH		13
BOROUGH OF MANASQUAN		14
ENGLISHTOWN BOROUGH		15
PLUMSTED TOWNSHIP	X	16
HAZLET TOWNSHIP	X	17
BRICK TOWNSHIP		18
BOROUGH OF SPRING LAKE		19
BOROUGH OF SURF CITY Disability		N/A
KEANSBURG BOE		Sample draft completed
BOROUGH OF NEPTUNE CITY		24
SPOTSWOOD BOE		21
BOROUGH OF MATAWAN		22
HOLMDEL TOWNSHIP	X	23
GREEN BROOK BOE	X	20

MARKETING REPORT

The majority of Municipalities and Boards of Educations are contacted during marketing campaigns. As of March 9, 2011, the following groups have provided data for actuarial rating:

Name of Prospect	Proposed Effective Date
Highland Park	3/1/2011
Milltown BOE	3/1/2011
Township of Ocean	3/1/2011
Clark BOE	4/1/2011
Bedminster Township	4/1/2011

CLAIM APPEALS

There are 3 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:

February 2011 – Confirmation of Payment

CLOSED FUND YEAR	\$1,102.00
FUND YEAR 2010	\$47.12
FUND YEAR 2011	\$419,246.15
TOTAL ALL FUND YEARS	\$420,395.27

March 2011 – Resolution 17-11

FUND YEAR 2009	\$2,685.00
FUND YEAR 2010	\$44,791.34
FUND YEAR 2011	\$479,394.45
TOTAL ALL FUND YEARS	\$526,870.79

MOTION TO APPROVE FEBRUARY 2011 BILLS LIST AND ADOPT RESOLUTION 17-11 TO PAY MARCH 2011 BILLS LIST:

MOTION: Commissioner Cevetello
SECOND: Commissioner Reicker
VOTE: 6 Ayes, 0 Nays

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 Cevetello
SECOND: Commissioner Reicker
VOTE: 6 Ayes, 0 Nays

ATTORNEY:

None

QUALCARE – Mr. Epstein presented the Qualcare Claim Payments and High Dollar report for February 2011. He said there were less than \$10 million in claims charges, and approximately \$3 million total paid. This averages about \$1.5 million claims paid per month.

The High Dollar report reflected 6 claims over \$10,000.

AETNA – Mr. Lopez presented the claim activity report for year end 2010. He said that for the month of December, the average claim paid is \$750.95. He presented 1 claim over \$10,000. IN addition, the claim key statistics for 2010 was distributed to the Executive Committee. Mr. Lopez reviewed the statistics for the HIF versus the Aetna private book of business. He said the out of network usage was up and suggested that the Fund look at plan changes to help steer employees towards in network facilities and physicians.

EXPRESS SCRIPTS:

No report.

DELTA DENTAL:

None

NEW BUSINESS – Executive Director distributed the proposed Senate Bill #278 regarding public employee health insurance reform. He said that he will be meeting with key Senate representatives next month to hopes to get health insurance funds recognized in the bill language as a significant insurance option for all state employees. He asked if the board had any suggestions to present to contact him.

OLD BUSINESS:

None.

PUBLIC COMMENT:

None

MOTION TO ENTER EXECUTIVE SESSION:

MOTION:	Commissioner Schmidt
SECOND:	Commissioner Reicker
VOTE:	6 Ayes, 0 Nays

MOTION TO ENTER OPEN SESSION:

MOTION: Commissioner Cevetello
SECOND: Commissioner Gisenan
VOTE: Unanimous

MOTION TO APPROVE CLAIM APPEALS, 02-11-01, 03-11-01 AND 03-11-02, AS RECOMMENDED BY THE PROGRAM MANAGER.

MOTION: Commissioner Gilsenan
SECOND: Commissioner Reicker
VOTE: 5 Ayes, 0 Nays, 1 Abstain
(Commissioner Schmidt Abstained)

MOTION TO ADJOURN MEETING:

MOTION: Commissioner Cevetello
SECOND: Commissioner Schmidt
VOTE: Unanimous

MEETING ADJOURNED: 1:45 PM