

Gateway

BMED FUND



GATEWAY REGIONAL HEALTH INSURANCE FUND

AGENDA AND REPORTS

JUNE 27, 2013

SADDLE RIVER BOROUGH HALL

12:00 PM

OPEN PUBLIC MEETINGS ACT - In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I.** sending sufficient notice to **The Record**, Hackensack, NJ
- II.** filing advance written notice of this meeting with the Clerk/Administrator of each member municipality and,
- III.** posting notice on the Public Bulletin Board of all member municipalities.

DIRECTIONS

Saddle River Borough Hall
100 East Allendale Road
Saddle River, NJ 07458-3050
(201) 327-2609

Garden State Parkway to Route 17 North exit #163. Route 17 North to Sheridan Avenue, which becomes West Saddle River Road. Turn Right onto East Allendale Road.

BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND
AGENDA MEETING: JUNE 27, 2013
SADDLE RIVER BOROUGH HALL
12:00 P.M.

- MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**
- ROLL CALL OF 2013 EXECUTIVE COMMITTEE**
- APPROVAL OF MINUTES:** April 25, 2013 Open..... Open-Appendix I
- CORRESPONDENCE:** None

REPORTS

- EXECUTIVE DIRECTOR - PERMA**
.Executive Director's ReportPage 1
- BENEFITS CONSULTANT REPORT** – Conner Strong & BuckelewPage 15
- ATTORNEY** - Russell Huntington, Esq.
- TREASURER** – Joseph Iannaconi
.Voucher List May & June 2013..... Page 21
.Confirmation of Claims Paid/Certification of Transfers..... Page26
- BOARD ADVISOR** – Clark LaMendola
- THIRD PARTY ADMINISTRATOR** – Aetna – Kim Ward
. Monthly ReportPage 29
- PRESCRIPTION PROVIDER** – Express Scripts – Susan Wolf
- DENTAL ADMINISTRATOR** – Delta Dental – Kim White
- CONSENT AGENDA**Page 31

Resolutions

18-13
19-13
20-13
21-13

Subject Matter

Acceptance of 2012 Year End Financial Statements
Authorization of May & June 2013 Bills Lists
Certification of Claim Payments/Imprest Transfers
Resolution for Executive Session - For specified purpose of Claims discussion

- OLD BUSINESS**
- NEW BUSINESS**
- PUBLIC COMMENT**
- MEETING ADJOURNED**

Bergen Municipal Employee Benefits Fund

9 Campus Drive, Suite 16
Parsippany, NJ 07054
Telephone (201) 881-7632 Fax (201) 881-7633

Date: June 27, 2013
To: Executive Committee
Bergen Municipal Employee Benefits Fund
From: PERMA Risk Management Services
Subject: June 2013 Executive Director's Report

FINANCES

PRO FORMA REPORTS

- **Fast Track Financial Report** – as of April 30, 2013 (*page 3*)
- **Cash Flow Report** – as of April 30, 2013 (*page 4*)
- **Budget Reconciliation** – June 2013 (*page 6*)
- **Regulatory Compliance Checklist** – as of June 20, 2013 (*page 8*)

AUDITOR AND ACTUARY YEAR-END REPORTS

A copy of the financial audit for the period ending December 31, 2012 has been included with the agenda. A representative from Lerch, Vinci and Higgins is expected to be in attendance to review. Once approved, we will make a filing with the Departments of Insurance and Community Affairs to meet the June 30th deadline. Attached are Resolution 18-13 and the Affidavit of Certification to approve the December 31, 2012 audit. We request the approval via the following motion.

Motion: *Motion to Approve Year-End Financials, Adopt Resolution 18-13 and execute the Group Affidavit indicating that the members of the Executive Committee have read the General Comments Section of the Audit Report*

STATEMENT OF ACTUARIAL OPINION (*page 9*)

Included in the agenda is the review of actuarial assumptions and actuarial methods used in determining the reserves, by the Fund Actuary to be filed with the December 31, 2012 year –end financial reports to New Jersey Department of Banking and Insurance.

OUTSTANDING RECIEVABLES

The outstanding payments from East Rutherford have been recovered and are currently up to date. No other members are over 60 days delinquent at this time.

ADMINISTRATION

PHARMACY BENEFITS MANAGER RFP

As per the direction of the Commissioners at the previous meeting, in early May, the Fund advertised an RFP for a Pharmacy Benefits Manager (Appendix II). The due date for full RFP responses was June 4, but none had been received. The Benefit Consultant will have a full update on the process. PERMA will be prepared to discuss further steps the MRHIF and BMED can pursue to improve financial Rx results.

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND *(page 11)*

The MRHIF met on June 12, 2013. Commissioner Van Winkle's report is included. The 2012 Annual Audit was approved by the committee, along with an audit to be performed by NIIS for Express Scripts.

MEDICARE ADVANTAGE PROGRAM

We will have a status update on the implementation process of this program at this meeting. Effective July 1, Rutherford will be fully implemented, while all other members are scheduled for August 1 effective date.

Bergen Municipal Employee Benefits Fund
FINANCIAL FAST TRACK REPORT
AS OF APRIL 30, 2013

ALL YEARS COMBINED

| | THIS MONTH | YTD CHANGE | PRIOR YEAR END | FUND BALANCE |
|-----------------------------------|------------------|------------------|--------------------|--------------------|
| 1. UNDERWRITING INCOME | 1,747,724 | 7,456,514 | 397,514,849 | 404,971,363 |
| 2. CLAIM EXPENSES | | | | |
| Paid Claims | 1,483,100 | 5,967,882 | 349,508,022 | 355,475,904 |
| IBNR | (53,251) | 78,677 | 1,847,000 | 1,925,677 |
| Less Specific Excess | - | - | (10,833,289) | (10,833,289) |
| Less Aggregate Excess | - | - | (602,911) | (602,911) |
| Total Claims | 1,429,850 | 6,046,559 | 339,918,822 | 345,965,381 |
| 3. EXPENSES | | | | |
| HMO Premiums | 4,012 | 16,050 | 3,221,169 | 3,237,219 |
| Excess Premiums | 134,294 | 544,463 | 18,093,533 | 18,637,996 |
| Administrative | 120,252 | 478,571 | 30,606,038 | 31,084,609 |
| Total Expenses | 258,557 | 1,039,084 | 51,920,740 | 52,959,824 |
| 4. UNDERWRITING PROFIT (1-2-3) | 59,317 | 370,870 | 5,675,287 | 6,046,157 |
| 5. INVESTMENT INCOME | 158 | 719 | 2,293,575 | 2,294,294 |
| 6. DIVIDEND INCOME | - | - | 1,869,111 | 1,869,111 |
| 7. STATUTORY PROFIT (4+5+6) | 59,475 | 371,589 | 9,837,973 | 10,209,562 |
| 8. DIVIDEND EXPENSE | - | - | 2,689,210 | 2,689,210 |
| 9. STATUTORY SURPLUS (7-8) | 59,475 | 371,589 | 7,148,762 | 7,520,351 |

SURPLUS (DEFICITS), CASH, BY FUND YEAR

| | | | | |
|----------------------|----------------|----------------|------------------|------------------|
| Closed SURPLUS | (270) | 576 | 6,632,583 | 6,633,159 |
| CASH | (271) | 576 | 6,632,583 | 6,633,159 |
| 2011 SURPLUS | (14,956) | (45,976) | 121,895 | 75,919 |
| CASH | (14,956) | 169,571 | (405,575) | (236,004) |
| 2012 SURPLUS | (68,040) | 108,927 | 394,283 | 503,210 |
| CASH | (131,561) | (723,237) | 851,907 | 128,670 |
| 2013 SURPLUS | 142,742 | 308,062 | - | 308,062 |
| CASH | 391,747 | 680,789 | - | 680,789 |
| TOTAL SURPLUS | 59,475 | 371,589 | 7,148,761 | 7,520,350 |
| TOTAL CASH | 244,959 | 127,699 | 7,078,915 | 7,206,614 |

CLAIM ANALYSIS BY FUND YEAR

CLOSED FUND YEAR

| | | | | |
|---------------------|-----|------|-------------|-------------|
| Total Claims | 374 | (89) | 305,793,770 | 305,793,681 |
|---------------------|-----|------|-------------|-------------|

FUND YEAR 2011

| | | | | |
|-----------------------|---------------|---------------|-------------------|-------------------|
| Paid Claims | 14,969 | 55,625 | 17,329,762 | 17,385,387 |
| IBNR | - | (10,000) | 10,000 | - |
| Less Specific Excess | - | - | (551,762) | (551,762) |
| Less Aggregate Excess | - | - | - | - |
| Total Claims | 14,969 | 45,625 | 16,788,000 | 16,833,625 |

FUND YEAR 2012

| | | | | |
|-----------------------|---------------|------------------|-------------------|-------------------|
| Paid Claims | 129,039 | 1,472,102 | 16,128,758 | 17,600,860 |
| IBNR | (60,968) | (1,580,875) | 1,837,000 | 256,125 |
| Less Specific Excess | - | - | (628,712) | (628,712) |
| Less Aggregate Excess | - | - | - | - |
| Total Claims | 68,071 | (108,773) | 17,337,046 | 17,228,273 |

FUND YEAR 2013

| | | | | |
|-----------------------|------------------|------------------|----------|------------------|
| Paid Claims | 1,338,719 | 4,440,244 | - | 4,440,244 |
| IBNR | 7,717 | 1,669,552 | - | 1,669,552 |
| Less Specific Excess | - | - | - | - |
| Less Aggregate Excess | - | - | - | - |
| Total Claims | 1,346,436 | 6,109,797 | - | 6,109,797 |

| | | | | |
|------------------------------|------------------|------------------|--------------------|--------------------|
| COMBINED TOTAL CLAIMS | 1,429,850 | 6,046,559 | 339,918,822 | 345,965,381 |
|------------------------------|------------------|------------------|--------------------|--------------------|

This report is based upon information which has not been audited nor certified
by an actuary and as such may not truly represent the condition of the fund.
Fund Year allocation of claims have been estimated.