

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
OPEN MEETING: FEBRUARY 4, 2011  
SADDLE RIVER BOROUGH HALL  
9:00 P.M.**

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

**ROLL CALL OF 2010 EXECUTIVE COMMITTEE:**

<b>Chairperson</b>		
Charles Cuccia	Borough of Saddle River	Present
<b>Secretary</b>		
Robert Ryaby	Borough of Wallington	Absent
<b>Executive Committee</b>	<b>Members</b>	
Linda LoPiccolo	Twp. of South Hackensack	Present
Peter Van Winkle	Borough of Rutherford	Present
Robert Hoffman	Borough of Westwood	Present
Maureen Iarossi-Alwan	Borough of Montvale	Present
<b>Alternates</b>		
Thomas Carroll	Borough of Wanaque	Absent
Helene Fall	Borough of Park Ridge	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/ Administrator	<b>PERMA Risk Management Services</b>	Paul Laracy Emily Koval Despina Kontomanolis
Attorney	<b>Huntington Bailey, LLP</b>	Russell Huntington
Treasurer	<b>Joseph Iannaconi</b>	
Third Party Administrator	<b>Aetna</b>	
Dental Claims Administrator	<b>Delta Dental of NJ, Inc.</b>	Kim White
Auditor	<b>Lerch, Vinci &amp; Higgins</b>	
Actuary	<b>John Vataha</b>	
Independent Consultant	<b>LaMendola Associates</b>	
Benefits Consultant	<b>Conner Strong</b>	Diane Peteson Brandon Lodies
RX Administrator	<b>Express Scripts</b>	Katty Mercado Kelly Depcik

**OTHERS PRESENT:**

Matt McArow, Ridgefield Park RMC

Hugo Poli, Village of Ridgefield Park  
John Hansen, East Rutherford  
Chris Assenheimer, Carlstadt  
Deb Ginetto, Burton Agency  
Frank Covelli, PIA  
Witold T. Baginski, Wallington  
Tom Konikowski, Wallington RMC  
Glen Parsells, Parsells Agency

**CORRESPONDENCE – None**

**APPROVAL OF MINUTES:** December 2, 2010 Open and Closed. Commissioner Hoffmann asked that the minutes be amended to show the correct spelling of his last name, Hoffmann.

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF DECEMBER 2, 2010, AS AMENDED:**

<b>MOTION:</b>	Commissioner Fall
<b>SECOND:</b>	Commissioner Van Winkle
<b>ROLL CALL VOTE:</b>	6 Ayes, 0 Nays

**MOTION TO ADJOURN SINE DIE MEETING:**

<b>MOTION:</b>	Commissioner Fall
<b>SECOND:</b>	Commissioner VanWinkle
<b>VOTE:</b>	Unanimous

Executive Director asked for a roll call of all 2010 BMED Fund Commissioners.

<b>BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND</b>		
2010 FUND COMMISSIONERS		
<b>MUNICIPALITY</b>	<b>FUND COMMISSIONER</b>	
Alpine	Paul Garjian	Absent
Emerson*	Scott Rivers	Absent
Hillsdale *	Victor M. Polce	Absent
Lodi *	Anthony Luna	Absent
Maywood	Charles Cuccia	Present
Moonachie	Anthony Ciannanmea	Absent
N. Arlington	Terrence Wall	Absent
Park Ridge	Helene Fall	Present
S. Hackensack	Linda LoPiccolo	Present
Saddle River	Charles Cuccia	Present
Wallington	Victor Baginski	Present
Westwood	Robert Hoffman	Present
Wood-Ridge *	Dominick Azzolini	Absent
Rutherford	Peter Van Winkle	Present
Montvale	Maureen Iarossi-Alwan	Present
Ridgefield Park	Hugo Poli	Present
Rochelle Park *	Virginia DiMaria	Absent
Wanaque Valley Regional Sewerage Authority *	Frank Covelli	Present
Carlstadt *	Christopher Assenheimer	Present
East Rutherford *	John Hansen	Present
East Rutherford BOE *	Ken Rotta	Absent
Ft. Lee *	Peggy Thomas	Absent
Carlstadt BOE *	Stephen Imperato	Absent

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 2011:

Chairman      Chuck Cuccia, Borough of Saddle River  
Secretary      Peter VanWinkle, Borough of Rutherford

**Executive Committee Members:**

Linda LoPiccolo, Township of South Hackensack  
Robert Hoffman, Borough of Westwood  
Maureen Iarossi Alwan, Borough of Montvale  
Helene Fall, Borough of Park Ridge  
Hugo Poli, Village of Ridgefield Park

**Alternates:**

Victor Baginski, Borough of Wallington

**MOTION TO ADOPT 2011 SLATE OF EXECUTIVE COMMITTEE AS RECOMMENDED AND CLOSE NOMINATIONS:**

**MOTION:**

Commissioner Van Winkle

**SECOND:** Commissioner Rortundo  
**ROLL CALL VOTE:** 12 Ayes, 0 Nays

Attorney swore in the Executive Committee Commissioners.

**EXECUTIVE DIRECTOR:**

Executive Director thanked Committee for 2011 re-appointment.

**Reorganization Resolutions**

The 2011 Reorganization Resolutions for adoption were in the agenda. Resolution 1-11 appoints professionals at the fees adopted as part of the budget process. The Resolution was voted on during the consent agenda.

Resolutions 2-11 – 12-11 voted on as consent.

Commissioner Hoffmann suggested that Resolution 4-11 be amended to include the BMED website as an official media. Fund Attorney requested the resolution wording include, “BE IT FURTHER RESOLVED that the Bergen Municipal Employee Benefits Fund website be designated as the official electronic media site for the Bergen Municipal Employee Benefits Fund at [www.BMED.com](http://www.BMED.com).

In addition, Commissioner Hoffmann requested that the December meeting be changed from December 1, 2011 to December 8, 2011. Chairman Cuccia also suggested that the time of the meetings be moved from 1 pm to 12pm. Fund Attorney also noted that the resolution dates be amended to February 4, 2011 since the meeting date had been moved due to weather.

Commissioners Van Winkle and Hoffman appointed to the MRHIF as the 2011 BMED representative and alternate representative, respectively.

**MUNICIPAL REINSURANCE HEALTH INSURANCE FUND** - The Municipal Reinsurance Health Insurance Fund met on December 16, 2010 at 2 pm in the offices of PERMA. The MRHIF held its annual public hearing and adopted the 2011 budget in the amount of \$9,125,714.

A report on the MRHIF meeting from Commissioner Van Winkle is included. Executive Director said the MRHIF has included a Wellness Program and Enrollment System in the 2011 budget. The MRHIF continues to have a strong surplus.

Chairman Cuccia said that the Asset Manager, TD Bank has needed to change some of its banking terms and conditions. Because of this, the MEL, RCF and EJIF have decided to RFQ for an Asset Manager this year. To follow suit, the MRHIF will advertise an RFQ as well since the JIF and HIF Funds have always shared the same banking and investment professional.

**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 that the Fund may not be able to go ‘live’ with this system until April 1<sup>st</sup> because being the initial group to use it, we want to be sure that it works as smooth as possible.

**FUND NAME AND LOGO** - The new Fund Name and Logo that was discussed at last month’s meeting is included in the agenda. If no changes or additions are suggested, we ask for your approval to move forward with the marketing strategies. In response to the logo included in the agenda, Commissioner Hoffmann said that in discussion last month, the Fund agreed to keep BMED in the new name. He said the Fund has worked hard and would not want to lose their roots. Chairman said that Gateway BMED Regional Health Insurance Fund may be too long. Fund Attorney suggested weaning the BMED name out slowly, like a trademark. The Committee agreed that “Bergen” symbolizes strength and stability. Executive Director suggested that a committee discuss further. Commissioners Hoffmann, Fall and Chairman Cuccia volunteered to be on this committee.

**LOW COST PLANS** - We have worked with the actuary in developing and pricing three lower priced model plans for Saddle River. Diane Peterson will be meeting with the Saddle River risk manager to discuss the plans and implementation strategies. Upon the completion of that process, we will develop pricing alternatives for other interested members. Chairman Cuccia said that these plans will be presented to his town council for new employees only. Fund Attorney said if the council agrees for at least one year, it does not bind them to following years. This may help towns that cannot abandon their rich plans entirely, but transition slowly.

**LEGACY “DENTAL ONLY” MEMBERS – RMC FEES** - We now have 2 dental only members that previously had medical with the Fund. The RMC fee was tied to medical enrollment, so the producers are not being compensated currently. It is proposed that we be allowed to add compensation with the approval of the entity and with inclusion of the cost in the rate charged to the member.

**WANAQUE WITHDRAWAL FROM BMED** - Wanaque has provided notice that it is leaving the Fund effective 3/1/2011 and is returning to the State Health Benefit Program. This member has had high claims experience and the community rated State plan is an appropriate alternative from an underwriting perspective.

**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.

**EXPRESS SCRIPTS (ESI) IMPLEMENTATION** - Under MRHIF's contract with ESI, industry standard cost control programs can be implemented at no charge. Now that ESI handles all of BMED's pharmacy business, they will implement MRHIF authorized "Drug Quantity Management" and "Prior Authorization" programs. These are safety and "medical necessity" based programs that do not need to be negotiated. Our ESI representatives will discuss these programs during their presentation.

**FINANCIAL DISCLOSURE STATEMENTS** - Included in your agenda packet is a Financial Disclosure form. 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.

The website for the on-line form is: [http://www.state.nj.us/dca/lgs/ethics/pdfs/fds\\_fill-in\\_form.pdf](http://www.state.nj.us/dca/lgs/ethics/pdfs/fds_fill-in_form.pdf)

**INCLEMENT WEATHER PROCEDURE** - As a reminder, PERMA has instituted a procedure for Commissioners to confirm whether or not a meeting has been canceled. The Executive Director will discuss with the Fund Chairman if the meeting should be canceled. In the event of an early morning or evening meeting(s), PERMA will provide a recorded message indicating the status of the meeting. The recorded message can be obtained by calling the Fund's main number (201) 587-0555 at any time of the day or night. For meetings that occur during the course of normal business hours, meeting status can be obtained by utilizing the same number.

**FINANCIAL REPORTS** : The following reports were included in the agenda:

Fast Track Financial Report – November 30, 2010  
Cash Flow Tracking Report – November 2010  
Budget\Billing Reconciliation – January 2011  
Regulatory Compliance Checklist – as of January 19, 2011

*Executive Director's Report Made Part of the Minutes.*

**ATTORNEY:**

Thanked Committee for 2011 re-appointment.

**TREASURER:**

The Treasurers' Report was included in the agenda. Commissioner Hoffmann suggested that the Fund Treasurer attend a few meetings a year. Chairman Cuccia said although the Fund Treasurer

is not needed at all meetings, he asked Executive Director to make request that he attend occasionally to give his report.

**DECEMBER 2010 CONFIRMING BILLS LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2010	\$301,919.33
<b>TOTAL</b>	<b>\$301,919.33</b>

**JANUARY 2011 BILLS LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2010	\$7,618.12
2011	\$252,464.02
<b>TOTAL</b>	<b>\$260,082.14</b>

**DECEMBER CERTIFICATION OF CLAIMS\IMPREST TRANSFERS**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2010	\$1,625,781.59
2009	\$0.00
2008	\$0.00
Closed	\$0.00
<b>TOTAL</b>	<b>\$1,625,781.59</b>

*Treasurer's Report Made Part of the Minutes*

**THIRD PARTY ADMINISTRATOR – Aetna**

No Report

**BENEFITS CONSULTANT: Conner Strong**

Ms. Peterson thanked the Committee for 2011 re-appointment. Benefits Consultant reported on the following items:

**Conner Strong HIF Team:** Conner Strong continues to evaluate the services provided to the Bergen Municipal Employee Benefits 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 supporting

the Risk Managers in providing 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 BMED, 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 as additional support for Brandon Lodics

### **Remaining Team Members**

- Brandon Lodics will remain as a dedicated Health JIF Associate servicing the BMED. Brandon's direct contact information is as follows:

**Brandon J. Lodics** | *Health JIF Associate*

Conner Strong Companies, Inc. | 40 Lake Center Executive Park

401 Route 73 North | P.O. Box 989 | Marlton, NJ 08053

P: 856-552-4628 | F: 856-552-4629

[blodics@connerstrong.com](mailto:blodics@connerstrong.com) | connerstrong.com

- Paul Chae will remain as back up Health JIF Associate
- 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. Mike's knowledge of the HIFs will be an asset to this function. His primary territory will be Ocean and Monmouth Counties.

## **HEALTH CARE REFORM**

**More Agency FAQs issued on Health Care Reform** – A handout was distributed the Executive Committee

**MINI-MED PLANS** -We had committed to revisit the ability to offer mini-med plans to part time employees. The Department of Health and Human Services released in the last few weeks new guidance that restricts the sale of “mini-med” or “limited benefits” plans, and also requires disclosure of plan information to consumers. (hand-out to be provided).

Under the Affordable Care Act, annual dollar limits and mini-med plans will end in 2014. Until then annual limits will be phased out thereby increasing the affordability to these plans.

We will be consulting with carriers, inside compliance counsel and the Fund Attorney for more elaboration.

**HIF WELLNESS UPDATE** - We are requesting that each member in the BMED 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.

**1/1/2011 Transition Issues** - As to be expected, there were some complications in the BMED move from United Healthcare to Aetna. We wanted to take this time to disclose these and their resolutions.

1. **File Transfer:** In the Borough of Westwood, it was discovered after the 1/1/2011 that members in the existing Aetna plan were not moved to the new Aetna plan. A few members, when attempting to utilize their benefits, discovered that they were no longer active. This was rectified by a manual overnight file transfer. All members are now in the correct Aetna plan.  
Commissioner Hoffmann thanked the Benefits Consultant for coming to his Borough. He had a large attendance and the HSA discussion was very informative.
2. **Dependent 26:** The dependent 26 update was delayed and new adult dependents experienced difficulties in having prescriptions filled and utilizing their medical benefits. Perma identified the dependent eligibility issue and worked with Aetna and Express Scripts to have their accounts activated overnight. The effected dependents were enrolled retroactively with no gap in coverage.
3. **ID Cards:**
  - a. *Unannounced Changes:* In Saddle River, new ID cards were issued for January 1, 2011, which did not include the preapproved ID card layout.
  - b. *Plan Discrepancies:* In the Borough of Park Ridge, the incorrect ER Copay was printed on the card. The plan is being updated and corrected ID cards will be sent to members.
  - c. *Express Script Temporary ID Cards:* In the Borough of Park Ridge, members in Express Scripts prior to January 1, 2011 were sent temporary ID cards in error. Effected members disposed of their existing ESI cards but did not receive new ones as the temporary indicated. New cards were ordered for the whole group.
  - d. *File Transfer:* As a result of the previously mentioned File Transfer error, the Borough of Westwood members in the existing Aetna/ESI plan did not received ESI cards. With the overnight file transfer new ID cards were produced and sent.

**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
Harrington Park Borough	2/1/2011
Hasbrouck Heights BOE	7/1/2010
Town of Secaucus	7/1/2010
Nutley BOE	7/1/2010
Hoboken Housing Authority	5/1/2010
Learning Community Charter School	5/1/2010
Borough of Norwood	5/1/2010
Upper Saddle River BOE	4/1/2010
Waldwick Borough	4/1/2010
Woodcliff Lake Borough	4/1/2010

**CLAIM APPEALS**

There are THREE claim appeals to be reported in closed session

*Benefits Consultant Report Made Part of the Minutes*

**BOARD ADVISOR:**

No report.

**PRESCRIPTION PROVIDER – EXPRESS SCRIPTS**

Monthly reports included in the agenda. Ms. Mercado said that the programs presented in the Executive Director’s report should be very beneficial to the Fund.

**DENTAL ADMINISTRATOR – DELTA DENTAL:**

No report

**CONSENT AGENDA:**

The following Resolutions listed on the Consent Agenda will be enacted in one motion. Copies of all Resolutions are available to any person upon request. Any Commissioner wishing to remove any Resolution(s) to be voted upon, may do so at this time, and said Resolution(s) will be moved and voted separately.

**Resolutions**

- 1-11
- 2-11

**Subject Matter**

- Professional contracts
- Designation of Service of Process

3-11	Designation of Secretary as Custodian of Records
4-11	Designation of Official Newspapers
5-11	Designation of Regular Meeting Times and Place
6-11	Designation of Bank Depositories & Cash Management Plan
7-11	Designation of Authorized Signatories
8-11	Designation of Independent Appeal Organization
9-11	Approval of 2011 Risk Management Plan
10-11	Appointment of MRHIF Commissioners
11-11	Service Contract Approval\Chairman Signature
12-11	Authorization of December 2010 & January 2011 Bills List
13-11	Certification of Claim Payments/Imprest Transfers
14-11	Resolution for Executive Session - For specified purpose of Claims discussion

**MOTION TO APPROVE THE CONSENT AGENDA, AS AMENDED:**

<b>MOTION:</b>	Commissioner Fall
<b>SECOND:</b>	Commissioner Iarossi- Alwan
<b>ROLL CALL VOTE:</b>	8 Ayes, 0 Nays

**OLD BUSINESS:**

None.

**NEW BUSINESS:**

Commissioner Hoffmann said that due with Commissioner Carroll's absence, a spot in the contracts review committee has opened. Commissioner Iarossi- Alwan volunteered to fill the spot.

**PUBLIC COMMENT:**

None.

**MOTION TO OPEN AND RATIFY DECISIONS MADE IN CLOSED SESSION:**

<b>MOTION:</b>	Commissioner VanWinkle
<b>SECOND:</b>	Commissioner Iarossi - Alwan
<b>VOTE:</b>	Unanimous

**MOTION TO ADJOURN:**

<b>MOTION:</b>	Commissioner Van Winkle
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**SECOND:  
VOTE:**

Commissioner Hoffmann  
Unanimous

**MEETING ADJOURNED:** 10:35am

**NEXT MEETING:** February 24, 2011  
Saddle River Borough Hall  
12:00 P.M.

Emily Koval, Assisting Secretary  
Date Prepared: February 16, 2011