

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
OPEN MEETING: JANUARY 24, 2017  
FRANKLIN LAKES, NEW JERSEY  
12:00 P.M.**

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Meeting called to order by Chairman Peter VanWinkle. The Open Public Meeting Notice was read into the record.

**ROLL CALL OF 2016 EXECUTIVE COMMITTEE:**

|                            |                            |         |
|----------------------------|----------------------------|---------|
| <b>Chairperson</b>         |                            |         |
| Peter Van Winkle           | Borough of Rutherford      | Present |
| <b>Secretary</b>           |                            |         |
| Victor Baginski            | Borough of Wallington      | Present |
| <b>Executive Committee</b> | <b>Members</b>             |         |
| Hugo Poli                  | Village of Ridgefield Park | Present |
| Richard Kunze              | Borough of Oakland         | Present |
| Gregory Hart               | Borough of Franklin Lakes  | Present |
| Donna Gambutti             | Twp of S. Hackensack       | Present |
| <b>Alternates</b>          |                            |         |
| Joseph Catenaro            | Township of Fairfield      | Present |
| Susan Hodgins              | Borough of Saddle River    | Present |

**APPOINTED OFFICIALS PRESENT:**

|                                      |                                       |  |
|--------------------------------------|---------------------------------------|--|
| Executive Director/<br>Administrator | <b>PERMA Risk Management Services</b> | Paul Laracy<br>Emily Koval<br>Karen Kamprath |
| Attorney                             | <b>Huntington Bailey, LLP</b>         | Russ Huntington                              |
| Treasurer                            | <b>Joseph Iannaconi</b>               | Joseph Iannaconi                             |
| Third Party<br>Administrator         | <b>Aetna</b>                          | Kim Ward                                     |
| Dental Claims<br>Administrator       | <b>Delta Dental of NJ, Inc.</b>       | Kim White                                    |
| Auditor                              | <b>Lerch, Vinci &amp; Higgins</b>     | Absent                                       |
| Actuary                              | <b>John Vataha</b>                    | Absent                                       |
| Independent<br>Consultant            | <b>LaMendola Associates</b>           | Absent                                       |
| Benefits Consultant                  | <b>Conner Strong</b>                  | Jozsef Pfeiffer<br>Brandon Lodics            |
| RX Administrator                     | <b>Express Scripts</b>                | Jeff Basile                                  |

**OTHERS PRESENT:**

Tom Ucko, IMAC  
Frank Covelli, RMC  
Matthew McArow, RMC  
Dave Vozza, Vozza Agency  
Gary Vinci, LVH

**CORRESPONDENCE - None**

**APPROVAL OF MINUTES:**

**MOTION TO APPROVE THE PRESENTED OPEN MINUTES OF NOVEMBER 29, 2016:**

**MOTION:** Commissioner Baginski  
**SECOND:** Commissioner Kunze  
**ROLL CALL VOTE:** 7 Ayes, 0 Nays, 1 Abstain (Commissioner Gambutti)

**MOTION TO ADJOURN SINE DIE MEETING:**

**MOTION:** Commissioner Poli  
**SECOND:** Commissioner Hart  
**VOTE:** Unanimous

| <b>MUNICIPALITY</b>                        | <b>FUND COMMISSIONER</b> | <b>ALTERNATE</b> | <b>ATTENDING REORG</b> |
|--|--------------------------|------------------|------------------------|
| Alpine                                     | Paul Tomasko             |                  | Absent                 |
| Emerson                                    | Robert Hoffmann          |                  | Absent                 |
| Hillsdale                                  | Chris Looes              |                  | Absent                 |
| Lodi                                       | Bruce Masopust-Absent    | Vincent Caruso*  | Via CC                 |
| Maywood                                    | Roberta Stern            |                  | Absent                 |
| Moonachie                                  | Anthony Ciannanmea*      |                  | Via CC                 |
| N. Arlington                               |                          |                  |                        |
| Park Ridge                                 | Kelly O'Donnell          |                  | ballot received        |
| S. Hackensack                              | Donna Gambutti           |                  | Present                |
| Saddle River                               | Susan Hodgins            |                  | Present                |
| Wallington                                 | Victor Baginski          |                  | Present                |
| Westwood                                   | Jon Birkner - Absent     | Ben Kezmarsky    | ballot received        |
| Wood-Ridge                                 | Dominick Azzolini        |                  | Absent                 |
| Rutherford                                 | Peter Van Winkle         |                  | Present                |
| Montvale                                   | Timothy Lane*            |                  | Absent                 |
| Ridgefield Park                            | Hugo Poli*               |                  | Present                |
| Rochelle Park                              | Robert Davison           | Elizabeth Kroll  | Present                |
| Wanaque Valley Regional Sewerage Authority | Frank Covelli            |                  | Present                |
| Carlstadt                                  | Virginia Bello           |                  | Absent                 |
| East Rutherford                            | John Hansen*             |                  | Via CC                 |
| East Rutherford BOE                        |                          |                  | Absent                 |
| Ft. Lee                                    | Alfred Restaino          |                  | ballot received        |
| Carlstadt BOE                              |                          |                  | Absent                 |
| Oakland                                    | Richard Kunze            |                  | Present                |
| Franklin Lakes                             | Gregory Chapman Hart     |                  | Present                |
| Fairfield                                  | Joseph Catenaro          |                  | Present                |
| Fairfield BOE                              | yvonne hellwig           |                  | Present 12:21pm        |
| Mine Hill                                  | Katelyn Wild             |                  | Absent                 |
| Township of Verona                         | Matthew Cavallo          |                  | Present                |
| Borough of Edgewater                       | Gregory Franz            |                  | Present                |
| * Via Conference Call                      |                          |                  |                        |

With the members on the phone and the ballots received, Executive Director said that a quorum was present.

Commissioner Van Winkle read the Nominating Committee report and made a motion recommending the following slate for 2017:

Chairman Peter VanWinkle, Borough of Rutherford

Secretary Victor Baginski, Borough of Wallington

**Executive Committee Members:**

Hugo Poli, Village of Ridgefield Park

Richard Kunze, Borough of Oakland

Gregory Hart, Borough of Franklin Lakes

Donna Gambutti, Township of South Hackensack

Joseph Catenaro, Township of Fairfield

**Alternates:**

Susan Hodgins, Borough of Saddle River

Gregory Franz, Borough of Edgewater

**MOTION TO ADOPT 2017 SLATE OF EXECUTIVE COMMITTEE AS RECOMMENDED AND CLOSE NOMINATIONS:**

**MOTION:** Commissioner Hart  
**SECOND:** Commissioner Catenaro  
**ROLL CALL VOTE:** 18 Ayes, 0 Nays

Fund Attorney swore in the Executive Committee.

**ROLL CALL OF 2017 EXECUTIVE COMMITTEE:**

|                            |                            |         |
|----------------------------|----------------------------|---------|
| <b>Chairperson</b>         |                            |         |
| Peter Van Winkle           | Borough of Rutherford      | Present |
| <b>Secretary</b>           |                            |         |
| Victor Baginski            | Borough of Wallington      | Present |
| <b>Executive Committee</b> | <b>Members</b>             |         |
| Hugo Poli                  | Village of Ridgefield Park | Present |
| Richard Kunze              | Borough of Oakland         | Present |
| Gregory Hart               | Borough of Franklin Lakes  | Present |
| Donna Gambutti             | Twp of S. Hackensack       | Present |
| <b>Alternates</b>          |                            |         |
| Joseph Catenaro            | Township of Fairfield      | Present |
| Susan Hodgins              | Borough of Saddle River    | Present |

## EXECUTIVE DIRECTORS REPORT

Executive Director reviewed the consent agenda items. He said there are not many changes from the previous year, except for the Risk Management Plan. He said the retention is rising from \$225,000 to \$250,000 and the rx only enrollees are now part of the same policy. He said there is an additional resolution with the producer's compensation in order to provide more transparency. Ms. Koval said there was a revised copy that was distributed. Ms. Koval said there is no longer a need for closed session as the matter was handled in small claims.

### **MOTION TO APPROVE THE CONSENT AGENDA ADOPTIONG RESOLUTIONS 1-17 – 12-17 AS DISCUSSED:**

|                        |                    |
|------------------------|--------------------|
| <b>MOTION:</b>         | Commissioner Kunze |
| <b>SECOND:</b>         | Commissioner Hart  |
| <b>ROLL CALL VOTE:</b> | 9 Ayes, 0 Nays     |

Executive Director reviewed the Financial Fast Track and said the Fund continues to perform well with a year to date surplus of \$3.7 million with \$800,000 paid out for dividends

**MUNICIPAL REINSURANCE HEALTH INSURANCE FUND** -The Municipal Reinsurance Health Insurance Fund has met on December 14, 2016 to adopt the 2017 budget in the amount of \$13,153,856, which was passed unanimously. Bergen Municipal Employee Benefits Fund assessment to the MRHIF is \$1,588,505. In addition, results from the RFQ for PBM Consultant were received and will be awarded to Adler Consulting in January

**2017 COMMITTEE APPOINTMENTS**- The following Committees were appointed in 2016. Commissioner Gambutti said she would like to join the Wellness Committee. Commissioner Kunze and Commissioner Cavallo will serve on the Finance and Contracts Committee.

| <u>Claims Committee</u> | <u>Wellness Committee</u> | <u>Finance/Contracts/Ops Committee</u> |
|-------------------------|---------------------------|--|
| Peter VanWinkle         | Victor Baginski           | Richard Kunze                          |
| Donna Gambutti          | Gregory Hart              | Matthew Cavallo                        |
| Hugo Poli               | Donna Gambutti            | Open                                   |

### **Bergen Municipal Employee Benefits Fund Benefits Consultant Report**

**EGWP TRANSITION** -Effective March 1, 2017 the BMED has approved the transition of all Medicare retirees enrolled in a prescription drug plan to move into Employer Group Waiver Program (EGWP), a fully insured Medicare based product. BMED is currently working with United Healthcare to transition retirees and is on target for the March 1, 2017 effective date.

Any Risk Manager who has questions or concerns regarding the implementation's impact on their group, outside of what has already been provided, please contact Joe Pfeiffer for additional information.

Due to specific Medicare reimbursements, any new member joining the fund and would like to implement EGWP will not be able to implement until January 1, 2018.

Two member groups were erroneously sent EGWP information that does not have prescription drug coverage in the fund but a retraction letter was sent. One group did not map and we are currently working with another EGWP vendor on a solution.

**MONTVALE OPEN ENROLLMENT REQUEST** - Borough of Montvale has settled PBA contract negotiations and the PBA has elected for the Borough to remain in the BMED.

In accordance with their contract settlement, Montvale is requesting a Special Open Enrollment to allow PBA members the opportunity to choose one of the lower-cost alternate plans which have been agreed upon in the negotiation. Open Enrollment would tentatively be scheduled sometime during February for either an April 1<sup>st</sup> or May 1<sup>st</sup> effective date.

Benefits Consultant said he received an additional request from Wallington for a special open enrollment for low cost plans.

**MOTION TO APPROVE A SPECIAL OPEN ENROLLMENT FOR ALL EMPLOYEES IN THE BOROUGH OF MONTVALE AND THE BOROUGH OF WALLINGTON :**

**MOTION:** Commissioner Hart  
**SECOND:** Commissioner Catenaro  
**ROLL CALL VOTE:** 8 Ayes, 0 Nays, 1 Abstain (Commissioner Baginski)

**AFFORDABLE CARE ACT UPDATE** - A sample letter is provided per your request for a reminder to be sent to all for 1094/1095 filings. Please refer to the letter.

- **Additional - ACA Guidance Update 1/09/17**

The IRS extended the 2017 due date for employers and coverage providers to furnish information statements to individuals. The due dates to file those returns with the IRS are not extended. This chart can help you understand the upcoming deadlines.

| Action                                    | 2017 Reporting Due Dates for...                                    |   |  |
|---|--|---|--|
|   | Applicable Large Employers - Including Those That Are Self-Insured | Self-insured Employers That Are <u>Not</u> Applicable Large Employers | Coverage Providers - other than Self-Insured Applicable Large Employers* |
| Provide 1095-B to responsible individuals | Not Applicable**   | Mar. 2  | Mar. 2   |
| File 1094-B and 1095-B with the IRS       | Not Applicable**   | Paper: Feb. 28<br>E-file: Mar. 31*                                    | Paper: Feb. 28<br>E-file: Mar. 31*                                       |
| Provide 1095-C to full-time employees     | Mar. 2   | Not Applicable  | Not Applicable   |
| File 1095-C and 1094-C with the IRS       | Paper: Feb. 28<br>E-file: Mar. 31*                                 | Not Applicable  | Not Applicable   |

\*If you file 250 or more Forms 1095-B or Forms 1095-C, you must electronically file them with the IRS. Electronically filing ACA information returns requires an application process separate from other electronic filing systems. Additional information about electronic filing of ACA Information Returns is on the Affordable Care Act Information Reporting (AIR) Program page on IRS.gov and in Publications 5164 and 5165.

\*\*Applicable large employers that provide employer-sponsored self-insured health coverage to non-employees may use either Forms 1095-B or Form 1095-C to report coverage for those individuals and other family members.

This chart applies only for reporting in 2017 for coverage in 2016.

In response to Commissioner Kunze, Benefits Consultant said all materials were distributed to the enrollment contact.

### **ACA Section 1557 - Nondiscrimination in Health Programs & Activities**

Section 1557 is the civil rights provision of the ACA of 2010. Section 1557 prohibits discrimination on the grounds of race, color, national origin, sex, age or disability in certain health programs and activities. Section 1557 final rule applies to any health program or activity, any part of which receives funding from HHS, such as hospitals that accept Medicare or doctors who receive Medicaid payments; the Health Insurance Marketplaces and issuers that participate in those Marketplaces; and any health program that the HHS itself administers.

The rule makes clear that sex discrimination prohibited under Section 1557 includes discrimination based on the following.

- An individual's sex
- Pregnancy, childbirth and related medical conditions
- Gender identity
- Sex Stereotyping
- Disabled Individuals
- Individuals with limited English proficiency.

Below are the links to the Health and Human Services website.

- [www.hhs.gov/civil-rights/for-individuals/section-1557](http://www.hhs.gov/civil-rights/for-individuals/section-1557)

The Health Insurance Fund (HIF) complies with Section 1557. Aetna has been notified according. If you have specific questions, please contact Maggie Friel.

**ADDITIONAL MENTAL HEALTH PARITY GUIDANCE ISSUED** - Generally, under the Mental Health Parity Act and the Mental Health Parity and Addiction Equity Act, to the extent that the health plan offers mental health or substance abuse disorder benefits, the plan must provide parity between the medical/surgical benefits and the MHSA disorder benefits. For health plans subject to the MHSA parity rules (small employer and retiree-only health plans are generally exempt) and with limited exceptions, parity should exist between the plan's medical/surgical and MHSA benefits with respect to annual and lifetime limits, financial requirements (ex. deductibles, copays), quantitative treatment limitations (ex. number of visits, days of treatment) and non-quantitative treatment

limitations (ex. formulary design for prescription drugs).  
The Health Insurance fund complies with all Mental Health Parity rules.

## **SECURITY BREACH - QUEST DIAGNOSTICS**

### **Aetna**

Quest Diagnostics Incorporated (Quest) announced it is investigating an unauthorized third-party intrusion that might have compromised the protected health information of approximately 34,000 individuals. Quest addressed the vulnerability, took steps to prevent further incidents, and sent written notice to affected individuals.

Data from biometric screening programs is not a part of this breach because the systems are completely isolated and separate.

We are working with Quest to determine if any of the patients impacted were Aetna members. There is no indication that the compromised information has been misused in any way, but we will continue working with them to make sure they take every reasonable step to protect sensitive information and reestablish confidence in their system.

We encourage anyone with additional questions to read the announcement on the Quest website and review the attachments below for more information. Anyone with concerns can call the dedicated toll-free number Quest established for this incident. The number is (888) 320-9970, and can be reached Monday through Friday between 9:00 a.m. and 7:00 p.m. Eastern Time.

**PHARMACY CLINICAL NEWS FLASH** - We will continue to provide updates regarding pharmacy trends and new drugs to the market.

Express Scripts recently completed its annual formulary review, and the following drug list exclusions will go into effect for your member population on January 1, 2017.

| New Exclusions |         |         |
|----------------|---------|---------|
| COLCHICINE     | KINERET | ORENCIA |
| TALTZ          | ZYCLARA |         |

Express Scripts will send a letter to the affected members advising of this change and include the suitable alternatives for them to discuss with their physician. Clinical exceptions can also be reviewed if requested by the physician.

The complete communication notice from Express Scripts has been included in this packet for your review.

**APPEALS AND GRIEVANCES** - Benefits Consultant said there was one appeal that will be handled through the small claims committee.

**FUND ATTORNEY** - Fund Attorney thanked the Committee for his reappointment.

**TREASURER** – Fund Treasurer said the bills list and treasurer’s report is included in the Agenda. In response to Commissioner Kunze, Fund Treasurer said the ACA tax paid in December was annual. Executive Director said the transitional reinsurance fee does not have to be funded in 2017.

Confirmation of Payment

| <b>FUND YEAR DECEMBER 2016</b> | <b>AMOUNT</b>       |
|--------------------------------|---------------------|
| FY Closed                      | \$49,072.55         |
| FY 2013                        | \$228.50            |
| <b>FY 2014</b>                 | <b>\$224.68</b>     |
| <b>FY 2015</b>                 | <b>\$271.89</b>     |
| <b>FY 2016</b>                 | <b>\$460,251.87</b> |
| <b>TOTAL</b>                   | <b>\$460,976.94</b> |

Confirmation of Payment – Supplemental Bills List

| <b>FUND YEAR</b> | <b>AMOUNT</b>    |
|------------------|------------------|
| FY Closed        | \$453.18         |
| FY 2013          | -\$228.50        |
| <b>FY 2014</b>   | <b>-\$224.68</b> |
| <b>TOTAL</b>     | <b>\$0</b>       |

Resolution 12-17 January 2017 Bills List

| <b>FUND YEAR</b> | <b>AMOUNT</b>       |
|------------------|---------------------|
| FY 2016          | \$1,186.21          |
| FY 2017          | \$365,792.05        |
| <b>TOTAL</b>     | <b>\$366,981.26</b> |

**BOARD ADVISOR** – Executive Director said the Wellness Committee continues to work on implementation of the Wellness Program.

**AETNA - THIRD PARTY ADMINISTRATOR** – Ms. Ward reviewed the October and November reports. She said there was 1 large claimant in November. She said the dashboard shows 63.5% in network discounts. She said the claims accuracy metric missed, however it was not directly related to the Fund.

**PHARMACY NETWORK (Express Scripts)** – Mr. Basile said the Fund saw a decrease in cost by 1% in 2016. Mr. Basile said ESI is making Mylan’s generic Epipen their preferred offering over Adrenaclick’s product for clinical reasons. He said they believe Mylan’s product is more efficient as compared to Adrenaclick. He said any affected members will receive a letter that their authorize fill will be Mylan’s generic product. In response to Commissioner Kunze, Mr. Basile said they do not know the market stance or pricing for the Auvi-q product. He said another reason ESI did not choose Adrenaclick is that they can only supply 10% of the Country with their product.

**DELTA DENTAL** – Ms. White said they reduced there fees by 10% and so far only 6 Dentists have left the network. She said the Fund continues to have good claims experience.

**OLD BUSINESS:** None



**NEW BUSINESS:** None

**PUBLIC COMMENT:** None

**MOTION TO ADJOURN**

**MOTION:**

Commissioner Baginski

**SECOND:**

Commissioner Kunze

**VOTE:**

Unanimous

**MEETING ADJOURNED:** 12:40 pm

**NEXT MEETING:** February 28, 2017  
Franklin Lakes Borough  
12:00 P.M.

Karen Kamprath, Assisting Secretary  
Date Prepared: February 16, 2017