



**AGENDA AND REPORTS**  
**FEBRUARY 27, 2024**  
**FRANKLIN LAKES 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 and The Star Ledger**
- 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.

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
AGENDA MEETING: FEBRUARY 27, 2024  
FRANKLIN LAKES BOROUGH HALL  
12:00 PM**

**SINE DIE MEETING**

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**MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**

**PLEDGE OF ALLEGENCE**

**ROLL CALL OF 2024 EXECUTIVE COMMITTEE**

Gregory Hart, Chair  
Richard Kunze, Secretary  
Gregory Franz, Executive Committee  
Donna Gambutti, Executive Committee  
Bob Kakoleski, Executive Committee  
Anthony Ciannamea, Executive Committee  
Erin Delaney, Executive Committee Alternate  
James Gasparini, Executive Committee Alternate  
Thomas Padilla, Executive Committee Alternate  
Joe Voytus, Executive Committee Alternate

**APPROVAL OF MINUTES:** January 23, 2024 Open..... Appendix I

**CORRESPONDENCE - None**

**MONTHLY COMMITTEE REPORTS**

**STRATEGIC PLANNING COMMITTEE - Rich Kunze, Chair**

**FINANCE COMMITTEE - Rich Kunze, Chair**

**WELLNESS COMMITTEE - Robert Kakoleski, Chair**

**SMALL CLAIMS COMMITTEE - Donna Gambutti, Chair**

**NOMINATION COMMITTEE - Robert Kakoleski, Chair**

**EXECUTIVE DIRECTOR - PERMA - Brandon Lodics**

Executive Director's Report .....**Page 1**

**BENEFITS CONSULTANT REPORT - Crystal Bailey**

Conner Strong & Buckelew.....**Page 9**

**ATTORNEY** - Russell Huntington, Esq.

**TREASURER** - Joseph Iannaconi

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Treasurers Report December 2023

Confirmation of Claims Paid/Certification of Transfers

**WELLNESS COORDINATOR** - Marianne Eskilson .....Page 18

**BOARD ADVISOR** - Clark LaMendola

**THIRD PARTY ADMINISTRATOR** - Aetna - Jason Silverstein

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**PRESCRIPTION PROVIDER** - Express Scripts - Charles Yuk

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**DENTAL ADMINISTRATOR** - Delta Dental - Kim White

**CONSENT AGENDA** .....Page 27

Revised Resolution 9-24: Compensating Producers.....Page 28

Resolution 18-24: Forming HIF Cooperative Pricing System .....Page 30

Resolution 19-24: February 2024 Bills Lists .....Page 32

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**MEETING ADJOURNED**

**Bergen Municipal Employee Benefits Fund  
Executive Director's Report  
February 27, 2024**

**FINANCE AND OPERATIONS**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports** as of December 31, 2023 (page 4)
  - **Historical Income Statement**
  - **Ratios and Indices Report**

**REVISED RESOLUTION - BROKER RESOLUTION**

At the Reorganization meeting, Resolution 9-24 reflected the incorrect broker name for Verona. This has been corrected in the revised version in the consent agenda. No other changes have been made.

**COOPERATIVE PRICING SYSTEM - JOINING MEMBER**

In 2023, the MRHIF and its affiliates sought approval from the NJ Office of the Comptroller to issue an RFP for TPA Services for the local Funds. Approval was not given, as the Comptroller's office felt that MRHIF did not have the authority to procure a claims agent being utilized by the local Funds. To secure TPA services for PY 2024, the local Funds each performed a 1-year contract for TPA services in the hopes that group purchasing would be permitted for a longer contract starting in 2025. We have reviewed with the MRHIF QPA and Attorney who agree that the Funds may enter into a Cooperative Pricing Agreement with a lead agent. We are recommending the SNJREBF be the lead agent as they currently have existing contracts with both HIF TPAs and Medicare Advantage providers.

The concept of the HIF Cooperative Pricing System was presented to the MRHIF Commissioners by the MRHIF Attorney and received full support.

Two entities are needed to form – along with SNJHIF, we are recommending BMED to be an initial member. All other Funds will be approving Resolutions to Join by end of March.

The Fund Attorney and BMED Strategic Planning Committee have reviewed the concept and are in full support. **Note:** We do need to elect a BMED representative to the System. We are recommending each Contract Committee Chair.

**MOTION:** *Motion to approve Resolution 18-24 to form the Cooperative Pricing System and approve the Agreement*

**FEBRUARY MRHIF MEETING**

The MRHIF had their reorganization meeting on February 15, 2024. Commissioner Kunze was present to represent the Fund.

Below are some of the key highlights:

1. The Fund Attorney provided an overview of the **Cooperative Pricing System Initiative**.
2. Approval was granted for the Fund Attorney to manage the **Cooperative Pricing System filing**.
3. Approval to go out to **RFP for a Data Warehouse system** was approved.
4. Approval to go out to **RFP for Reinsurer** for multi-year contract was approved.

## **FORT LEE - NEW MEMBERSHIP**

The Borough of Fort Lee was approved and expected to join the Fund on February 1, 2024. A few days before the impending date, the Borough requested an additional 30 days to start. Luckily, although implementation to the Fund had began, the group's contract was still with Aetna and little disturbance occurred.

The Fund received a signed Indemnity and Trust agreement for March 1, 2024.

## **STRATEGIC PLANNING COMMITTEE**

The Committee will be having a brief discussion after the meeting to review two items:

1. Follow ups to the SWOT analysis presented last month
2. An Out of Network Provider issue that occurred with the Metro Fund that, due to proximity, the Committee should discuss.

## **WELLNESS COMMITTEE**

The Wellness Committee will be meeting early March to discuss a new wellness concept and continue efforts for a new coordinator.

## **2024 MEL, MR HIF & NJCE JIF EDUCATIONAL SEMINAR:**

The 14th annual seminar will be conducted virtually on 2 half-day sessions: Friday April 19st and Friday April 26th from 9AM to 12PM.

The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees, insurance producers, as well as personnel who work for services companies associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) and New Jersey Counties Excess Joint Insurance Fund (NJCE JIF). We are in the process of preparing to distribute this notice to all members and risk managers.

## **INDEMNITY AND TRUST AGREEMENTS**

Below is a list of members who have renewing agreements due by December 31, 2021 and older. Please reach out to PERMA (jdelorenzo@permainc.com) for a blank form to be executed. The list was last updated on February 22, 2024.

| Member                | I&T end date |
|-----------------------|--------------|
| BOROUGH OF HILLSDALE  | 12/31/2021   |
| BOROUGH OF WALLINGTON | 12/31/2022   |

| <b>BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND</b> |   |                    |                          |                     |                     |  |
|--|---|--------------------|--------------------------|---------------------|---------------------|--|
| <b>FINANCIAL FAST TRACK REPORT</b>             |   |                    |                          |                     |                     |  |
|  |   | <b>AS OF</b>       | <b>December 31, 2023</b> |                     |                     |  |
|  |   | <b>THIS</b>        | <b>YTD</b>               | <b>PRIOR</b>        | <b>FUND</b>         |  |
|  |   | <b>MONTH</b>       | <b>CHANGE</b>            | <b>YEAR END</b>     | <b>BALANCE</b>      |  |
| 1.   | <b>UNDERWRITING INCOME</b>                | <b>3,384,498</b>   | <b>43,766,820</b>        | <b>704,147,908</b>  | <b>747,914,728</b>  |  |
| 2.   | <b>CLAIM EXPENSES</b>                     |                    |                          |                     |                     |  |
|  | Paid Claims                               | 3,963,928          | 38,673,162               | 572,685,073         | 611,358,235         |  |
|  | IBNR                                      | 2,954              | 613,175                  | 3,249,899           | 3,863,074           |  |
|  | Less Specific Excess                      | 86,225             | (517,377)                | (15,746,278)        | (16,263,655)        |  |
|  | Less Aggregate Excess                     | -                  | -                        | (602,911)           | (602,911)           |  |
|  | <b>TOTAL CLAIMS</b>                       | <b>4,053,107</b>   | <b>38,768,961</b>        | <b>559,585,783</b>  | <b>598,354,744</b>  |  |
| 3.   | <b>EXPENSES</b>                           |                    |                          |                     |                     |  |
|  | MA & HMO Premiums                         | 180,516            | 2,015,088                | 27,348,987          | 29,364,075          |  |
|  | Excess Premiums                           | 84,659             | 998,232                  | 33,419,561          | 34,417,794          |  |
|  | Administrative                            | 167,804            | 2,546,436                | 55,305,741          | 57,852,176          |  |
|  | <b>TOTAL EXPENSES</b>                     | <b>432,978</b>     | <b>5,559,756</b>         | <b>116,074,289</b>  | <b>121,634,045</b>  |  |
| 4.   | <b>UNDERWRITING PROFIT/(LOSS) (1-2-3)</b> | <b>(1,101,587)</b> | <b>(561,896)</b>         | <b>28,487,836</b>   | <b>27,925,940</b>   |  |
| 5.   | <b>INVESTMENT INCOME</b>                  | <b>67,314</b>      | <b>458,923</b>           | <b>3,227,439</b>    | <b>3,686,363</b>    |  |
| 6.   | <b>DIVIDEND INCOME</b>                    | <b>0</b>           | <b>286,255</b>           | <b>7,232,698.00</b> | <b>7,518,953.00</b> |  |
| 7.   | <b>STATUTORY PROFIT/(LOSS) (4+5+6)</b>    | <b>(1,034,273)</b> | <b>183,282</b>           | <b>38,947,973</b>   | <b>39,131,256</b>   |  |
| 8.   | <b>DIVIDEND</b>                           | <b>0</b>           | <b>2,433,156</b>         | <b>27,089,998</b>   | <b>29,523,154</b>   |  |
| 9.   | <b>Transferred Surplus</b>                | <b>0</b>           | <b>0</b>                 | <b>0</b>            | <b>0</b>            |  |
| <b>STATUTORY SURPLUS (7-8+9)</b>               |   | <b>(1,034,273)</b> | <b>(2,249,874)</b>       | <b>11,857,976</b>   | <b>9,608,102</b>    |  |
| <b>SURPLUS (DEFICITS) BY FUND YEAR</b>         |   |                    |                          |                     |                     |  |
| Closed   | Surplus                                   | 36,841             | (3,033,510)              | 12,784,602          | 9,751,092           |  |
|  | Cash                                      | (153,845)          | (2,523,849)              | 12,430,360          | 9,906,511           |  |
| 2022   | Surplus                                   | 2,343              | 525,687                  | (926,625)           | (400,938)           |  |
|  | Cash                                      | (23,591)           | 878,181                  | (2,911,760)         | (2,033,580)         |  |
| 2023   | Surplus                                   | (1,073,457)        | 226,600                  |                     | 226,600             |  |
|  | Cash                                      | (3,038,751)        | 2,488,509                |                     | 2,488,509           |  |
| <b>TOTAL SURPLUS (DEFICITS)</b>                |   | <b>(1,034,273)</b> | <b>(2,249,874)</b>       | <b>11,857,976</b>   | <b>9,608,102</b>    |  |
| <b>TOTAL CASH</b>                              |   | <b>(3,216,187)</b> | <b>842,841</b>           | <b>9,518,600</b>    | <b>10,361,441</b>   |  |
| <b>CLAIM ANALYSIS BY FUND YEAR</b>             |   |                    |                          |                     |                     |  |
| <b>TOTAL CLOSED YEAR CLAIMS</b>                |   | <b>111</b>         | <b>1,208,633</b>         | <b>527,502,666</b>  | <b>528,711,299</b>  |  |
| <b>FUND YEAR 2022</b>                          |   |                    |                          |                     |                     |  |
|  | Paid Claims                               | 27,178             | 4,068,105                | 30,228,514          | 34,296,619          |  |
|  | IBNR                                      | (19,499)           | (3,249,899)              | 3,249,899           | -                   |  |
|  | Less Specific Excess                      | (1,358)            | (1,281,670)              | (1,395,297)         | (2,676,967)         |  |
|  | Less Aggregate Excess                     | 0                  | 0                        | 0                   | 0                   |  |
| <b>TOTAL FY 2022 CLAIMS</b>                    |   | <b>6,321</b>       | <b>(463,464)</b>         | <b>32,083,116</b>   | <b>31,619,652</b>   |  |
| <b>FUND YEAR 2023</b>                          |   |                    |                          |                     |                     |  |
|  | Paid Claims                               | 3,936,639          | 34,160,717               |                     | 34,160,717          |  |
|  | IBNR                                      | 22,453             | 3,863,074                |                     | 3,863,074           |  |
|  | Less Specific Excess                      | 87,583             | 0                        |                     | 0                   |  |
|  | Less Aggregate Excess                     | 0                  | 0                        |                     | 0                   |  |
| <b>TOTAL FY 2023 CLAIMS</b>                    |   | <b>4,046,675</b>   | <b>38,023,791</b>        |                     | <b>38,023,791</b>   |  |
| <b>COMBINED TOTAL CLAIMS</b>                   |   | <b>4,053,107</b>   | <b>38,768,961</b>        | <b>559,585,782</b>  | <b>598,354,743</b>  |  |

| BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND |            |               |               |               |               |               |               |               |               |               |               |               |               |
|---|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| RATIOS                                  |            |               |               |               |               |               |               |               |               |               |               |               |               |
| INDICES                                 | 2022       | FY2023        |               |               |               |               |               |               |               |               |               |               |               |
|   |            | JAN           | FEB           | MAR           | APR           | MAY           | JUN           | JUL           | AUG           | SEP           | OCT           | NOV           | DEC           |
| Cash Position                           | 9,518,600  | \$ 9,529,499  | \$ 8,343,212  | \$ 9,623,045  | \$ 11,233,054 | \$ 13,599,477 | \$ 11,895,941 | \$ 11,599,115 | \$ 9,076,591  | \$ 13,123,550 | \$ 14,951,086 | \$ 13,577,628 | \$ 10,361,441 |
| IBNR                                    | 3,249,899  | \$ 3,155,529  | \$ 3,466,494  | \$ 3,727,303  | \$ 3,628,323  | \$ 3,727,141  | \$ 3,770,836  | \$ 3,838,454  | \$ 3,853,807  | \$ 3,867,514  | \$ 3,861,512  | \$ 3,860,121  | \$ 3,863,074  |
| Assets                                  | 15,947,606 | \$ 15,938,627 | \$ 15,991,928 | \$ 16,652,651 | \$ 17,351,858 | \$ 17,895,012 | \$ 17,689,431 | \$ 17,557,443 | \$ 17,340,718 | \$ 17,443,077 | \$ 16,587,464 | \$ 15,272,618 | \$ 14,012,329 |
| Liabilities                             | 4,089,629  | \$ 3,394,943  | \$ 3,692,677  | \$ 4,045,826  | \$ 3,953,643  | \$ 4,056,891  | \$ 4,099,321  | \$ 4,150,553  | \$ 6,564,688  | \$ 6,568,294  | \$ 4,646,629  | \$ 4,630,241  | \$ 4,404,225  |
| Surplus                                 | 11,857,977 | \$ 12,543,684 | \$ 12,299,251 | \$ 12,606,825 | \$ 13,398,214 | \$ 13,838,121 | \$ 13,590,110 | \$ 13,406,890 | \$ 10,776,030 | \$ 10,874,784 | \$ 11,940,835 | \$ 10,642,377 | \$ 9,608,103  |
| Claims Paid -- Month                    | 2,734,745  | \$ 2,429,768  | \$ 3,084,213  | \$ 3,610,446  | \$ 2,419,819  | \$ 2,712,376  | \$ 3,919,953  | \$ 3,417,122  | \$ 3,521,863  | \$ 3,084,598  | \$ 2,469,237  | \$ 4,039,840  | \$ 3,963,928  |
| Claims Budget -- Month                  | 2,729,274  | \$ 2,925,178  | \$ 3,014,677  | \$ 3,003,958  | \$ 2,994,269  | \$ 3,078,423  | \$ 3,072,211  | \$ 3,194,200  | \$ 3,165,452  | \$ 3,161,507  | \$ 3,160,923  | \$ 3,153,041  | \$ 3,160,967  |
| Claims Paid -- YTD                      | 34,665,424 | \$ 2,429,768  | \$ 5,513,981  | \$ 9,124,426  | \$ 11,544,246 | \$ 14,256,622 | \$ 18,176,575 | \$ 21,593,697 | \$ 25,115,560 | \$ 28,200,158 | \$ 30,669,395 | \$ 34,709,235 | \$ 38,673,162 |
| Claims Budget -- YTD                    | 32,737,587 | \$ 2,925,178  | \$ 5,939,855  | \$ 8,943,813  | \$ 11,938,082 | \$ 15,016,505 | \$ 18,088,716 | \$ 21,282,338 | \$ 24,455,629 | \$ 27,620,985 | \$ 30,781,907 | \$ 33,934,948 | \$ 37,095,915 |
| <b>RATIOS</b>                           |            |               |               |               |               |               |               |               |               |               |               |               |               |
| Cash Position to Claims Paid            | 3.48       | 3.92          | 2.71          | 2.67          | 4.64          | 5.01          | 3.03          | 3.39          | 2.58          | 4.25          | 6.05          | 3.36          | 2.61          |
| Claims Paid to Claims Budget -- Month   | 1.00       | 0.83          | 1.02          | 1.2           | 0.81          | 0.88          | 1.28          | 1.07          | 1.11          | 0.98          | 0.78          | 1.28          | 1.25          |
| Claims Paid to Claims Budget -- YTD     | 1.06       | 0.83          | 0.93          | 1.02          | 0.97          | 0.95          | 1.00          | 1.01          | 1.03          | 1.02          | 1             | 1.02          | 1.04          |
| Cash Position to IBNR                   | 2.93       | 3.02          | 2.41          | 2.58          | 3.1           | 3.65          | 3.15          | 3.02          | 2.36          | 3.39          | 3.87          | 3.52          | 2.68          |
| Assets to Liabilities                   | 3.90       | 4.69          | 4.33          | 4.12          | 4.39          | 4.41          | 4.32          | 4.23          | 2.64          | 2.66          | 3.57          | 3.3           | 3.18          |
| Surplus as Months of Claims             | 4.34       | 4.29          | 4.08          | 4.2           | 4.47          | 4.5           | 4.42          | 4.20          | 3.40          | 3.44          | 3.78          | 3.38          | 3.04          |
| IBNR to Claims Budget -- Month          | 1.19       | 1.08          | 1.15          | 1.24          | 1.21          | 1.21          | 1.23          | 1.20          | 1.22          | 1.22          | 1.22          | 1.22          | 1.22          |



**Bergen Municipal Employee Benefits Fund**  
**2023 Budget Report**  
as of December 31, 2023

|                                    | Cumulative  | Annualized  | Latest filed | Cumulative Expensed                   | \$ Variance | % Variance |
|------------------------------------|-------------|-------------|--------------|---------------------------------------|-------------|------------|
| <b>Expected Losses</b>             |             |             |              |                                       |             |            |
| Medical Claims Aetna               | 31,612,227  | 31,612,227  | 67,132,818   | 31,537,479                            | 74,748      | 0%         |
| Prescription Claims                | 4,909,077   | 4,909,077   | 4,581,287    | 4,558,852                             | (1,122,497) | -33%       |
| Prescription Formulary Rebates     | (1,472,722) | (1,472,722) | (1,374,386)  | Included Above in Prescription Claims |             |            |
| Dental Claims                      | 2,047,334   | 2,047,334   | 3,019,001    | 1,927,461                             | 119,873     | 6%         |
| Subtotal                           | 37,095,915  | 37,095,915  | 73,358,720   | 38,023,791                            | (927,876)   | -3%        |
| HMO/DMO Premiums                   | 35,614      | 35,614      | 53,751       | 37,100                                | (1,486)     | -4%        |
| Medicare Advantage / EGWP          | 1,977,987   | 1,977,987   | 7,206,560    | 1,977,987                             | -           | 0%         |
| Reinsurance                        |             |             |              |                                       |             |            |
| Specific                           | 998,232     | 998,232     | 2,190,656    | 998,232                               | 0           | 0%         |
| Total Loss Fund                    | 40,107,749  | 40,107,749  | 82,809,687   | 41,037,111                            | (929,362)   | -2%        |
| Loss Fund Contingency              | 17,026      | 17,026      | 34,052       | 0                                     | 17,026      | 0%         |
| Expenses                           |             |             |              |                                       |             |            |
| Legal                              | 12,750      | 12,750      | 25,500       | 12,750                                | -           | 0%         |
| Treasurer                          | 10,533      | 10,533      | 21,067       | 10,533                                | -           | 0%         |
| Administrator                      | 432,172     | 432,172     | 804,929      | 432,172                               | -           | 0%         |
| Risk Management Consultants        | 919,261     | 919,261     | 1,938,973    | 920,438                               | (1,177)     | 0%         |
| Fund Coordinator METRO             |             |             |              | 0                                     | -           |            |
| TPA - Claims Agent Aetna           | 641,062     | 641,062     | 1,442,413    | 642,918                               | (1,856)     | 0%         |
| Dental TPA                         | 89,263      | 89,263      | 145,958      | 89,263                                | 0           | 0%         |
| Actuary                            | 9,250       | 9,250       | 18,500       | 9,250                                 | (0)         | 0%         |
| Auditor                            | 9,500       | 9,500       | 19,000       | 9,500                                 | 0           | 0%         |
| Benefits Consultant                | 343,555     | 343,555     | 574,681      | 346,264                               | (208)       | 0%         |
| Board Advisor                      | 9,364       | 9,364       | 18,727       | 21,361                                | (11,997)    | -128%      |
| Subtotal Expenses                  | 2,476,711   | 2,476,711   | 5,009,747    | 2,494,449                             | (15,239)    | -1%        |
| Miscellaneous and Special Services |             |             |              |                                       |             |            |
| Misc/Cont                          | 9,024       | 9,024       | 18,048       | 14,675                                | (5,651)     | -63%       |
| Wellness, Disease, Case Management | 50,000      | 50,000      | 100,000      | 35,663                                | 14,337      | 29%        |
| Affordable Care Act Taxes          | 8,719       | 8,719       | 19,133       | 22,512                                | (13,793)    | -158%      |
| A4 Surcharge                       | 30,714      | 30,714      | 480,735      | 30,714                                | (0)         | 0%         |
| Plan Documents                     | 2,500       | 2,500       | 5,000        | Included above in Benefits Consultant |             |            |
| Claims Audit                       | 40,000      | 40,000      | 40,000       | 0                                     | 40,000      | 100%       |
| Subtotal Misc/Sp Svcs              | 140,956     | 140,956     | 662,916      | 103,564                               | 34,893      | 25%        |
| Total Expenses                     | 2,617,667   | 2,617,667   | 5,672,663    | 2,598,013                             | 19,654      | 1%         |
| Total Budget                       | 42,742,442  | 42,742,442  | 88,516,402   | 43,635,124                            | (892,682)   | -2%        |

## Bergen Municipal Employee Benefits Fund

### CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2023

BY FUND YEAR

|                                       | BMED<br>2023     | BMED<br>2022     | CLOSED<br>YEAR    | FUND<br>BALANCE   |
|---------------------------------------|------------------|------------------|-------------------|-------------------|
| <b>ASSETS</b>                         |                  |                  |                   |                   |
| Cash & Cash Equivalents               | 2,488,509        | (2,033,580)      | 9,906,511         | 10,361,441        |
| Assesmtments Receivable (Prepaid)     | 832,512          | (2)              | 0                 | 832,510           |
| Interest Receivable                   | 9,081            | 1,172            | 16,406            | 26,659            |
| Specific Excess Receivable            | -                | 1,631,779        | 353,585           | 1,985,363         |
| Aggregate Excess Receivable           | -                | -                | -                 | -                 |
| Dividend Receivable                   | -                | -                | -                 | -                 |
| Prepaid Admin Fees                    | -                | -                | -                 | -                 |
| Other Assets                          | 806,355          | -                | -                 | 806,355           |
| <b>Total Assets</b>                   | <b>4,136,458</b> | <b>(400,631)</b> | <b>10,276,502</b> | <b>14,012,329</b> |
| <b>LIABILITIES</b>                    |                  |                  |                   |                   |
| Accounts Payable                      | 3,307            | 307              | -                 | (27,735)          |
| IBNR Reserve                          | 3,863,074        | -                | -                 | 3,863,074         |
| A4 Retiree Surcharge                  | 30,714           | -                | -                 | 30,714            |
| Dividends Payable                     | -                | -                | 457,268           | 457,268           |
| Retained Dividends                    | -                | -                | 68,142            | 68,142            |
| Accrued/Other Liabilities             | 12,763           | -                | -                 | 12,763            |
| <b>Total Liabilities</b>              | <b>3,909,858</b> | <b>307</b>       | <b>525,409</b>    | <b>4,404,225</b>  |
| <b>EQUITY</b>                         |                  |                  |                   |                   |
| Surplus / (Deficit)                   | 226,600          | (400,938)        | 9,751,093         | 9,608,103         |
| <b>Total Equity</b>                   | <b>226,600</b>   | <b>(400,938)</b> | <b>9,751,093</b>  | <b>9,608,103</b>  |
| <b>Total Liabilities &amp; Equity</b> | <b>4,136,458</b> | <b>(400,631)</b> | <b>10,276,502</b> | <b>14,012,329</b> |
| <b>BALANCE</b>                        | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>          |

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 7 claims have been estimated.

REGULATORY

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
YEAR: 2024**

| <u>Yearly Items</u>  | <u>Filing Status</u> |
|--|----------------------|
| <input type="checkbox"/> Budget                              | 2024 Filed           |
| <input type="checkbox"/> Assessments                         | 2024 Filed           |
| <input type="checkbox"/> Actuarial Certification             | 2024 Filed           |
| <input type="checkbox"/> Reinsurance Policies                | Filed                |
| <input type="checkbox"/> Fund Commissioners                  | Filed at Reorg       |
| <input type="checkbox"/> Fund Officers                       | Filed at Reorg       |
| <input type="checkbox"/> Renewal Resolutions                 | Filed at Reorg       |
| <input type="checkbox"/> Indemnity and Trust                 | In process           |
| <input type="checkbox"/> New Members (list)                  | N/A                  |
| <input type="checkbox"/> Withdrawals                         | N/A                  |
| <input type="checkbox"/> Risk Management Plan and<br>By Laws | Filed at Reorg       |
| <input type="checkbox"/> Cash Management Plan                | Filed at Reorg       |
| <input type="checkbox"/> Unaudited Financials                | 9/30/2023 Filed      |
| <input type="checkbox"/> Annual Audit                        | 2022 Filed           |
| <input type="checkbox"/> Budget Changes                      | N/A                  |
| <input type="checkbox"/> Transfers                           | N/A                  |
| <input type="checkbox"/> Additional Assessments              | N/A                  |
| <input type="checkbox"/> Professional Changes                | N/A                  |
| <input type="checkbox"/> Officer Changes                     | N/A                  |
| <input type="checkbox"/> Risk Management Plan Changes        | N/A                  |
| <input type="checkbox"/> Bylaw Amendments                    | N/A                  |
| <input type="checkbox"/> Benefit Changes (list)              | N/A                  |
| <input type="checkbox"/> Other                               | N/A                  |

**Gateway-BMED Health Insurance Fund  
Benefits Consultant Report**

February 2024

Benefits Consultant: Conner Strong & Buckelew

Online Enrollment Training: [aflinn@permainc.com](mailto:aflinn@permainc.com)

Enrollments/Eligibility/Billing: [bmedenrollments@permainc.com](mailto:bmedenrollments@permainc.com)

Brokers: [brokerservice@permainc.com](mailto:brokerservice@permainc.com)

**ELIGIBILITY/ENROLLMENT:**

Please direct any eligibility, enrollment, or system related questions to our dedicated BMED enrollment team. To contact the team, email [BMEDenrollments@permainc.com](mailto:BMEDenrollments@permainc.com) or fax to 856-685-2248.

System training (new and refresher) is provided to all contacts with WEX access **every 3<sup>rd</sup> Wednesday at 10AM (except June's training will be held Tuesday June 18<sup>th</sup>)**. Please contact [HIFtraining@permainc.com](mailto:HIFtraining@permainc.com) for additional information or to request an invite.

In the subject line of the email, please include *Training – Fund Name and Client Name*. Please be sure to add the date of the training you would like to attend in your email so an invite can be sent.

**COVERAGE UPDATES: None**

**EXPRESS-SCRIPTS UPDATE:**

**4Q2023 SaveOn Savings** – In 2023, the Gateway Bergen Municipal Health Insurance Fund has saved \$242,168 for members enrolled in SaveOn, an additional \$35,445 in savings from 3Q2023. There are currently 37 participants in the program since January 2023, adding an additional 5 participants in 4Q2023. In 2023, BMED members who used SaveOn saved a total of \$11,706 in copays. The average savings per prescription to date is \$1,170. The therapeutic drug categories remained the same in 2023, with no additional classes being added. Drugs for the treatment of inflammatory conditions remain the top drugs used by BMED members in 2023 with 20 participants, an increase of 2 participants and \$21,469 in savings from 3Q2023. Please reference the 4Q2023 SaveOn report in the appendix of the agenda for additional information relating to the specific drugs being used and the associated savings for each drug in the SaveOn program.

Also included in the appendix is the 2024 SaveOn Drug listing. Please note the following effective 1/1/24:

- Drugs highlighted in green were added to the drug list, total of 28 new drugs
- Drugs highlighted in red were removed from the drug list, total of 7 drugs
  - BMED had no members impacted by the drugs being removed

**OPERATIONAL UPDATES:**

**WEX Training Update**

With the growth of the HIFs, we are currently reviewing our internal processes and how to make them the most efficient for our mutual clients. We have reviewed our current training workflow process and have made some minor adjustments to our WEX training sign up process, effective

immediately.

1. We now have a new training mailbox, [HIFtraining@permainc.com](mailto:HIFtraining@permainc.com). All groups who need assistance with training should send the request to the HIF Training mailbox, **regardless of the HIF**. They should no longer send request for training to their assigned HIF mailbox
2. We will be using a SurveyMonkey link for users to sign up located in the directions (link and QR code) of the attached training schedule. While we understand there maybe exceptions, please encourage new HR admins/groups to use the Survey Monkey. (link: <https://www.surveymonkey.com/r/WEXtrainingHIF>)
3. The training schedule will continue to be the 3<sup>rd</sup> Wednesday of every month at 10AM, with the exception of the June 2024 training, will be held on **Tuesday June 18<sup>th</sup> at 10AM**

**PLEASE NOTE:** Any issues relating to logging into WEX or specific questions relating to the group should be sent to the group's current assigned HIF mailbox. Only training requests should be sent to the HIF Training mailbox.

WEX training updates were sent to all brokers on February 20<sup>th</sup> to share with their groups.

#### **2024 LEGISLATIVE REVIEW:**

**FREE COVID-19 At-HomeTest** – Effective November 20, 2023, free COVID-19 at home test kits are available for reorder from the government. Every U.S. household is eligible to order 4 free COVID-19 at home tests. <https://www.covid.gov/tests>

#### **Medical and Rx Reporting: None**

#### **No Surprise Billing and Transparency Act- Continued Delays**

The Health Insurance Funds, including Gateway-BMED protect plan members from surprise billing with involuntary out of network balance bills with a hold harmless clause:

- Example: an in-network surgeon contracts with an out of network anesthesiologist. Should the out of network anesthesiologist balance bill the patient, the Funds would hold the member harmless, paying up to the invoiced amount.

The law also imposes certain requirements on the Carriers, PBMs and healthcare providers. Many of these requirements continue to be delayed, but we will continue to work with the insurance providers to assure the Gateway-BMED HIF remains compliant.

- Issuing updated ID Cards with additional out of pocket information
- Providing transparency in coverage machine-readable files
- Providing price comparison tools
- Healthcare providers should work with insurance carriers to provide potential patients with good faith estimates of costs

#### **2023 Specialized Audits**

As approved through an RFP through the Executive Director's contract, the HIFs has acquired the services of AIM to conduct specialized audits for BMED Fund. AIM will begin to complete audits for

the Mental Health Parity and Addiction Equity Act (MHPAEA) and No Surprises Act (NSA) requirements. Aim will review plan language and Aetna's NQTL analysis performed for the BMED to determine compliance with the MHPAEA. Aim will review BMED claims to determine if Aetna is adjudicating claims in accordance with the requirements and mandates of the No Surprises Act.

Later in 2023 Aim will review Gene Therapy cost for the BMED Fund, confirming the claims carrier is administering the necessary care management programs specific to Gene Therapy.

## **Appeals**

**Carrier Appeals: None**

**IRO Submissions: None**

**BMED Small Claims Committee Appeals: None**



### **Online Enrollment System Training Schedule – 2024**

PERMA offers a virtual training and a refresher class on the online enrollment system the third Wednesday of each month. The session provides an overview of the Fund’s enrollment system and shows HR users how perform tasks in the system. To gain access to the Fund’s enrollment system, each HR user must complete a system access form.

Wednesday, January 17<sup>th</sup> 10:00 am - 11:00 am

Wednesday, February 21<sup>st</sup> 10:00 am - 11:00 am

Wednesday, March 20<sup>th</sup> 10:00 am - 11:00 am

Wednesday, April 17<sup>th</sup> 10:00 am - 11:00 am

Wednesday, May 15<sup>th</sup> 10:00 am - 11:00 am

Tuesday, June 18<sup>th</sup> 10:00 am - 11:00 am

Wednesday, July 17<sup>th</sup> 10:00 am - 11:00 am

Wednesday, August 21<sup>st</sup> 10:00 am - 11:00 am

Wednesday, September 18<sup>th</sup> 10:00 am - 11:00 am

Wednesday, October 16<sup>th</sup> 10:00 am - 11:00 am

Wednesday, November 20<sup>th</sup> 10:00 am - 11:00 am



Please [click here](#) to sign up for a training session or use the QR code!

If there are any questions or issues, please send an email to [HIFtraining@permainc.com](mailto:HIFtraining@permainc.com). In the subject line of the email, please include: *Training - Fund Name and Client Name.*

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
BILLS LIST**

**FEBRUARY 2024**

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Bergen Municipal Employee Benefit Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Fund.

**FUND YEAR 2023**

| <u>CheckNumber</u> | <u>VendorName</u> | <u>Comment</u>                  | <u>InvoiceAmount</u> |
|--------------------|-------------------|---------------------------------|----------------------|
| 004491             |                   |                                 |                      |
| 004491             | KEPRO             | MEDICAL PANEL 11/23 CRS08138-23 | 425.00               |
|                    |                   |                                 | <b>425.00</b>        |
|                    |                   | <b>Total Payments FY 2023</b>   | <b>425.00</b>        |

**FUND YEAR 2024**

| <u>CheckNumber</u> | <u>VendorName</u>                            | <u>Comment</u>                         | <u>InvoiceAmount</u> |
|--------------------|--|--|----------------------|
| 004488             |  |  |                      |
| 004488             | WORLD INSURANCE ASSOCIATES, LLC              | VOID AND REISSUE WITH ADJUSTMENT       | -14,026.50           |
|                    |  |  | <b>-14,026.50</b>    |
| 004492             |  |  |                      |
| 004492             | PERMA  | POSTAGE 01/24                          | 109.38               |
| 004492             | PERMA  | ADMIN FEES 02/24                       | 37,575.22            |
|                    |  |  | <b>37,684.60</b>     |
| 004493             |  |  |                      |
| 004493             | HUNTINGTON BAILEY, LLP                       | ATTORNEY FEES 02/24                    | 2,167.00             |
|                    |  |  | <b>2,167.00</b>      |
| 004494             |  |  |                      |
| 004494             | JOSEPH IANNAONI JR.                          | TREASURER FEE 02/24                    | 1,790.00             |
|                    |  |  | <b>1,790.00</b>      |
| 004495             |  |  |                      |
| 004495             | LAMENDOLA ASSOCIATES, INC.                   | FUND ADVISOR RETAINER 01/24            | 1,500.00             |
|                    |  |  | <b>1,500.00</b>      |
| 004496             |  |  |                      |
| 004496             | CIVITAS NEW JERSEY, LLC                      | WELLNESS CONSULTANT 02/24              | 2,083.33             |
|                    |  |  | <b>2,083.33</b>      |
| 004497             |  |  |                      |
| 004497             | ACCESS                                       | INV 10647863 DEPT 418 12/31/23 FOR JAN | 170.93               |
|                    |  |  | <b>170.93</b>        |
| 004498             |  |  |                      |
| 004498             | Acrisure NJ Partners Insurance Services, LLC | BROKER FEES 02/24                      | 1,096.12             |
|                    |  |  | <b>1,096.12</b>      |
| 004499             |  |  |                      |
| 004499             | Acrisure NJ Partners Ins. Services, LLC dba  | BROKER FEES- 02/24                     | 14,479.41            |
|                    |  |  | <b>14,479.41</b>     |
| 004500             |  |  |                      |
| 004500             | Acrisure NJ Partners Ins. Services, LLC      | BROKER FEE 02/24-JAN VERONA OVERPAY.   | 5,850.49             |
|                    |  |  | <b>5,850.49</b>      |
| 004501             |  |  |                      |
| 004501             | SADDLE RIVER DELI                            | LUNCH MEETING 01/24                    | 509.70               |
|                    |  |  | <b>509.70</b>        |



|        |                                      |   |            |                   |
|--------|--------------------------------------|---|------------|-------------------|
| 004502 |                                      |   |            |                   |
| 004502 | OTTERSTEDT INSURANCE AGENCY          | BROKER FEES 02/24                       | 5,912.46   | <b>5,912.46</b>   |
| 004503 |                                      |   |            |                   |
| 004503 | COMPETITIVE ADVANTAGE BENEFITS LLC   | BROKER FEES 02/24                       | 3,646.50   | <b>3,646.50</b>   |
| 004504 |                                      |   |            |                   |
| 004504 | WORLD INSURANCE ASSOCIATES, LLC      | BROKER FEES 02/24                       | 6,820.26   |                   |
| 004504 | WORLD INSURANCE ASSOCIATES, LLC      | BROKER FEES 01/24                       | 6,803.79   | <b>13,624.05</b>  |
| 004505 |                                      |   |            |                   |
| 004505 | MUNICIPAL REINSURANCE H.I.F.         | SPECIFIC REINSURANCE 02/24              | 101,314.00 | <b>101,314.00</b> |
|        |                                      | <b>TOTAL CHECKS</b>                     |            | <b>178,227.09</b> |
| W02240 |                                      |   |            |                   |
| W02240 | AETNA HEALTH MANAGMENT, LLC          | MEDICARE ADVANTAGE 02/24                | 213,262.50 | <b>213,262.50</b> |
| W02241 |                                      |   |            |                   |
| W02241 | FLAGSHIP DENTAL PLANS                | BOR. OF RUTHERFORD DENTAL PREMIUM 02/24 | 1,165.32   |                   |
| W02241 | FLAGSHIP DENTAL PLANS                | E. RUTHERFORD DENTAL PREMIUM 02/24      | 1,456.78   | <b>2,622.10</b>   |
| W02242 |                                      |   |            |                   |
| W02242 | AETNA                                | MEDICAL TPA 02/24                       | 53,131.88  | <b>53,131.88</b>  |
| W02243 |                                      |   |            |                   |
| W02243 | DELTA DENTAL OF NEW JERSEY INC.      | DENTAL TPA 02/24                        | 7,855.68   | <b>7,855.68</b>   |
| W02244 |                                      |   |            |                   |
| W02244 | CONNER STRONG & BUCKELEW             | BENEFITS CONSULTANT FEES 02/24          | 31,138.80  |                   |
| W02244 | CONNER STRONG & BUCKELEW             | HEALTH CARE REFORM 02/24                | 541.67     | <b>31,680.47</b>  |
| W02245 |                                      |   |            |                   |
| W02245 | FAIRVIEW INSURANCE AGENCY ASSOCIATES | BROKER FEES 02/24 & 01/24 VERONA        | 5,524.07   | <b>5,524.07</b>   |
| W02246 |                                      |   |            |                   |
| W02246 | THE VOZZA AGENCY                     | BROKER FEES 02/24                       | 13,826.49  | <b>13,826.49</b>  |
| W02247 |                                      |   |            |                   |
| W02247 | ALLEN ASSOCIATES                     | BROKER FEES 02/24                       | 9,599.59   | <b>9,599.59</b>   |
| W02248 |                                      |   |            |                   |
| W02248 | INSPIRA FINANCIAL HEALTH, INC        | MONTHLY HSA-BORO MONTVALE 01/10/24      | 105.00     |                   |
| W02248 | INSPIRA FINANCIAL HEALTH, INC        | MOMTHLY HSA-BORO OAKLAND 01/10/24       | 3.00       |                   |
| W02248 | INSPIRA FINANCIAL HEALTH, INC        | MONTHLY HSA-S. HACKENSACK 01/10/24      | 15.00      |                   |
| W02248 | INSPIRA FINANCIAL HEALTH, INC        | MONTHLY HSA- BOR. WALLINGTON 01/1/024   | 71.01      | <b>194.01</b>     |
|        |                                      | <b>TOTAL ACH</b>                        |            | <b>337,696.79</b> |
|        |                                      | <b>Total Payments FY 2024</b>           |            | <b>515,498.88</b> |
|        |                                      | <b>TOTAL PAYMENTS ALL FUND YEARS</b>    |            | <b>515,923.88</b> |

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Chairperson

Attest:

Dated: \_\_\_\_\_

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

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Treasurer

**Bergen Municipal Employee Benefits Fund**

**SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED**

| <b>Current Fund Year: 2023</b> |                      |                   |                       |               |               |                    |                  |                     |                          |                      |
|--------------------------------|----------------------|-------------------|-----------------------|---------------|---------------|--------------------|------------------|---------------------|--------------------------|----------------------|
| <b>Month Ending: December</b>  |                      |                   |                       |               |               |                    |                  |                     |                          |                      |
|                                | <b>Medical</b>       | <b>Dental</b>     | <b>Rx</b>             | <b>Vision</b> | <b>Run-In</b> | <b>Reinsurance</b> | <b>RSR</b>       | <b>Admin</b>        | <b>Dividend Retained</b> | <b>TOTAL</b>         |
| OPEN BALANCE                   | 13,265,951.96        | 257,042.92        | (2,647,193.30)        | 0.00          | 0.00          | (148,020.46)       | 30,268.91        | 4,959,311.65        | 67,851.12                | 15,785,212.80        |
| RECEIPTS                       |                      |                   |                       |               |               |                    |                  |                     |                          |                      |
| Assessments                    | 11,349,538.10        | 266,453.44        | 231,931.41            | 0.00          | 0.00          | 322,302.89         | 3,343.42         | 1,000,644.21        | 0.00                     | 13,174,213.47        |
| Refunds                        | 0.00                 | 0.00              | 0.00                  | 0.00          | 0.00          | 0.00               | 0.00             | 0.00                | 0.00                     | 0.00                 |
| Invest Pymnts                  | 60,967.13            | 3,410.69          | 0.00                  | 0.00          | 0.00          | 11.04              | 100.83           | 18,925.40           | 226.03                   | 83,641.12            |
| Invest Adj                     | 152.90               | 8.55              | 0.00                  | 0.00          | 0.00          | 0.03               | 0.25             | 47.46               | 0.57                     | 209.76               |
| Subtotal Invest                | 61,120.03            | 3,419.24          | 0.00                  | 0.00          | 0.00          | 11.07              | 101.08           | 18,972.86           | 226.60                   | 83,850.88            |
| Other *                        | 4,615,893.00         | 1,606.37          | 237,191.61            | 0.00          | 0.00          | 0.00               | 0.00             | 0.00                | 0.00                     | 4,854,690.98         |
| <b>TOTAL</b>                   | <b>16,026,551.13</b> | <b>271,479.05</b> | <b>469,123.02</b>     | <b>0.00</b>   | <b>0.00</b>   | <b>322,313.96</b>  | <b>3,444.50</b>  | <b>1,019,617.07</b> | <b>226.60</b>            | <b>18,112,755.33</b> |
| EXPENSES                       |                      |                   |                       |               |               |                    |                  |                     |                          |                      |
| Claims Transfers               | 9,528,643.22         | 202,614.43        | 768,700.35            | 0.00          | 0.00          | 0.00               | 0.00             | 0.00                | 0.00                     | 10,499,958.00        |
| Expenses                       | 1,039,822.96         | 7,622.31          | 0.00                  | 0.00          | 0.00          | 243,077.85         | 0.00             | 633,873.23          | 0.00                     | 1,924,396.35         |
| Other *                        | 4,416,681.52         | 175.48            | 0.00                  | 0.00          | 0.00          | 0.00               | 0.00             | 1,285.38            | 0.00                     | 4,418,142.38         |
| <b>TOTAL</b>                   | <b>14,985,147.70</b> | <b>210,412.22</b> | <b>768,700.35</b>     | <b>0.00</b>   | <b>0.00</b>   | <b>243,077.85</b>  | <b>0.00</b>      | <b>635,158.61</b>   | <b>0.00</b>              | <b>16,842,496.73</b> |
| <b>END BALANCE</b>             | <b>14,307,355.39</b> | <b>318,109.75</b> | <b>(2,946,770.63)</b> | <b>0.00</b>   | <b>0.00</b>   | <b>(68,784.35)</b> | <b>33,713.41</b> | <b>5,343,770.11</b> | <b>68,077.72</b>         | <b>17,055,471.40</b> |

| <b>SUMMARY OF CASH AND INVESTMENT INSTRUMENTS</b> |                        |                     |                     |               |                   |                     |                     |
|---|------------------------|---------------------|---------------------|---------------|-------------------|---------------------|---------------------|
| <b>Bergen Municipal Employee Benefits Fund</b>    |                        |                     |                     |               |                   |                     |                     |
| <b>ALL FUND YEARS COMBINED</b>                    |                        |                     |                     |               |                   |                     |                     |
| <b>CURRENT MONTH</b>                              |                        | <b>December</b>     |                     |               |                   |                     |                     |
| <b>CURRENT FUND YEAR</b>                          |                        | <b>2023</b>         |                     |               |                   |                     |                     |
| <b>Description:</b>                               |                        | <b>CHECKING</b>     | <b>JCMI</b>         | <b>CLAIMS</b> | <b>UHC CLAIMS</b> | <b>TD Invest</b>    | <b>Investors</b>    |
| <b>ID Number:</b>                                 |                        |                     |                     |               |                   |                     |                     |
| <b>Maturity (Yrs)</b>                             |                        |                     |                     |               |                   |                     |                     |
| <b>Purchase Yield:</b>                            |                        |                     |                     |               |                   |                     |                     |
| <b>TOTAL for All Accts &amp; instruments</b>      |                        |                     |                     |               |                   |                     |                     |
| <b>Opening Cash &amp; Investment Balance</b>      | <b>\$15,785,212.17</b> | <b>4,044,560.36</b> | <b>2,842,542.53</b> | <b>-</b>      | <b>-</b>          | <b>4,437,817.70</b> | <b>4,460,291.58</b> |
| <b>Opening Interest Accrual Balance</b>           | <b>\$26,608.02</b>     | <b>-</b>            | <b>-</b>            | <b>-</b>      | <b>-</b>          | <b>26,608.02</b>    | <b>-</b>            |
| 1 Interest Accrued and/or Interest Cost           | \$8,996.46             | \$0.00              | \$0.00              | \$0.00        | \$0.00            | \$8,996.46          | \$0.00              |
| 2 Interest Accrued - discounted Instr.s           | \$0.00                 | \$0.00              | \$0.00              | \$0.00        | \$0.00            | \$0.00              | \$0.00              |
| 3 (Amortization and/or Interest Cost)             | \$0.00                 | \$0.00              | \$0.00              | \$0.00        | \$0.00            | \$0.00              | \$0.00              |
| 4 Accretion                                       | \$209.75               | \$0.00              | \$209.75            | \$0.00        | \$0.00            | \$0.00              | \$0.00              |
| 5 Interest Paid - Cash Instr.s                    | \$38,734.34            | \$14,601.97         | \$5,528.75          | \$0.00        | \$0.00            | \$5,127.30          | \$13,476.32         |
| 6 Interest Paid - Term Instr.s                    | \$0.00                 | \$0.00              | \$0.00              | \$0.00        | \$0.00            | \$0.00              | \$0.00              |
| 7 Realized Gain (Loss)                            | \$44,906.78            | \$0.00              | \$36,596.78         | \$0.00        | \$0.00            | \$8,310.00          | \$0.00              |
| 8 Net Investment Income                           | \$92,847.33            | \$14,601.97         | \$42,335.28         | \$0.00        | \$0.00            | \$22,433.76         | \$13,476.32         |
| 9 Deposits - Purchases                            | \$18,012,047.45        | \$13,608,864.99     | \$0.00              | \$0.00        | \$0.00            | \$0.00              | \$0.00              |
| 10 (Withdrawals - Sales)                          | -\$16,825,639.03       | -\$12,424,353.65    | -\$1,285.38         | \$0.00        | \$0.00            | \$0.00              | -\$4,400,000.00     |
| Ending Cash & Investment Balance                  | \$17,055,471.46        | \$5,243,673.67      | \$2,883,592.43      | \$0.00        | \$0.00            | \$4,451,255.00      | \$73,767.90         |
| Ending Interest Accrual Balance                   | \$35,604.48            | \$0.00              | \$0.00              | \$0.00        | \$0.00            | \$35,604.48         | \$0.00              |
| Plus Outstanding Checks                           | \$112,023.56           | \$112,023.56        | \$0.00              | \$0.00        | \$0.00            | \$0.00              | \$0.00              |
| (Less Deposits in Transit)                        | -\$4,403,182.46        | \$0.00              | \$0.00              | \$0.00        | \$0.00            | \$0.00              | \$0.00              |
| Balance per Bank                                  | \$12,764,312.56        | \$5,355,697.23      | \$2,883,592.43      | \$0.00        | \$0.00            | \$4,451,255.00      | \$73,767.90         |

**CERTIFICATION AND RECONCILIATION OF CLAIMS PAYMENTS AND RECOVERIES**

**Bergen Municipal Employee Benefits Fund**

| Month             | December     |                                |                           |                             |                              |                            |                           |                                       |                     |
|-------------------|--------------|--------------------------------|---------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|---------------------------------------|---------------------|
| Current Fund Year | 2023         |                                |                           |                             |                              |                            |                           |                                       |                     |
|                   |              | 1.                             | 2.                        | 3.                          | 4.                           | 5.                         | 6.                        | 7.                                    | 8.                  |
| Policy Year       | Coverage     | Calc. Net Paid Thru Last Month | Monthly Net Paid December | Monthly Recoveries December | Calc. Net Paid Thru December | TPA Net Paid Thru December | Variance To Be Reconciled | Delinquent Unreconciled Variance From | Change This Month   |
| 2023              | Medical      | 24,142,987.98                  | 3,808,700.25              | 0.00                        | 27,951,688.23                | 0.00                       | 27,951,688.23             | 24,142,987.98                         | 3,808,700.25        |
|                   | Dental       | 1,670,705.67                   | 127,410.03                | 0.00                        | 1,798,115.70                 | 0.00                       | 1,798,115.70              | 1,670,705.67                          | 127,410.03          |
|                   | Rx           | 6,164,918.39                   | 646,402.05                | 0.00                        | 6,811,320.44                 | 0.00                       | 6,811,320.44              | 6,164,918.39                          | 646,402.05          |
|                   | Vision       | 0.00                           | 0.00                      | 0.00                        | 0.00                         | 0.00                       | 0.00                      | 0.00                                  | 0.00                |
|                   | <b>Total</b> | <b>31,978,612.04</b>           | <b>4,582,512.33</b>       | <b>0.00</b>                 | <b>36,561,124.37</b>         | <b>0.00</b>                | <b>36,561,124.37</b>      | <b>31,978,612.04</b>                  | <b>4,582,512.33</b> |



# CIVITAS

COMMUNITY • WELLNESS • LIFE-COACHING • COLLABORATION

NEW JERSEY

**TO: Gateway-BMED Executive Committee and Commissioners**

**FROM: Marianne Eskilson, VP Civitas NJ; Gateway-BMED Wellness Consultant**

**DATE: February 15, 2024**

**RE: Report of Activity and Progress**

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## **STATUS UPDATE**

1. **Education:** Educational webinar schedules have been distributed to member agencies and participants are actively viewing on-demand webinars and attending live webinars. Feedback continues to be highly positive.
2. **Newsletter:** A renewal contract has been secured with the vendor who provides the newsletter for 2024, where pricing will remain at 2023 levels. The monthly newsletter continues to be sent to all local wellness program ambassadors monthly for distribution to their entire full-time employee population.
3. **Non-Participation Agencies:** It is our intention to make contact with the commission from each agency member to seek guidance, particularly from non-participating fund agencies, as to whom they would like monthly links to educational programming and newsletters to be sent so that they can be distributed to their full-time employee population. The newsletter is available in both an interactive digital version, as well as a static pdf. Our office creates a specialized article for the Fund that can be found on the right-hand column of the first page of each edition.
4. **Wrapping Up 2023 and Ramping Up into 2024:**
  - a. **Grant Reimbursement Requests:** All grant reimbursement requests have been submitted, reviewed, approved and are ready to be placed on the bill list for payment for 2023.
  - b. **Grant Applications for 2024:** All 2024 grant applications have been received, reviewed, recommended for approval and approved by the Fund Executive Committee. 2024 participating towns include: Franklin Lakes, Oakland, Garfield and Montvale
5. **Eye Towards Data and Information Transfer to New Wellness Coordinator:** Now that the 2024 program is up and running, our priority focus is on putting together a comprehensive package of documents and files for the new wellness coordinator's use, once the "baton" has been passed on May 1 2024.



**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND**

**Monthly Claim Activity Report**

*February 27, 2024*



**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND**

|               | <u>MEDICAL CLAIMS<br/>PAID 2022</u> | <u># OF EES</u> | <u>PER EE</u> | <u>MEDICAL CLAIMS<br/>PAID 2023</u> | <u># OF EES</u> | <u>PER EE</u>   |
|---------------|-------------------------------------|-----------------|---------------|-------------------------------------|-----------------|-----------------|
| JANUARY       |                                     |                 |               | \$ 2,471,010                        | 1,287           | \$ 1,920        |
| FEBRUARY      |                                     |                 |               | \$ 1,815,151                        | 1,338           | \$ 1,357        |
| MARCH         |                                     |                 |               | \$ 2,146,796                        | 1,317           | \$ 1,630        |
| APRIL         |                                     |                 |               | \$ 1,983,801                        | 1,313           | \$ 1,511        |
| MAY           |                                     |                 |               | \$ 2,885,649                        | 1,346           | \$ 2,144        |
| JUNE          |                                     |                 |               | \$ 2,581,178                        | 1,339           | \$ 1,928        |
| JULY          |                                     |                 |               | \$ 2,438,426                        | 1,398           | \$ 1,744        |
| AUGUST        |                                     |                 |               | \$ 3,262,140                        | 1,383           | \$ 2,359        |
| SEPTEMBER     | \$2,516,897                         | 1,281           | \$ 1,965      | \$ 2,276,634                        | 1,382           | \$ 1,647        |
| OCTOBER       | \$1,981,188                         | 1,285           | \$ 1,542      | \$ 3,163,584                        | 1,382           | \$ 2,289        |
| NOVEMBER      | \$2,501,093                         | 1,279           | \$ 1,956      | \$ 2,649,809                        | 1,381           | \$ 1,919        |
| DECEMBER      | \$2,094,808                         | 1,283           | \$ 1,633      | \$ 3,149,926                        | 1,389           | \$ 2,268        |
| <b>TOTALS</b> | <b>\$9,093,987</b>                  |                 |               |                                     |                 |                 |
|               |                                     |                 |               | <b>2023 Average</b>                 | <b>1,355</b>    | <b>\$ 1,893</b> |
|               |                                     |                 |               | <b>2022 Average (4th Qtr)</b>       | <b>1,282</b>    | <b>\$ 1,774</b> |

## Large Claimant Report (Drilldown) - Claims Over \$100000

**Plan Sponsor Unique ID :** All  
**Customer:** BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
**Group / Control:** 00866353,00880725,SI283129

**Paid Dates:** 12/01/2023 - 12/31/2023  
**Service Dates:** 01/01/2011 - 12/31/2023  
**Line of Business:** All

|               | <b>Paid Amt</b>     |
|---------------|---------------------|
|               | \$370,890.14        |
|               | \$108,234.99        |
| <b>Total:</b> | <b>\$479,125.13</b> |





**Medical Claims Paid:**  
**January 2023 – December 2023**  
 Total Medical Paid per EE: **\$1,893**

*NOTE: \*\*Report no longer includes Metro unless otherwise noted\*\**

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**Network Discounts**

|                  |              |
|------------------|--------------|
| Inpatient:       | <b>54.5%</b> |
| Ambulatory:      | <b>64.7%</b> |
| Physician/Other: | <b>66.4%</b> |
| <b>TOTAL:</b>    | <b>63.9%</b> |

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**Provider Network**

|                          |              |
|--------------------------|--------------|
| % Admissions In-Network: | <b>98.0%</b> |
| % Physician Office:      | <b>87.3%</b> |

**Aetna Book of Business:**  
 Admissions 98.1%; Physician 91.0%

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**Top Facilities Utilized (by total Medical Spend)**

- Hackensack University
- Valley Hospital
- Holly Name Medical Center
- Morristown Medical Center
- Englewood Hospital

**Catastrophic Claim Impact**  
**January 2023- December 2023**

Number of Claims Over \$50,000: **88**  
 Claimants per 1000 members: **26.8**  
 Avg. Paid per Claimant: **\$125,552**  
 Percent of Total Paid: **38.3%**

- Aetna BOB- HCC account for an average of 44.9% of total Medical Cost

**Aetna One Flex Member Outreach:**  
**Through December 2023**

Total Members Identified: **924**  
 Members Targeted for 1:1 Nurse Support : **210**  
 Members Targeted for Digital Activity: **714**  
 Member 1:1 outreach completed: **199**  
 Member 1:1 Outreach in Progress: **11**

**Teladoc Activity**  
**January 2023 – December 2023**  
 (\*BMED/Metro)

Total Registrations: **178**  
 Total Online Visits: **468**  
 Total Net Claims Savings: **\$242,742**  
 Total Visits w/ Rx: **308**

Mental Health Visits: **178**  
 Dermatology Visits: **36**

**Allentown Service Center**  
**Performance Goal Metrics YTD 2023**

**Customer Service Performance**

|                                  |                 |
|----------------------------------|-----------------|
| 1 <sup>st</sup> Call Resolution: | <b>93.93%</b>   |
| Abandonment Rate:                | <b>0.57%</b>    |
| Avg. Speed of Answer:            | <b>17.1 sec</b> |

**Claims Performance**

|                     |                  |
|---------------------|------------------|
| Financial Accuracy: | <b>98.25%</b>    |
| 90% processed w/in: | <b>7.7 days</b>  |
| 95% processed w/in: | <b>14.8 days</b> |

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**Claims Performance (Monthly)**  
 (December 2023)

|                     |                  |
|---------------------|------------------|
| 90% processed w/in: | <b>6.4 days</b>  |
| 95% processed w/in: | <b>12.4 days</b> |

(Note: This is not a PG metric)

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**Performance Goals**

|                                  |               |
|----------------------------------|---------------|
| 1 <sup>st</sup> Call Resolution: | <b>90%</b>    |
| Abandonment Rate less than:      | <b>3.0%</b>   |
| Average Speed of Answer:         | <b>30 sec</b> |

Financial Accuracy: **99%**

**Turnaround Time**

|                     |                |
|---------------------|----------------|
| 90% processed w/in: | <b>14 days</b> |
| 95% processed w/in: | <b>30 days</b> |



**EXPRESS SCRIPTS®**

*Bergen Municipal Employee Benefits Fund - Monthly Utilization Tracking Report*

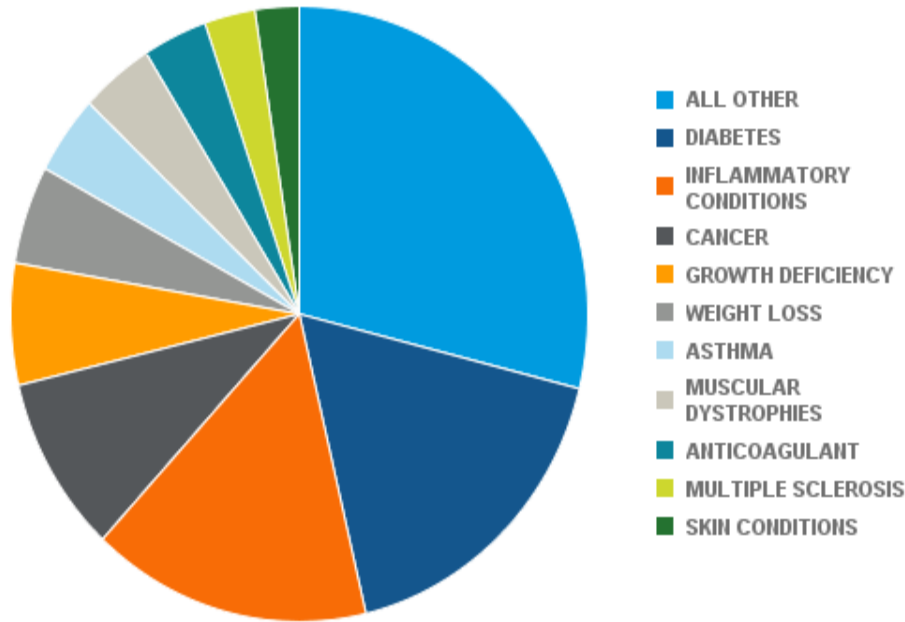
| Total Component/ Date of Service (Month) | 2022 01         | 2022 02         | 2022 03         | 2022 Q1         | 2022 04         | 2022 05         | 2022 06         | 2022 Q2         | 2022 07         | 2022 08         | 2022 09         | 2022 Q3         | 2022 10         | 2022 11         | 2022 12         | 2022 Q4         | 2022 YTD        |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Membership                               | 2,519           | 2,513           | 2,517           | 2,516           | 2,531           | 2,536           | 2,531           | 2,533           | 2,534           | 2,541           | 2,545           | 2,540           | 2,563           | 2,560           | 2,572           | 2,565           | 2,539           |
| Total Days                               | 102,886         | 94,665          | 106,472         | 304,023         | 103,921         | 106,111         | 106,333         | 316,365         | 105,310         | 106,091         | 104,545         | 315,946         | 102,675         | 107,867         | 109,914         | 320,456         | 1,256,790       |
| Total Patients                           | 995             | 944             | 1,023           | 1,450           | 1,039           | 1,052           | 1,014           | 1,528           | 1,035           | 1,033           | 997             | 1,520           | 1,094           | 1,127           | 1,118           | 1,664           | 2,090           |
| Total Plan Cost                          | \$397,226       | \$400,762       | \$439,519       | \$1,237,508     | \$441,324       | \$398,699       | \$521,496       | \$1,361,519     | \$504,427       | \$440,847       | \$483,835       | \$1,429,109     | \$534,098       | \$505,433       | \$435,710       | \$1,475,241     | \$5,503,377     |
| Generic Fill Rate (GFR) - Total          | 86.2%           | 84.5%           | 85.9%           | 85.6%           | 86.6%           | 85.2%           | 83.8%           | 85.2%           | 84.4%           | 84.4%           | 84.1%           | 84.3%           | 78.2%           | 80.9%           | 82.7%           | 80.7%           | 83.9%           |
| <b>Plan Cost PMPM</b>                    | <b>\$157.69</b> | <b>\$159.48</b> | <b>\$174.62</b> | <b>\$163.93</b> | <b>\$174.37</b> | <b>\$157.22</b> | <b>\$206.04</b> | <b>\$179.19</b> | <b>\$199.06</b> | <b>\$173.49</b> | <b>\$190.11</b> | <b>\$187.55</b> | <b>\$208.39</b> | <b>\$197.43</b> | <b>\$169.41</b> | <b>\$191.71</b> | <b>\$180.66</b> |
| Total Specialty Plan Cost                | \$169,658       | \$189,993       | \$134,131       | \$493,782       | \$198,287       | \$133,936       | \$217,540       | \$549,762       | \$233,034       | \$158,007       | \$200,641       | \$591,682       | \$280,566       | \$211,211       | \$150,526       | \$642,303       | \$2,277,529     |
| Specialty % of Total Specialty Plan Cost | 42.7%           | 47.4%           | 30.5%           | 39.9%           | 44.9%           | 33.6%           | 41.7%           | 40.4%           | 46.2%           | 35.8%           | 41.5%           | 41.4%           | 52.5%           | 41.8%           | 34.5%           | 43.5%           | 41.4%           |

| Total Component/ Date of Service (Month) | 2023 01         | 2023 02         | 2023 03         | 2023 Q1         | 2023 04         | 2023 05         | 2023 06         | 2023 Q2         | 2023 07         | 2023 08         | 2023 09         | 2023 Q3         | 2023 10         | 2023 11         | 2023 12         | 2023 Q4         | 2023 YTD        |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Membership                               | 2,899           | 2,996           | 2,995           | 2,963           | 2,989           | 3,101           | 3,350           | 3,147           | 3,499           | 3,483           | 3,487           | 3,490           | 3,463           | 3,451           | 3,459           | 3,458           | 3,264           |
| Total Days                               | 119,730         | 118,151         | 129,496         | 367,377         | 123,253         | 134,202         | 132,963         | 390,418         | 136,929         | 134,887         | 125,048         | 396,864         | 138,050         | 132,365         | 133,816         | 404,231         | 1,558,890       |
| Total Patients                           | 1,213           | 1,227           | 1,318           | 1,879           | 1,262           | 1,314           | 1,284           | 1,952           | 1,347           | 1,341           | 1,315           | 2,057           | 1,389           | 1,416           | 1,416           | 2,134           | 2,783           |
| Total Plan Cost                          | \$565,261       | \$481,739       | \$600,198       | \$1,647,198     | \$632,375       | \$629,648       | \$569,637       | \$1,831,659     | \$760,914       | \$747,948       | \$702,026       | \$2,210,889     | \$842,205       | \$660,118       | \$745,566       | \$2,247,888     | \$7,937,634     |
| Generic Fill Rate (GFR) - Total          | 83.4%           | 84.9%           | 84.3%           | 84.2%           | 86.5%           | 85.6%           | 85.8%           | 86.0%           | 86.3%           | 85.6%           | 82.3%           | 84.8%           | 80.2%           | 84.4%           | 84.1%           | 82.9%           | 84.4%           |
| <b>Plan Cost PMPM</b>                    | <b>\$194.98</b> | <b>\$160.79</b> | <b>\$200.40</b> | <b>\$185.29</b> | <b>\$211.57</b> | <b>\$203.05</b> | <b>\$170.04</b> | <b>\$194.03</b> | <b>\$217.47</b> | <b>\$214.74</b> | <b>\$201.33</b> | <b>\$211.18</b> | <b>\$243.20</b> | <b>\$191.28</b> | <b>\$215.54</b> | <b>\$216.71</b> | <b>\$202.64</b> |
| <b>% Change Plan Cost PMPM</b>           | <b>23.6%</b>    | <b>0.8%</b>     | <b>14.8%</b>    | <b>13.0%</b>    | <b>21.3%</b>    | <b>29.2%</b>    | <b>-17.5%</b>   | <b>8.3%</b>     | <b>9.2%</b>     | <b>23.8%</b>    | <b>5.9%</b>     | <b>12.6%</b>    | <b>16.7%</b>    | <b>-3.1%</b>    | <b>27.2%</b>    | <b>13.0%</b>    | <b>12.2%</b>    |
| Total Specialty Plan Cost                | \$275,695       | \$186,987       | \$248,667       | \$711,349       | \$336,037       | \$269,636       | \$196,609       | \$802,282       | \$425,645       | \$372,854       | \$327,019       | \$1,125,518     | \$442,447       | \$284,828       | \$338,645       | \$1,065,920     | \$3,705,069     |
| Specialty % of Total Specialty Plan Cost | 48.8%           | 38.8%           | 41.4%           | 43.2%           | 53.1%           | 42.8%           | 34.5%           | 43.8%           | 55.9%           | 49.9%           | 46.6%           | 50.9%           | 52.5%           | 43.1%           | 45.4%           | 47.4%           | 46.7%           |

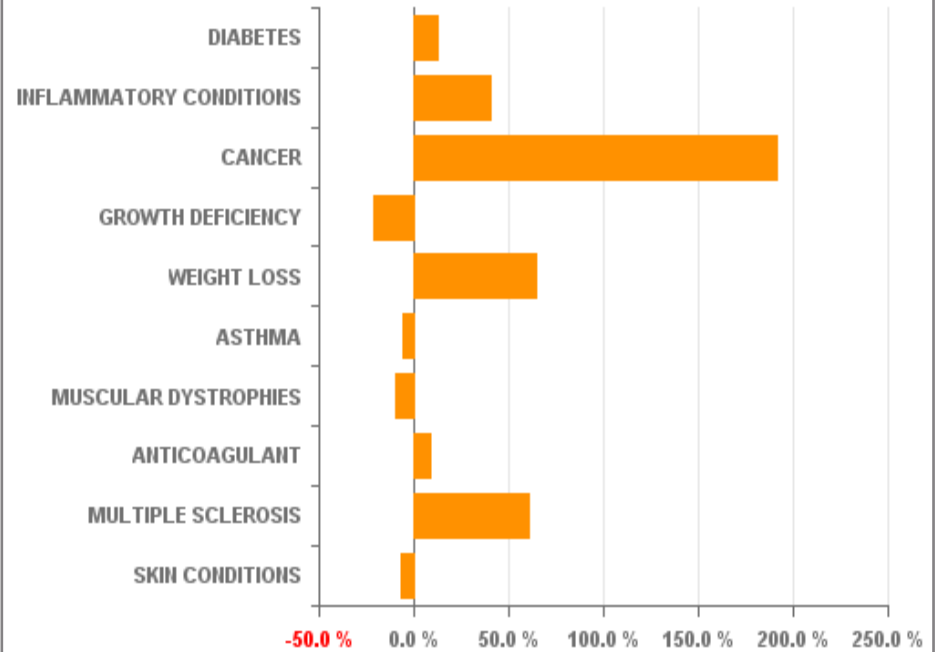
## Top Indications

BERGEN MUNICIPAL EMP BENEFITS (Current Period 01/2023 - 12/2023 vs. Previous Period 01/2022 - 12/2022) Peer = Commercial

Top Indications by Plan Cost



Plan Cost PMPM % Change (Trend)



|                     |           |                         | Current Period |              |                    |                 |              |              | Previous Period |              |                    |                 |              |              | Trend          |
|---------------------|-----------|-------------------------|----------------|--------------|--------------------|-----------------|--------------|--------------|-----------------|--------------|--------------------|-----------------|--------------|--------------|----------------|
| Rank                | Peer Rank | Indication              | Market Share   | Adjusted Rxs | Plan Cost          | Plan Cost PMPM  | GFR          | Peer GFR     | Market Share    | Adjusted Rxs | Plan Cost          | Plan Cost PMPM  | GFR          | Peer GFR     | Plan Cost PMPM |
| 1                   | 2         | DIABETES                | 24.46%         | 4,306        | \$1,380,375        | \$35.24         | 33.6%        | 34.7%        | 26.82%          | 3,380        | \$957,419          | \$31.43         | 34.5%        | 38.8%        | 12.1%          |
| 2                   | 1         | INFLAMMATORY CONDITIONS | 22.01%         | 437          | \$1,242,332        | \$31.71         | 51.9%        | 40.2%        | 19.25%          | 309          | \$687,287          | \$22.56         | 57.0%        | 42.2%        | 40.6%          |
| 3                   | 3         | CANCER                  | 13.13%         | 267          | \$740,860          | \$18.91         | 77.5%        | 75.1%        | 5.54%           | 210          | \$197,791          | \$6.49          | 78.6%        | 75.4%        | 191.3%         |
| 4                   | 9         | GROWTH DEFICIENCY       | 8.98%          | 84           | \$506,916          | \$12.94         | 0.0%         | 0.0%         | 14.04%          | 87           | \$501,291          | \$16.46         | 0.0%         | 0.0%         | -21.4%         |
| 5                   | 4         | WEIGHT LOSS             | 7.27%          | 377          | \$410,531          | \$10.48         | 8.2%         | 9.5%         | 5.44%           | 238          | \$194,351          | \$6.38          | 28.2%        | 22.4%        | 64.3%          |
| 6                   | 7         | ASTHMA                  | 5.87%          | 2,285        | \$331,230          | \$8.46          | 75.5%        | 77.3%        | 7.69%           | 1,796        | \$274,424          | \$9.01          | 71.7%        | 76.0%        | -6.1%          |
| 7                   | 10        | MUSCULAR DYSTROPHIES    | 5.75%          | 19           | \$324,295          | \$8.28          | 0.0%         | 0.4%         | 7.81%           | 22           | \$278,793          | \$9.15          | 0.0%         | 0.0%         | -9.5%          |
| 8                   | 6         | ANTICOAGULANT           | 5.07%          | 674          | \$286,235          | \$7.31          | 15.1%        | 20.0%        | 5.74%           | 548          | \$204,931          | \$6.73          | 20.6%        | 22.4%        | 8.6%           |
| 9                   | 8         | MULTIPLE SCLEROSIS      | 3.99%          | 42           | \$224,979          | \$5.74          | 42.9%        | 42.2%        | 3.06%           | 17           | \$109,110          | \$3.58          | 0.0%         | 33.7%        | 60.3%          |
| 10                  | 5         | SKIN CONDITIONS         | 3.48%          | 761          | \$196,628          | \$5.02          | 84.9%        | 88.3%        | 4.61%           | 558          | \$164,511          | \$5.40          | 80.8%        | 88.9%        | -7.1%          |
| <b>Total Top 10</b> |           |                         |                | <b>9,252</b> | <b>\$5,644,381</b> | <b>\$144.09</b> | <b>47.6%</b> | <b>49.9%</b> |                 | <b>7,165</b> | <b>\$3,569,906</b> | <b>\$117.19</b> | <b>47.8%</b> | <b>53.4%</b> | <b>23.0%</b>   |

## Top Drugs

BERGEN MUNICIPAL EMP BENEFITS (Current Period 01/2023 - 12/2023 vs. Previous Period 01/2022 - 12/2022) Peer = Commercial

|                     |           |                     |                        |                | Current Period |          |                    |                 | Previous Period |          |                    |                | Change         |
|---------------------|-----------|---------------------|------------------------|----------------|----------------|----------|--------------------|-----------------|-----------------|----------|--------------------|----------------|----------------|
| Rank                | Peer Rank | Brand Name          | Indication             | Specialty Drug | Adjusted Rxs   | Patients | Plan Cost          | Plan Cost PMPM  | Adjusted Rxs    | Patients | Plan Cost          | Plan Cost PMPM | Plan Cost PMPM |
| 1                   | 3         | OZEMPIC             | DIABETES               | N              | 431            | 55       | \$367,727          | \$9.39          | 239             | 29       | \$190,170          | \$6.24         | 50.4 %         |
| 2                   | 7         | WEGOVY              | WEIGHT LOSS            | N              | 296            | 51       | \$364,293          | \$9.30          | 122             | 14       | \$149,719          | \$4.91         | 89.2 %         |
| 3                   | 241       | EMFLAZA             | MUSCULAR DYSTROPHIES   | Y              | 19             | 1        | \$324,295          | \$8.28          | 22              | 1        | \$278,793          | \$9.15         | -9.5 %         |
| 4                   | 4         | STELARA             | INFLAMMATORY CONDITION | Y              | 24             | 2        | \$271,952          | \$6.94          | 21              | 2        | \$153,868          | \$5.05         | 37.4 %         |
| 5                   | 86        | POMALYST            | CANCER                 | Y              | 12             | 1        | \$250,024          | \$6.38          |                 | NA       |                    |                | NA             |
| 6                   | 99        | GENOTROPIN          | GROWTH DEFICIENCY      | Y              | 38             | 4        | \$218,732          | \$5.58          | 15              | 1        | \$28,737           | \$0.94         | 491.9 %        |
| 7                   | 244       | MEKINIST            | CANCER                 | Y              | 12             | 1        | \$154,207          | \$3.94          | 6               | 1        | \$54,983           | \$180          | 118.1 %        |
| 8                   | 11        | ELIQUIS             | ANTICOAGULANT          | N              | 303            | 41       | \$152,903          | \$3.90          | 204             | 27       | \$97,015           | \$3.18         | 22.6 %         |
| 9                   | 6         | MOUNJARO            | DIABETES               | N              | 159            | 27       | \$149,823          | \$3.82          | 12              | 3        | \$10,453           | \$0.34         | 104.6 %        |
| 10                  | 70        | NORDITROPIN FLEXPRO | GROWTH DEFICIENCY      | Y              | 26             | 4        | \$144,690          | \$3.69          | 72              | 8        | \$472,554          | \$15.51        | -76.2 %        |
| 11                  | 193       | OMNITROPE           | GROWTH DEFICIENCY      | Y              | 20             | 3        | \$143,494          | \$3.66          |                 | NA       |                    |                | NA             |
| 12                  | 10        | TRULICITY           | DIABETES               | N              | 162            | 18       | \$140,307          | \$3.58          | 157             | 16       | \$127,300          | \$4.18         | -14.3 %        |
| 13                  | 283       | TAFINLAR            | CANCER                 | Y              | 12             | 1        | \$134,140          | \$3.42          | 6               | 1        | \$50,642           | \$166          | 106.0 %        |
| 14                  | 108       | CABOMETYX           | CANCER                 | Y              | 6              | 1        | \$131,804          | \$3.36          |                 | NA       |                    |                | NA             |
| 15                  | 33        | XARELTO             | ANTICOAGULANT          | N              | 269            | 30       | \$129,509          | \$3.31          | 228             | 23       | \$104,857          | \$3.44         | -4.0 %         |
| 16                  | 12        | JARDIANCE           | DIABETES               | N              | 233            | 24       | \$125,358          | \$3.20          | 149             | 14       | \$76,883           | \$2.52         | 26.8 %         |
| 17                  | 17        | ENBREL SURECLICK    | INFLAMMATORY CONDITION | Y              | 22             | 2        | \$124,581          | \$3.18          | 30              | 3        | \$143,185          | \$4.70         | -32.3 %        |
| 18                  | 118       | VUMERITY            | MULTIPLE SCLEROSIS     | Y              | 20             | 2        | \$120,436          | \$3.07          |                 | NA       |                    |                | NA             |
| 19                  | 137       | NUCALA              | ASTHMA                 | Y              | 25             | 2        | \$118,297          | \$3.02          | 14              | 2        | \$92,549           | \$3.04         | -0.6 %         |
| 20                  | 1         | HUMIRA(CF) PEN      | INFLAMMATORY CONDITION | Y              | 19             | 2        | \$108,020          | \$2.76          | 23              | 3        | \$106,790          | \$3.51         | -21.3 %        |
| 21                  | 22        | TALTZ AUTOINJECTOR  | INFLAMMATORY CONDITION | Y              | 17             | 2        | \$98,812           | \$2.52          |                 | NA       |                    |                | NA             |
| 22                  | 42        | RYBELSUS            | DIABETES               | N              | 113            | 14       | \$95,580           | \$2.44          | 97              | 10       | \$78,002           | \$2.56         | -4.7 %         |
| 23                  | 16        | DUPIXENT PEN        | SKIN CONDITIONS        | Y              | 32             | 5        | \$89,834           | \$2.29          | 29              | 3        | \$72,669           | \$2.39         | -3.9 %         |
| 24                  | 19        | FARXIGA             | DIABETES               | N              | 176            | 18       | \$89,736           | \$2.29          | 172             | 16       | \$85,213           | \$2.80         | -18.1 %        |
| 25                  | 82        | ENBREL              | INFLAMMATORY CONDITION | Y              | 14             | 1        | \$89,608           | \$2.29          | 10              | 1        | \$46,912           | \$154          | 48.5 %         |
| <b>Total Top 25</b> |           |                     |                        |                | <b>2,460</b>   |          | <b>\$4,138,164</b> | <b>\$105.64</b> | <b>1,628</b>    |          | <b>\$2,421,292</b> | <b>\$79.49</b> | <b>32.9 %</b>  |

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
CONSENT AGENDA  
FEBRUARY 27, 2024**

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**

**Subject Matter**

Revised Resolution 9-24: Compensating Producers .....Page 28  
Resolution 18-24: Forming HIF Cooperative Pricing System .....Page 30  
Resolution 19-24: February 2024 Bills Lists .....Page 32

**Motion**\_\_\_\_\_

**Second**\_\_\_\_\_

**REVISED RESOLUTION NO. 9-24**

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
ESTABLISHING PLAN FOR COMPENSATING PRODUCERS LICENSED PURSUANT TO  
N.J.S.A. 17:22A-1 ET SEQ AND REPRESENTING MEMBER ENTITIES**

**WHEREAS,** The Bergen Municipal Employee Benefits Fund permits member entities that designate a producer or risk manager to represent them in dealings with the Fund; and

**WHEREAS,** Pursuant to N.J.A.C. 11:15-3.6 (e) 15, producer arrangements must be formally determined by the Fund and filed with the Department of Banking and Insurance; and

**NOW THEREFORE BE IT RESOLVED,** that the Bergen Municipal Employee Benefits Fund establishes the following producer plan for 2024;

1. The Fund will include producer compensation in each entity’s assessments using the compensation levels as disclosed to and approved by the member entity.
2. The following sub-producers with the designated compensation levels are approved for 2024:

| <b>Group Name</b>                  | <b>Broker Name</b>              | <b>Broker Rate<br/>PEPM</b> | <b>PEPM Rate<br/>Dental</b> |
|------------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Carlstadt                          | World Insurance Associates LLC  | \$ 3.55                     | \$ -                        |
| Carlstadt Board of Education       | World Insurance Associates LLC  | \$ 3.23                     | \$ -                        |
| East Rutherford                    | World Insurance Associates LLC  | \$ 2.87                     | \$ -                        |
| East Rutherford Board of Education | World Insurance Associates LLC  | \$ 3.08                     | \$ -                        |
| Edgewater                          | Reliance Insurance Group        | \$ 39.97                    | \$ -                        |
| Fairfield                          | IMAC                            | \$ 65.90                    | \$ -                        |
| Fairfield BOE                      | IMAC                            | \$ 62.09                    | \$ -                        |
| Fanwood Township                   | Fairview Insurance              | \$ 41.65                    | \$ -                        |
| Ft. Lee                            | Vozza                           | \$ 4.82                     | \$ -                        |
| Garfield City                      | Allen Associates                | \$ 46.37                    | \$ -                        |
| Garwood                            | Competitive Advantage Companies | \$ 56.10                    | \$ -                        |
| Lodi                               | World Insurance Associates LLC  | \$ 2.87                     | \$ -                        |
| Maywood Borough                    | World Insurance Associates LLC  | \$ 3.65                     | \$ -                        |
| Mine Hill                          | Fairview Insurance              | \$ 2.93                     | \$ -                        |
| Moonachie                          | World Insurance Associates LLC  | \$ 26.00                    | \$ -                        |
| North Arlington                    | World Insurance Associates LLC  | \$ 2.87                     | \$ -                        |
| Oakland                            | Reliance Insurance Group        | \$ 41.63                    | \$ 5.27                     |
| Park Ridge                         | Vozza                           | \$ 38.00                    | \$ 5.27                     |
| Ridgefield Park                    | Otterstedt                      | \$ 42.54                    | \$ -                        |
| Rochelle Park                      | World Insurance Associates LLC  | \$ 2.87                     | \$ -                        |
| Saddle River                       | World Insurance Associates LLC  | \$ 17.23                    | \$ -                        |
| South Hackensack                   | World Insurance Associates LLC  | \$ 22.89                    | \$ -                        |

|            |                                |          |      |
|------------|--------------------------------|----------|------|
| Verona     | Fairview Insurance             | \$ 7.00  | \$ - |
| Wallington | Acrisure                       | \$ 13.70 | \$ - |
| Westwood   | World Insurance Associates LLC | \$ 13.30 | \$ - |
| Wood-Ridge | World Insurance Associates LLC | \$ 2.16  | \$ - |

3.This schedule may be amended upon written notification of each listed member entity.

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND**

**ADOPTED: February 27, 2024**

**BY: \_\_\_\_\_**  
**CHAIRPERSON**

**ATTEST: \_\_\_\_\_**  
**SECRETARY**



**RESOLUTION NO. 18-24**

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
RESOLUTION TO FORM  
HEALTH INSURANCE COOPERATIVE PRICING SYSTEM**

**WHEREAS**, Contracting Units of the State of New Jersey are authorized to enter into a cooperative pricing system agreement for the cooperative pricing of goods and services as permitted by the Local Public Contracts Law and the Public School Contracts Law and applicable regulations under N.J.C.A. 5:34-7 et seq.; and

**WHEREAS**, the statutes regulating the creation and establishment of a cooperative pricing system allow contracting units to join together for the purposes of obtaining third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers (hereinafter the "Services") in order to negotiate and contract for the Services in a cost-effective manner, furthering the public interest entrusted to such a cooperative pricing system; and

**WHEREAS**, the governing bodies of the Southern New Jersey Regional Employee Benefits Fund ("SNJ Fund") and the Bergen Municipal Employee Benefits Fund ("BMED") have determined that the formation of and membership in the Health Insurance Cooperative Pricing System ("HICPS") is in the best interest of their respective members.

**NOW THEREFORE, BE IT RESOLVED**, that the governing bodies of the SNJ Fund and BMED do hereby resolve and agree to become the initial members in the HICPS for the purpose of joining with other contracting units in the State to aggregate purchasing power for the Services so as to achieve financial savings and to encourage contracting units to cooperate in seeking ways to better provide health benefits to their employees;

**BE IT FURTHER RESOLVED** that the SNJ Fund is hereby appointed and designated as the "Lead Agency" of the HICPS and agrees to act as the Lead Agency for the HICPS;

**BE IT FURTHER RESOLVED** that the Chairman of the SNJ Fund and BMED are authorized to execute the Health Insurance Cooperative Pricing System Agreement, attached hereto, and that \_\_\_\_\_ of the SNJ Fund and \_\_\_\_\_ of the BMED are hereby designated as the representative of the respective contracting unit and as the contact person for communications between the Lead Agency and the contracting unit and the HICPA; and

**BE IT FURTHER RESOLVED** that the respective Chairman of the SNJ Fund and BMED are authorized and directed to execute such other documents signifying their membership in the HICPS and to deliver same to the Lead Agency of the HICPS.

**ADOPTED: FEBRUARY 27, 2024**

**BY:** \_\_\_\_\_  
**CHAIRPERSON**

**ATTEST:**

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**SECRETARY**

**RESOLUTION NO. 19-24**

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
APPROVAL OF THE FEBRUARY 2024 BILLS LISTS**

**WHEREAS**, the **Bergen Municipal Employee Benefits Fund** held a Public Meeting on **February 27, 2024** for the purposes of conducting the official business of the Fund; and

**WHEREAS**, The Treasurer for the Fund presented bills lists to satisfy outstanding costs incurred for operating the Fund during the months of February 2024 for consideration and approval of the Executive Committee; and

**WHEREAS**, a quorum of the Executive Committee was present thereby conforming with the By-laws of the Fund to conduct official business of the Fund,

**NOW THEREFORE BE IT RESOLVED** the Commissioners of the Executive Committee of the **Bergen Municipal Employee Benefits Fund** hereby approve the Bills List for February 2024 prepared by the Treasurer of the Fund and duly authorize and concur said bills to be paid expeditiously, in accordance with the laws and regulations promulgated by the State of New Jersey for Municipal Health Insurance Funds.

**ADOPTED: February 27, 2024**

**BY:** \_\_\_\_\_  
**CHAIRPERSON**

**ATTEST:**  
\_\_\_\_\_  
**SECRETARY**

# APPENDIX I

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
OPEN MEETING: JANUARY 23, 2024  
FRANKLIN LAKES BOROUGH  
12:00 P.M.**

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

**ROLL CALL OF 2023 EXECUTIVE COMMITTEE:**

|  |         |
|--|---------|
| Gregory Hart, Chair                            | Present |
| Richard Kunze, Secretary                       | Present |
| Gregory Franz, Executive Committee             | Present |
| Donna Gambutti, Executive Committee            | Absent  |
| Bob Kakoleski, Executive Committee             | Present |
| Anthony Ciannamea, Executive Committee         | Present |
| Erin Delaney, Executive Committee Alternate    | Absent  |
| James Gasparini, Executive Committee Alternate | Present |

**APPOINTED OFFICIALS PRESENT:**

|                                      |                                       |  |
|--------------------------------------|---------------------------------------|--|
| Executive Director/<br>Administrator | <b>PERMA Risk Management Services</b> | Brandon Lodics, Executive Director<br>Emily Koval, Account Manager |
| Attorney                             | <b>Huntington Bailey, LLP</b>         | Bill Bailey  |
| Treasurer                            | <b>Joseph Iannaconi</b>               | Present  |
| Third Party<br>Administrator         | <b>Aetna</b>                          | Jason Silverstein  |
| 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>           | Clark LaMendola  |
| Benefits Consultant                  | <b>Conner Strong</b>                  | Crystal Bailey   |
| RX Administrator                     | <b>Express Scripts</b>                | Charles Yuk  |
| Wellness Coordinator                 | <b>Civitas</b>                        | Marianne Eskilson - present via<br>phone                           |

**OTHERS PRESENT:**

|                |               |
|----------------|---------------|
| Matt McArow    | Joseph Graham |
| Renee Gear     | Dave Vozza    |
| Julie Servidio |               |

**APPROVAL OF MINUTES:** November 28, 2023

|                        |                    |
|------------------------|--------------------|
| <b>MOTION:</b>         | Commissioner Franz |
| <b>SECOND:</b>         | Commissioner Kunze |
| <b>ROLL CALL VOTE:</b> | All in Favor       |

**ADJOURN SINE DIE MEETING - Chairs vacated - Chair asks Executive Director to run meeting.  
MEETING OF 2024 FUND COMMISSIONERS CALLED TO ORDER**

**ROLL CALL OF 2024 FUND COMMISSIONERS**

| <b>Member</b>                       | <b>Fund Commissioner</b> | <b>Attendance</b>             |
|-------------------------------------|--------------------------|-------------------------------|
| Alpine*                             | Paul Tomasko             | Absent                        |
| Carlstadt*                          | Joseph Crifasi           | Absent                        |
| Carlstadt Board of Education*       |                          | Present                       |
| East Rutherford*                    | Jesse DeRosa             | Absent                        |
| East Rutherford Board of Education* | Giovanni Giacaspro       | Absent                        |
| Edgewater                           | Gregory Franz            | Present                       |
| Emerson*                            | Robert Hermansen         | Absent                        |
| Fanwood                             | Colleen Huehn            | Absent                        |
| Fairfield                           | James Gasparini          | Present                       |
| Fairfield BOE                       | Kathy Morano             | Absent                        |
| Franklin Lakes                      | Gregory Hart             | Present                       |
| Ft. Lee*                            | Alfred Restaino          | Absent                        |
| Garfield City                       | Erin Delaney             | Alt - Anders Hassler Present  |
| Garwood                             | Kyle Harris              | Absent                        |
| Hillsdale*                          | Christopher Tietjen      | Absent                        |
| Lodi*                               | Marc Shreicks            | Present                       |
| Maywood Borough*                    | Adrian Febre             | Absent                        |
| Midland Park                        | Wendy Martin             | Present                       |
| Mine Hill*                          | Katelyn Wild             | Absent                        |
| Montvale                            | Joe Voytus               | Present                       |
| Moonachie                           | Anthony Ciannamea        | Present                       |
| North Arlington*                    | Steve Loicano            | Absent                        |
| Oakland                             | Richard Kunze            | Present                       |
| Park Ridge                          | Magdalena Giandomenico   | Absent                        |
| Ridgefield Park                     | Adam MacNeill            | Absent                        |
| Rochelle Park*                      | Dean Pinto               | Absent                        |
| Rutherford                          | Robert Kakoleski         | Present                       |
| Saddle River                        | Richard Molinari         | Alt Cindy Kirkpatrick Present |
| South Hackensack                    | Donna Gambutti           | Alt Evelyn Scott Present      |
| Verona                              | Joseph D'Arco            | Absent                        |
| Wallington                          | Hector Olmo              | Absent                        |
| Wanaque Valley Regional S.A.*       | Frank Covelli            | Present                       |
| Westwood                            | Durene Ayer              | Present                       |
| Woodcliff Lake                      | Tom Padilla              | Present                       |
| Wood-Ridge*                         | Dominick Azzolini        | Absent                        |

**Recommended Slate**

Gregory Hart, Chair  
Richard Kunze, Secretary

Gregory Franz, Executive Committee  
 Donna Gambutti, Executive Committee  
 Bob Kakoleski, Executive Committee  
 Anthony Ciannamea, Executive Committee  
 Erin Delaney, Executive Committee Alternate  
 James Gasparini, Executive Committee Alternate  
 Thomas Padilla, Executive Committee Alternate  
 Joseph Voytus, Executive Committee Alternate

**MOTION TO APPROVE THE RECCOMENDED SLATE AS PRESENTED**

**MOTION:** Commissioner Franz  
**SECOND:** Commissioner Kakoleski  
**ROLL CALL VOTE:** 15 AYES, 0 NAYS

**ELECTION OF OFFICERS, EXECUTIVE COMMITTEE & ALTERNATES**

Executive Director asks for Nominations. Attorney swears in officers and Executive Committee.

**MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER**

**ROLL CALL OF 2024 EXECUTIVE COMMITTEE**

|                   |                               |         |
|-------------------|-------------------------------|---------|
| Gregory Hart      | Chair                         | Present |
| Richard Kunze     | Secretary                     | Present |
| Gregory Franz     | Executive Committee           | Present |
| Donna Gambutti    | Executive Committee           | Absent  |
| Bob Kakoleski     | Executive Committee           | Present |
| Anthony Ciannamea | Executive Committee           | Present |
| Erin Delaney      | Executive Committee Alternate | Absent  |
| James Gasparini   | Executive Committee Alternate | Present |
| Thomas Padilla    | Executive Committee Alternate | Present |
| Joseph Voytus     | Executive Committee Alternate | Present |

**CORRESPONDENCE** - None

**COMMITTEE REPORTS:**

**Strategic Planning** - Commissioner Kunze said that the SWOT analysis is included in this agenda and the Board advisor will review it during his report.

**Finance Committee** - Commissioner Kunze said there is a resolution that is included in the agenda about money transferring to the METRO HIF for their break away from the BMED. He also stated that Ft. Lee is going to be joining the Fund.

**Wellness Committee** - Mr. Kakoleski stated that the Wellness Coordinator will be absent today. He touched on a few points included in the WC report in the agenda. He stated that Marianne will be leaving in April and the Fund is looking for a replacement person to take over the Wellness Coordinator position. He asked that if any of the brokers would have someone in mind and to network

for it if possible. He stated Marianne has done a great job and they are hoping to bring someone in before she leaves so that she can show them how the program runs.

Mr. Kakoleski reviewed the other items on the wellness report.

**Small Claims Committee** – None.

**Nominations Committee** – None.

## **EXECUTIVE DIRECTOR'S REPORT**

**FAST TRACK FINANCIAL REPORT** – Mrs. Koval reviewed the FFT through November 2023. She stated that this month shows a slight loss. She stated that if you look at the less specific excess, there is a 2021 METRO stop loss reimbursement. It hits this month because of the delay from that time period. She stated that overall the Fund is looking at a little over \$10 million in stator surplus. The surplus is strong and within the retention policy.

**2024 REORGANIZATION** – Mrs. Koval reviewed the Reorganization resolutions that are included in the consent agenda for approval. She stopped and noted a few details in the following: She stated that #1-24 – Most contracts are in a 3 year term. This Resolution approves the 2024 fees. Please note the additional month term for the wellness coordinator. #5-24 – This resolution sets the meeting dates for 2024. A physical location and zoom is included in the event that we need to hold it virtually. #7-24 – Current Signatories will not change this year- Gregory Hart, Gregory Franz, Richard Kunze and Fund Treasurer. Mrs. Koval stated that Resolution #8-24 – RMP – the only changes are the specific excess limit and the approved billing policy which is not included in this version but will have the updated version in a future meeting. Mrs. Koval stated that Resolution 9-24 is a list of the broker compensation. Mrs. Covelli stated that Rutherford should be amended and all fees taken out completely as they have a direct contract with their broker. She stated that another change is Moonachie's fee should be \$26.00 #10-24 – Current MRHIF representatives are Richard Kunze and Gregory Hart. They agreed to stay the same.

## **METRO BREAKOUT STATUS**

Mrs. Koval stated that the Metro Fund has officially separated from the BMED effective January 1, 2024. The Fund has a conditional approval from the State in November. All conditions have been sent to the State and waiting final approval.

She stated that the claim run out is booked on the BMED 2023 budget, therefore all 2023 Metro incurred claims will continue to come out of the BMED claims account. January will have the most claim activity, but will begin to lessen in future months until those years are closed.

She stated that there are some minor billing adjustments from 2023 that were separately billed to the Metro group that owed to BMED. We expect these outstanding receivables to be made by the end of January.

Mrs. Koval stated that in late December, to prepare for the separation of claim funding, a transfer of Metro earned cash was sent from BMED to the new Metro bank account in the amount of \$4,400,000. Metro will continue to grow cash that will eventually be transferred over time when run out has completed. Resolution 15-24 approves the initial transfer.



**MUNICIPAL REINSURANCE HEALTH INSURANCE FUND** – Mrs. Koval stated that the MRHIF executive committee met on December 13, 2023. The 2024 budget and assessments were adopted without amendment. The assessment included in the BMED 2024 budget was unchanged.

The incumbent Benefits Administration system was approved for another one-year contract. A full review of the services promised in the RFP will occur next fall and the Fund will determine whether to extend another year or go back out to RFP.

**FORT LEE – NEW MEMBERSHIP**

Mrs. Koval stated that the Finance Committee reviewed the new member proposal for a current dental only member to add medical and prescription in the Fund effective February 1, 2024

The Fund’s Chief Underwriter reviewed the group’s 2-year performance and developed a proposal, which improved the group’s current situation, *Fully Insured through Aetna*. The Fund’s Actuary reviewed the underwriter’s claims budget development and was comfortable with the trend, margin and assumptions that used. Ft. Lee’s proposal is higher than the Fund’s average. Ft. Lee has accepted the proposal, as a dental member and previous medical member, they understand the value proposition of the HIF. Resolution 12-24 approves their membership.

Notes:

- 1) Underwriting proposals include appropriate claims development and margin.
- 2) Underwriting has been reviewed and approved by Actuary as appropriate.
- 3) Performance is consistent with the existing BMED population.

| <b>New Member Overview</b>    |  |
|-------------------------------|--|
| <b>Fund</b>                   | Bergen Municipal Employee Benefits Fund  |
| <b>Entity</b>                 | <b>Fort Lee</b>  |
| <b>County</b>                 | Bergen   |
| <b>Effective Date</b>         | 2/1/2024 - 12/31/2024  |
| <b>Lines of Coverage</b>      | Medical and Prescription   |
| <b>Eligible Enrollees</b>     | 330  |
| <b>Retiree Coverage</b>       | Pre 65 Only  |
| <b>Current Arrangement</b>    | Aetna Fully Insured  |
| <b>Actuary Certification</b>  | Yes: Standard Underwriting Methodology   |
| <b>Member approval?</b>       | Resolution and I&T Received  |
| <b>Per Employee Per Month</b> | \$3,147 (BMED = \$2,480)   |
| <b>Additional Notes</b>       | <ol style="list-style-type: none"> <li>1. Existing Dental Member</li> <li>2. Medicare Advantage will not be joining the Fund. They will be staying in their fully insured model to not disrupt the population. No impact on the underwriting or risk profile.</li> </ol> |

**2024 COMMITTEE APPOINTMENTS**

Mrs. Koval stated that if anyone is interested in joining a subcommittee, please reach out to her or Chair Hart.

## WELLNESS GRANT APPROVALS

The Wellness Committee met on January 19 to review the four applications received and are including in the Appendix for your review. Resolution 13-24 includes approval for these grants with the amendment of adding Garfield.

Franklin lakes - \$10,000

Garfield - \$10,000

Oakland - \$10,000

Montvale - \$5,000

## STRATEGIC PLANNING COMMITTEE

The draft copy is included in the agenda and will be reviewed today with the Board Advisor.

**PROGRAM MANAGER REPORT:** Ms. Bailey reviewed the following report items covered in the agenda.

## OPERATIONAL UPDATES:

End of Year Reporting was sent to all BMED group billing contacts on December 18<sup>th</sup>.

In addition to the End of Year report, a Wellness Incentive Program report has been provided reflecting employees who received a gym reimbursement in 2023, as this is taxable income. Wellness incentives provided directly to members that do not go towards their health insurance premiums are considered taxable income regardless of the amount. It is the employer's responsibility to report any wellness incentive as income on the employee's W-2 and withhold all appropriate income tax.

Please note the following:

- The report includes the participant's full name and total amount received in 2023
  - Aetna - up to \$240 per eligible participant
- Initial report will be for reimbursements issued for the time period of **January 1, 2023 through November 30, 2023**
  - Reports were sent to group billing contacts December 21<sup>st</sup>
- An additional report will be provided in late January 2024 for reimbursements issued for submissions in **December 2023**.
  - Employers are responsible for updating an employee's W-2 withholdings once received
- All eligible employees, spouses and dependents (those over age 18) who received a reimbursement will be included in the report separately
  - We recommend groups confirm with their tax advisor if reimbursements for spouses and dependents should be included in the employee's reporting

Please note there is not an option to receive the latter report sooner than late January as the data is not available.

## 2024 LEGISLATIVE REVIEW:

FREE COVID-19 At-HomeTest – Effective November 20, 2023, free COVID-19 at home test kits are available for reorder from the government. Every U.S. household is eligible to order 4 free COVID-19 at home tests.

<https://www.covid.gov/tests>

**FUND ATTORNEY** - Fund Attorney stated no report.

**TREASURER** - Fund Treasurer said the bills lists was included in the agenda. Mrs. Koval stated that Resolution 16-24 is for the Citizens Bank Rate Earnings.

**WELLNESS COORDINATOR** - Absent

**BOARD ADVISOR**- Mr. LaMendola reviewed the SWOT analysis that was included in the agenda. This included all Strategic Planning Committee reviewed responses to identifying suggested improvements, opportunities identified in the facilitations and priorities for additional services. He stated that the SPC worked closely with all vendors and Fund Professionals to come up with this report and its suggested approaches. Mr. Lamendola stated that overall the facilitations characterized BMED as a strong, responsive organization, with its major strengths being stability, leadership, positive relationships with providers and constituents, regional structure, and market positioning. High quality customer service and low cost were deemed the most important benefits generated by BMED.

He thanked the BMED staff as well as the Committee for their participation in this analysis.

Mr. Covelli stated that the only suggestion he would make is that it mentions developing a high deductible plan and he stated that he would suggest not saying "develop one" because they have been around and are available. The fund has had many high deductible and less costing plans. His suggestion would be to say "more communication" is needed about these plans.

Mr. Lodics thanked Mr. LaMendola for allowing the Executive Director's Office to be a part of the sessions and kudos to the SPC for their time and effort in this.

**AETNA** - Jason Silverstien reviewed the claims through November and the dashboard metrics.

**EXPRESS SCRIPTS** - Charles Yuk reviewed the report included in the agenda.

**DELTA DENTAL** - No report

**CONSENT AGENDA:**

**MOTION TO APPROVE CONSENT AGENDA, AS AMENDED, INCLUDING THE FOLLOWING RESOLUTIONS:**

- Resolution 1-24: Awarding Professional Fees for 2024
- Resolution 2-24: Designation of Service of Process
- Resolution 3-24: Designation of Secretary as Custodian of Records
- Resolution 4-24: Designation of Official Newspaper
- Resolution 5-24: Designation of Regular Meeting Times and Place
- Resolution 6-24: Designation of Bank Depositories & CMP
- Resolution 7-24: Designation of Authorized Signatories
- Resolution 8-24: Approval of 2024 Risk Management Plan

Resolution 9-24: Compensating Producers  
Resolution 10-24: Appointment of MRHIF Commissioners  
Resolution 11-24: Authorizing Treasurer to Process  
Payments and Expenses  
Resolution 12-24: Adding additional Coverage – Ft. Lee  
Resolution 13-24: Wellness Grant Approvals  
Resolution 14-24: MRHIF Indemnity and Trust Agreement  
Resolution 15-24: Cash Transfer  
Resolution 16-24: Bank Earning Base Rate  
Resolution 17-24: December 2023 and January 2024 Bills Lists

|                |                        |
|----------------|------------------------|
| <b>MOTION:</b> | Commissioner Franz     |
| <b>SECOND:</b> | Commissioner Kakoleski |
| <b>VOTE:</b>   | 6 Ayes, 0 Nays         |

**OLD BUSINESS:** None

**NEW BUSINESS:** Mr. Covelli welcomed Midland Park to the meeting.

**PUBLIC COMMENT:** None.

**MOTION TO ADJOURN:**

|                |                        |
|----------------|------------------------|
| <b>MOTION:</b> | Commissioner Kakoleski |
| <b>SECOND:</b> | Commissioner Ciannamea |
| <b>VOTE:</b>   | Unanimous              |

**MEETING ADJOURNED:** 12:35 pm

**NEXT MEETING:** FEBRUARY 27, 2024

Jordyn Robinson, Assistant Account Manager

# APPENDIX II

## **Gateway Fund - Bergen and Metro 2023 Operations Review and Medical Claims Audit**

A health care claims audit is designed to assess whether claims are being adjudicated correctly, in accordance with the provisions of the plan of benefits, and paid only on behalf of eligible participants as determined by the provisions of the plan. Best practice is to look beyond just the claims and to identify operational or administrative issues that may lead to broader claims processing and service issues, allowing for real-world recommendations for resolution.

AIM will perform an Operations Review of Aetna, which is an in-depth evaluation of the controls employed by the administrator to ensure quality administration. In conjunction with the Operations Review, a medical claims audit will also be conducted on the administration by Aetna for the HIF employee medical plan. The 2023 audits will include claims adjudication for both Bergen and Metro as claims are being processed under the same HIF but under different funding. A division of the two funds will occur January 1, 2024.

For the Operations Review (OR), a comprehensive Request for Information (RFI) is prepared and sent to Aetna in advance of the scheduled OR meeting.

- During the OR, interviews are conducted with key management and operations personnel to review Aetna's responses, procedures and methodologies.
- The OR encompasses such areas as system capabilities, staffing levels and turnover, performance standards, quality assurance for claim processing and customer service, Aetna's actual performance vs. client-specific and/or industry standards for accuracy, timeliness of claims adjudication, reporting capabilities, coordination with other administrative areas/vendors, and cost-management activities such as overpayment recovery, pricing controls and TPL investigations.
- Findings are compared to industry best practices.
- An OR can identify weaknesses in administrative controls that lead to poor performance.

The medical claims audit will be conducted on a sample of claims finalized during the identified audit period. The audit will assess whether claims are being adjudicated correctly, in accordance with the provisions of the HIF plan of benefits and paid on behalf of eligible participants as determined by the provisions of the plan.

The purpose of the audit is to provide an assessment of Aetna's overall claims processing and financial accuracy performance during the audit period versus industry standards and applicable contractual standards.

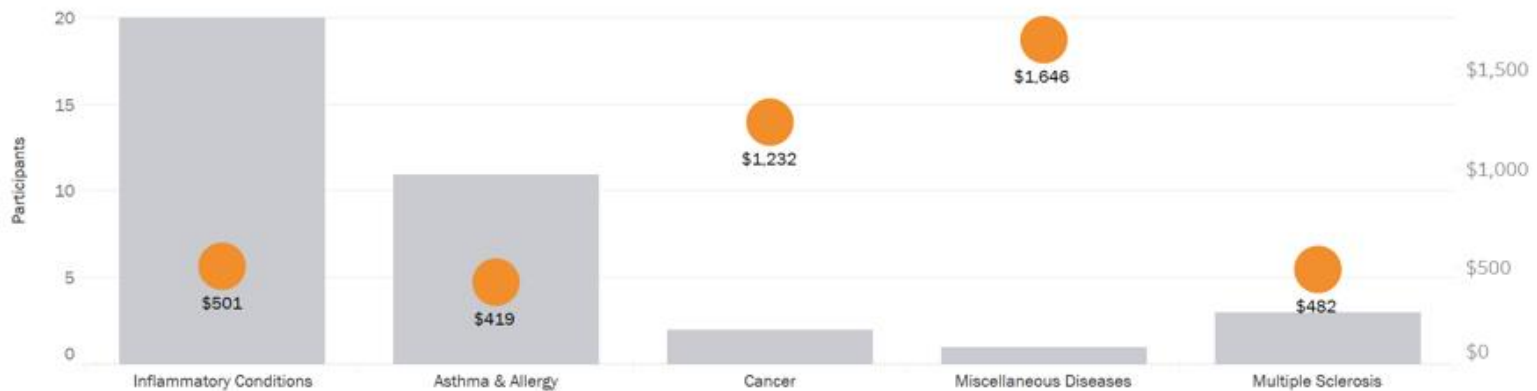
Claim Audit Methodology - The principal objective of the claims audit will be to determine Aetna's claim processing accuracy and financial accuracy on medical claims. The financial accuracy calculation will identify the financial impact (and potential recoveries) for payment errors. In addition, a critical component of the audit process will be to identify the causes of errors. AIM's audit findings and recommendations will specifically identify these causes and recommend solutions that can help Aetna improve its claims administration and eliminate the kinds of errors identified through the audit process.

# Gateway BMED Regional Employee Benefits Savings Report



| Therapeutic Category    | Adjudicated Amount | Participant Savings | Total Tertiary   | Net Savings 75%  | \$ Save per Claim | Claim Count | Participants | \$ Save PPM (DOS) |
|-------------------------|--------------------|---------------------|------------------|------------------|-------------------|-------------|--------------|-------------------|
| <b>Grand Total</b>      | <b>\$480,259</b>   | <b>\$11,706</b>     | <b>\$145,662</b> | <b>\$242,168</b> | <b>\$1,170</b>    | <b>207</b>  | <b>37</b>    | <b>\$545</b>      |
| Inflammatory Conditions | \$252,437          | \$5,314             | \$86,857         | \$120,199        | \$1,178           | 102         | 20           | \$501             |
| Asthma & Allergy        | \$107,956          | \$4,794             | \$29,447         | \$55,287         | \$838             | 66          | 11           | \$419             |
| Cancer                  | \$55,451           | \$564               | \$15,451         | \$29,577         | \$1,479           | 20          | 2            | \$1,232           |
| Miscellaneous Diseases  | \$26,807           | \$470               | \$0              | \$19,753         | \$2,822           | 7           | 1            | \$1,646           |
| Multiple Sclerosis      | \$37,608           | \$564               | \$13,907         | \$17,353         | \$1,446           | 12          | 3            | \$482             |

Participant Count vs. \$ Save Per Participant Per Month (PPPM)



\*PPPM - Per Participant Per Month

# Net Save by Drug








| Therapeutic Category    | Drug Name | Net Savings 75% | Participants |  |
|-------------------------|-----------|-----------------|--------------|--|
| Inflammatory Conditions | Skyrizi   | \$20,864.22     | 4            |  |
|                         | Tremfya   | \$18,661.99     | 3            |  |
|                         | Enbrel    | \$15,647.69     | 3            |  |
|                         | Taltz     | \$14,192.49     | 3            |  |
|                         | Cosentyx  | \$11,577.00     | 1            |  |
|                         | Entyvio   | \$10,448.64     | 1            |  |
|                         | Humira    | \$10,217.87     | 3            |  |
|                         | Otezla    | \$9,800.74      | 3            |  |
|                         | Stelara   | \$4,429.50      | 1            |  |
|                         | Rinvoq    | \$4,359.00      | 1            |  |
| Multiple Sclerosis      | Vumerity  | \$17,352.68     | 3            |  |

| Therapeutic Category | Drug Name | Net Savings 75% | Participants |  |
|----------------------|-----------|-----------------|--------------|--|
| Cancer               | Mekinist  | \$11,109.00     | 1            |  |
|                      | Tafinlar  | \$11,109.00     | 1            |  |
|                      | Cabometyx | \$7,359.00      | 1            |  |

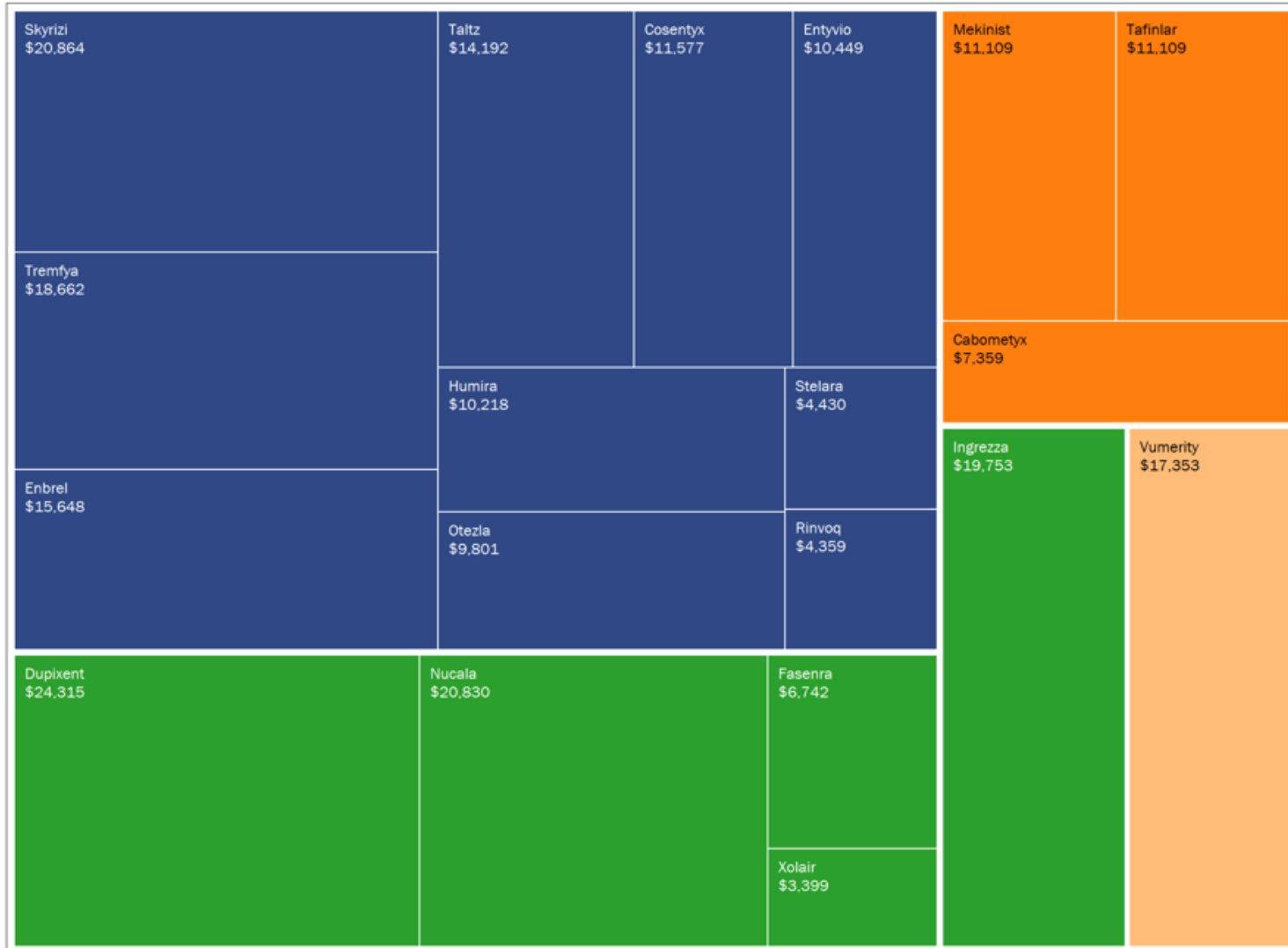


# Net Save by Drug



| Therapeutic Category   | Drug Name | Net Savings 75% | Participants |   |
|------------------------|-----------|-----------------|--------------|---|
| Asthma & Allergy       | Dupixent  | \$24,315.11     | 7            |    |
|                        | Nucala    | \$20,830.34     | 2            |    |
|                        | Fasenra   | \$6,742.13      | 1            |    |
|                        | Xolair    | \$3,399.08      | 1            |  |
| Miscellaneous Diseases | Ingrezza  | \$19,752.69     | 1            |  |

# Net Save by Drug



## **Savings Report: Definition of Terms**

(includes only claims invoiced through the SaveonSP program during the reporting period)

Adjudicated Amount: Total copay the prescription adjudicated for with Express Scripts, and therefore, amount billed to the manufacturer's copay assistance program.

Participant: Patient enrolled in SaveonSP program with a claim filled during the reporting time period

Participant Savings: Average member copay prior to SaveonSP program implementation

Total Tertiary: Used for residual member cost after copay assistance pays (\$5-\$50 generally), member's 13th fill in the year, or pass through copays

Gross Savings: Adjudicated Amount Minus Credit for Prior Copay Minus Tertiary remaining balance Minus Residual Tertiary

Net Savings: Gross Savings x 75%

Carrier Number: JUTA

# **APPENDIX III**

**HEALTH INSURANCE COOPERATIVE PRICING SYSTEM**

**JOINDER AGREEMENT**

THIS JOINDER AGREEMENT (this "Joinder"), is being executed by \_\_\_\_\_, (the "Fund") a joint health insurance fund formed pursuant to N.J. S.A. 40A:10-36 (18A:18B-1 et seq.) , having offices at 9 Campus Drive, Suite 216, Parsippany, NJ 07054, in order to become a member of the HEALTH INSURANCE COOPERATIVE PRICING SYSTEM formed on \_\_\_\_\_, 2024 (the "HICPS") in order to obtain third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers.

WHEREAS, Paragraph 1(c) of the HICPS Agreement requires any contracting unit desiring to become a member of the HICPS to adopt a resolution in accordance with applicable laws substantially in the same form attached to this Agreement as Exhibit A (the "Resolution") approving its membership in the HICPS and the execution of this Joinder; and

WHEREAS, the Fund has adopted the Resolution and transmitted a certified copy to the Lead Agency (as defined in the HICPS Agreement), for delivery to the State of New Jersey pursuant to applicable law; and

WHEREAS, the Fund has reviewed the terms of the HICPA Agreement and desires to be bound thereby;

NOW THEREFORE, for and in consideration of the promises herein contained and intending to be legally bound, the Fund, covenants and agrees as follows:

1. The Fund hereby acknowledges, consents to, joins in and agrees to be bound by the HICPS Agreement and all of the terms and conditions thereof all of which are incorporated herein by this reference, as if the Fund had been an original signatory thereto. A copy of the HICPS Agreement has been provided to the Fund, the receipt of which is hereby acknowledged.

**IN WITNESS WHEREOF**, the Fund has properly executed this Joinder as of the date noted below.

**ATTEST:**

**[FUND]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_

**ACCEPTED AND AGREED:**

Health Insurance Cooperative Pricing System

By: \_\_\_\_\_  
Chairman of Executive Committee of the Lead Agency

Date: \_\_\_\_\_

# **HEALTH INSURANCE COOPERATIVE PRICING SYSTEM AGREEMENT**

## **FOR A COOPERATIVE PRICING SYSTEM**

This Agreement made and entered into this \_\_\_\_\_ day \_\_\_\_\_, 2024, by and between the SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND (“SNJ Fund”), and the BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND (“BMED”), who desire to form a cooperative pricing system as authorized under applicable New Jersey law and regulations.

### **W I T N E S S E T H**

WHEREAS, the Local Public Contracts Law, the Public School Contracts Law and applicable regulations (N.J. S. A. 40A:11-11(5), N.J.S.A. 18A:18A-11, and N.J.A.C. 5:34-7.3) authorize two or more contracting units to establish a Cooperative Pricing System for the provision and performance of goods and services and enter into a Cooperative Pricing System Agreement for its administration; and

WHEREAS, the SNJ FUND and BMED are forming a voluntary Cooperative Pricing System with other contracting units; and

WHEREAS, the purpose of this Cooperative Pricing System is to effect substantial economies in the provision and performance of third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers and such ancillary contracts for related goods and services; and

WHEREAS, the SNJ Fund and the BMED have approved the within Agreement by Resolution in accordance with the aforesaid statute and regulation; and

WHEREAS, it is the desire of all parties to enter into such Agreement for said purposes;

NOW, THEREFORE, IN CONSIDERATION OF the promises and of the covenants, terms and conditions hereinafter set forth, it is mutually agreed as follows:

1. Authorization and Name:

Pursuant to the authority granted to contracting units as set forth in N.J.S.A. 40A:11-11(5) and the applicable regulations found at N.J.A.C. 5:34-7.3 (hereinafter the “Cooperative Pricing System Requirements”), the SNJ FUND and BMED have agreed and do hereby form a cooperative pricing system for the purpose of providing third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers and such ancillary contracts for related goods and services to member contracting units of the cooperative pricing system.

(a) The cooperative pricing system shall be known as the HEALTH INSURANCE COOPERATIVE PRICING SYSTEM (“HICPS”).

- (b) The SNJ FUND is hereby designated as the “Lead Agency” as defined in N.J.A.C. 5:34-7.2.
- (c) One or more other contracting units may become members of and participants in the HICPS by passing the appropriate resolution and signing a Joinder Agreement accepting the terms and conditions of this Agreement and stating the term of their membership.

2. Goods and Services to be purchased:

The goods or services to be priced cooperatively by the HICPS may include all goods and services which may be bid under the laws and regulations of the State of New Jersey and such other items as two or more participating contracting units agree can be purchased on a cooperative basis inclusive of, but not limited to, third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers and such ancillary contracts for related goods and services.

3. Advertising for Bids & Contract Award:

(a) The Lead Agency, when advertising for bids or soliciting informal quotations shall receive bids or quotations on behalf of all participating contracting units. Following the receipt of bids, the Lead Agency shall review said bids and on behalf of all participating contracting units, either reject all or certain of the bids or make an award to the lowest responsible bidder or to the successful bidders for each separate item. This award shall result in the Lead Agency entering into a Master Contract with the successful bidder(s) providing for two categories of purchases:

(i) The quantities ordered for the Lead Agency’s own needs, and

(ii) The estimated aggregate quantities to be ordered by other participating contracting units by separate contracts, subject to the specifications and prices set forth in the Lead Agency’s Master Contract

(b) When advertising for bids and making an award of one or more contracts the Lead Agency shall comply with the provisions and requirements of the Local Public Contracts Law (“LPCL”) and the Public School Contracts Law (“PSCL”) as applicable to the HICPS and its member contracting units. The Lead Agency shall include in the specifications the Lead Agency requirements, stated in definite quantities; and registered member requirements, stated as individual estimated needs. The specification shall list the registered members who have submitted estimates, their delivery address, their estimated maximum quantities, and other relevant information to permit the bidder to understand what is potentially involved.

(c) The Lead Agency shall supply the registered members of the cooperative pricing system who have submitted estimates, the name of the successful bidder, prices awarded and the contract identification number. A registered member may request a copy of the specifications. Each registered member who submitted estimates may then order directly from the vendor. If the cost of the order is under the bid threshold, and if the contracting agent is authorized to do so, then the contracting agent may issue a purchase order, pursuant to N.J.S.A. 40A:11-3a or N.J.S.A. 18A:18A-3a, as appropriate. If the cost of the order exceeds the bid threshold, then the contract must be awarded by resolution of the governing body in accordance with N.J.S.A. 40A:11-4a or N.J.S.A. 18A:18A-4a, as appropriate. The system identifier shall be affixed to each purchase order



or contract and shown on all forms pertaining thereto.

(d) Registered members who submit estimates shall not issue orders and contractors shall not make deliveries that deviate from the specifications or price as set forth in the master contract.

4. Management and Responsibilities:

(a) All business and financial affairs shall be under the supervision and control of the Lead Agency. The Lead Agency shall provide all necessary supervision for the HICPS in compliance with all applicable laws, rules, regulations and policies governing the administration of a cooperative pricing system and the HICPS. The Lead Agency will act as the representative of the HICPS in all matters relating to such administration. The Lead Agency shall also advise the HICPS on cooperative pricing system matters, coordinate the activities of other contracting units that are members of the HICPS and provide the necessary administrative and reporting requirements so that the HICPS shall be in compliance with the Cooperative Pricing System Requirements. The Lead Agency shall maintain records of all financial transactions in accordance with applicable laws and regulations under the LPCL and PSCL. The Lead Agency shall provide documentation to the member contracting units which reflect the programs, procedures and vendors utilized by the HICPS to implement and maintain the cooperative pricing system.

(b) The registered members of the HICPS shall be responsible for supplying the Lead Agency with the estimated quantities that each registered member proposes to contract for during the life of the master contract. A registered member may request a copy of the specifications.

(c) The Lead Agency when reviewing responses for advertised goods and services to be purchased by the HICPS shall be based solely on the Qualified Purchasing Agent's evaluation of the responsive information submitted and the specifications set forth in the applicable solicitation. The Lead Agency reserves the right to negotiate the terms and conditions of a contract with the successful firm or firms to obtain the most advantageous situation for the HICPS.

(d) The Lead Agency shall be responsible for registering the cooperative pricing system with the Division of Local Government Services ("DLGS") and shall ensure that the system identifier assigned by DLGS appears on all documentation related to purchases by the HICPS, including bidding documents, purchase orders, vouchers, contracts and records.

5. Costs and Purchase Prices:

Any administrative costs incurred by the Lead Agency shall be paid pro rata among the registered members, including the Lead Agency, in accordance with the quantities of the goods and services purchased by the individual registered member contracting unit as compared to the total quantities purchased by all registered member contracting units of the HICPS, inclusive of the Lead Agency. The items and classes of items which may be designated by the participating contracting units hereto may be purchased cooperatively for the period commencing with the execution of this Agreement and continuing until terminated as hereinafter provided.

6. Legal Notice:

The Lead Agency, on behalf of all participating contracting units, shall upon approval of the registration of the System and annually thereafter on the anniversary of the registration of the system publish a legal ad in such format as required by *N.J.A.C. 5:34-7.9(a)* in its official newspaper normally used for such purposes.

7. Financial Obligations:

No participating contracting unit in the Cooperative Pricing System shall be responsible for payment for any items ordered or for performance generally, by any other participating contracting unit. Each participating contracting unit shall accordingly be liable only for its own performance and for items ordered and received by it and no one assumes any additional responsibility or liability.

8. Required Notices to Bidders:

The provisions of Paragraphs 3, and 7 above shall be quoted or referred to and sufficiently described in all specifications so that each bidder shall be on notice as to the respective responsibilities and liabilities of the participating contracting units.

9. No Other Purchase Orders:

No participating contracting unit in the Cooperative Pricing System shall issue a purchase order or contract for a price which exceeds any other price available to it from any other such system in which it is authorized to participate or from bids or quotations which it has itself received.

10. Lead Agency Discretion:

The Lead Agency reserves the right to exclude from consideration any good or service if, in its opinion, the pooling of purchasing requirements or needs of the participating contracting units is either not beneficial or not workable.

11. Adequate Funding:

The Lead Agency shall appropriate sufficient funds to enable it to perform the administrative responsibilities assumed pursuant to this Agreement.

12. Effective Date:

This Agreement shall become effective on the date adopted on the resolution subject to the review and approval of the Director of the Division of Local Government Services and shall continue in effect for a period not to exceed five (5) years from said date unless any party to this Agreement shall give written notice of its intention to terminate its participation.

13. Term:

The HICPS shall, on behalf of all participating contracting units in the cooperative pricing system, renew the system every 5 years in perpetuity; unless all parties give written notice that there is no longer a desire or a need for participation in the system.

14. System Identifier:

All records and documents maintained or utilized pursuant to terms of this Agreement shall be identified by the System Identifier assigned by the Director, Division of Local Government Services, and such other numbers as are assigned by the Lead Agency for purposes of identifying each contract and item awarded.

15. Binding Effect:

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their authorized corporate officers and their respective seals to be hereto affixed the day and year above written.

Southern New Jersey Regional  
Employee Benefits Fund

Bergen Municipal Employee Benefits Fund

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Attest: \_\_\_\_\_  
Name:  
Title:

Attest: \_\_\_\_\_  
Name:  
Title:

# Harris Law Offices

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February 15, 2024

TO: ATTORNEYS for: CJHIF, Gateway BMED Fund, Metro HIF, NJMEBF, Southern Coastal HIF  
SHIF Fund Contracts Committee

FROM: J. Kenneth Harris **J. Kenneth Harris**

CC: Brandon Lodics, Emily Koval, Diane Peterson

Subject: TPA Contract Process – A New Approach

Executive Summary: In July 2023 the Office of the State Comptroller prevented the MRHIF from doing a group/collective RFP for TPA services for all HIF members of the MRHIF. The OSC had three primary reasons for blocking the proposed RFP: (1) the MRHIF did not have authority to issue a procurement for TPA services for the member HIFs;

(2) the MRHIF could not issue a contract to more than one TPA; and (3) the proposal of a HIF wide TPA RFP was a type of pool or cooperative purchasing system which the MRHIF was not authorized to conduct.

The advantage of conducting the RFP at the MRHIF level was twofold:

(1) We could aggregate all of the lives of covered members and thereby negotiate better rates; and  
(2) it significantly reduces the amount of paperwork that would otherwise be associated with each individual HIF conducting its own RFP process.

In December 2023, I did an extensive review of both the Local Public Contracts Law and the Public School Contracts Law, as well as the relevant regulations, to determine how it would be possible to remove the OSC objections to having an all-inclusive TPA RFP for all member HIFs of the MRHIF. A detailed Memorandum (see the below text) was circulated among the Executive Director and Program Manager personnel and, as a result, the concept of creating a cooperative pricing system, as authorized by NJAC 5:34-7.1, with the SNJ Fund as the Lead Agency was developed.

During the Executive Committee meeting of the MRHIF on February 15, 2024, following a briefing by the Executive Director and the MRHIF attorney (the author of this memo) the formation of a cooperative pricing system was approved. The purpose of this memo is to explain the process for forming the "Health Insurance Cooperative Pricing System" for all member HIFs of the MRHIF, to designate the SNJ Fund as the lead agency and to request the approval and membership of the HIFs represented by the attorneys receiving this memo. The Contracts Committee of the SHIF is also copied as their attorney is already aware of this proposal. Below you will find a more detailed discussion of the process. Should you recommend that the HIFs that you represent join the Health Insurance Cooperative Pricing System ("HICPS"), sample resolutions, HICPS Agreement and joinder agreement are attached.

Summary of Recommendation: Use the existing statute and regulations to have all of the regional HIFs enter into a cooperative purchasing system which allows the "lead agency" to act for any or all of the parties in exercising the purchasing function. When this concept was first considered, the MRHIF was to be used as the "lead agency" issuing and evaluating the RFPs. Based on the language of the statute which talks in terms of the contract fulfilling the needs of the lead agency and the member entities, one of the regional HIFs should be the lead agency as compared to the MRHIF since it does not use TPA services. An issue to be considered is the requirement that all registered members of the joint purchasing group get the same pricing from the vendor (See NJAC 5:34-7.10 at page 6). It is my understanding that when, as an example, Aetna quotes their TPA services, the cost is consistent throughout their network service area although the provider reimbursement can vary based on location and other factors. If that is correct, then this should not be a hurdle.

A joint purchasing system is limited to a 5-year term but can be renewed for additional 5-year terms. The lead agency will have significant administrative responsibilities along with financial accounting and reporting requirements. (See NJAC 5:34-7.9 page 5; NJAC 5:34-7.11 page 8 and NJAC 5:34-7.14 page 8)

Background and Analysis: HIFs, whether composed of municipalities, fire districts, authorities or boards of education are subject to the Local Public Contracts Law ("LPCL") or the Public School Contracts Law ("PSCL"). Both the LPCL and PSCL provide for local units to enter into joint purchasing agreements for goods and services (NJSA 40A:11-10 & NJSA 18A:18A-11).

There are administrative regulations, NJAC 5:34-7 et seq. which apply to all “contracting units” subject to both the LPCL and PSCL. A "contracting unit" means any county; municipality; board of education; units of local government as well as HIFs.

"Joint purchasing system" means a cooperative purchasing system in which the lead agency serves as the purchasing agent for the membership of the system with all of the duties and responsibilities attendant thereto. The lead agency advertises for bids and awards a single contract to a vendor providing for the payment to the contractor for its own needs and for the needs of the participating registered members of the system. The only contractual relationship is between the lead agency and the vendor. It is due to this definition that I am recommending that one of the regional HIFs, e.g. the SNJ Fund, be the lead agency. The MRHIF does not have any reason for a contract with a TPA, at least based on its current function/role with its member HIFs. The SNJ Fund utilizes all of the TPA networks, inclusive of Medicare Advantage Plans, so it fits the lead agency definition.

One potential issue is the phrase “awards a single contract to a vendor”. The OSC focused on “a vendor” to argue that the MRHIF could not contract with multiple TPAs. We sidestepped this issue by doing RFPs that said match a named demographic/network profile and awarding separate contracts based on the profile.

There are different forms for a joint purchasing system and I am recommending forming a cooperative pricing system as that form best suited the objectives we are trying to achieve.

Definitions:

"Cooperative pricing system" means a purchasing system in which a local contracting unit advertises for bids and awards a master contract to a successful vendor for its own quantities and the estimated quantities submitted by the individual registered members.

"Cooperative purchasing system" means a cooperative pricing system, joint purchasing system, commodity resale system, county cooperative contract purchasing system or regional cooperative pricing system which has been approved and registered pursuant to this subchapter.

"Lead agency" means the contracting unit which is responsible for the management of the cooperative purchasing system. Other than a commonality of interest in the subject matter of the contract, there is no required relationship between the lead agency and the members of the joint purchasing system other than the contractual relationship of entering into the joint purchasing system agreement and proper registration.

"Joint purchasing system" means a cooperative purchasing system in which the lead agency serves as the purchasing agent for the membership of the system with all of the duties and responsibilities attendant

thereto. The lead agency advertises for bids and awards a single contract to a vendor providing for the payment to the contractor for its own needs and for the needs of the participating registered members of the system. The only contractual relationship is between the lead agency and the vendor.

"Registered member" means a contracting unit which has been approved by the Director (of the Division of Local Government Services) for participation in a cooperative purchasing system. The Director has 45 days from receipt of the completed application to approve or reject the application. If no action is taken within 45 days, it is deemed to be approved.

In order to form a cooperative pricing system, the member entities must adopt a resolution to participate in the system and then the lead agency must file with the Division of Local Government Services for approval by filing "Form CP-2001" a Request For Registration Or Modification of a Cooperative Purchasing System which contains the following information: action requested; name of cooperative pricing system; name of contact, address, and phone number of lead agency; name of participating contracting units affected by request; and certification of compliance with N.J.S.A. 40A:11-1 et seq. and 18A:18A-1 et seq., as appropriate.

Once registered with the DLGS, the lead agency would be able to issue the RFP for TPA services for all the member HIFs.

The following are the steps necessary to form a joint purchasing system and the related tasks involved in its operation:

#### **5:34-7.3 Cooperative pricing system or joint purchasing system creation**

(a) Two or more contracting units may join together to form a cooperative pricing system or a joint purchasing system for the provision and performance of goods and services.

(b) The contracting unit designated as the lead agency shall authorize the creation of the system by resolution. The authorizing resolution shall identify the system established as either a joint purchasing system or a cooperative pricing system.

(c) Motions made, carried, and recorded in the written minutes of a business meeting of a board of education shall be considered to be the same as a resolution.

#### **5:34-7.4 Cooperative pricing system or joint purchasing system formal agreement**

(a) A cooperative pricing system or joint purchasing system shall be based on a formal agreement entered into between the lead agency and each contracting unit. Each agreement shall be authorized by resolution.

(b) At a minimum, the formal agreement shall include the following: 1. Reference to the authorizing statute;

2. Identification of the type of purchasing system;

3. Description of the items of the goods and services to be purchased;

4. The manner of advertising for bids and of awarding contracts

5. Clear and specific assignment of responsibilities, duties and rights of all contracting units;

6. Provision for any sharing of administrative costs and/or payment for goods and services purchased, together with any necessary standards of performance;

7. Length of the agreement not to exceed 5 years pursuant to N.J.A.C. 5:34-7.5(f);

8. The name of the lead agency for the system: i. As an option, the responsibility of serving as lead agency may rotate, at the most once a year, among the registered members. Provision for this rotation shall be included in the agreement;

ii. Rotation of lead agency responsibilities among registered members shall not invalidate contracts or purchase orders with contractors that are in effect at the time of rotation;

iii. The Director shall be notified in writing within 30 days of any change in the lead agency; and

9. A requirement that the system identifier shall appear on all documentation related to purchases made through the system, including bidding documents, purchase orders, vouchers, contracts and records.

#### **5:34-7.5 Cooperative pricing system or joint purchasing system registration**

(a) A cooperative pricing system or joint purchasing system shall be subject to registration with and approval by the Director.

(b) The lead agency of a proposed system shall apply to the Director on behalf of the system's participating contracting units.

(c) Applications shall be made on Form CP-2001.

(d) The Director shall act upon the application within the time provided for review pursuant to N.J.A.C. 5:34-7.28.

(e) In reviewing the application, the Director shall utilize the following criteria, as established by N.J.S.A. 40A:11-11: 1. Provision for maintaining adequate records and orderly procedures to facilitate audit and efficient administration;



2. Adequacy of public disclosure of such actions as are taken by the participants;

3. Adequacy of procedures to facilitate compliance with all provisions of the Local Public Contracts Law, Public School Contracts Law and corresponding rules; and

4. Clarity of provisions to assure that the responsibilities of the respective parties are understood.

(f) Approval shall be for a period not to exceed five years, and shall be limited to the terms, participants and scope of services presented for approval. Any subsequent changes shall be submitted to the Director on Form CP- 2001.

(g) The lead agency shall notify the Director in writing of a decision to terminate the registration of the system prior to its approved expiration date.

#### **5:34-7.6 Cooperative pricing system or joint purchasing system membership registration**

(a) A contracting unit may apply for membership in an approved cooperative purchasing system by passage of a resolution and executing a formal agreement with the lead agency.

(b) The lead agency shall apply to the Director for approval on behalf of the proposed new member on Form CP-2001.

(c) The Director shall act upon the application within the time provided for review pursuant to N.J.A.C. 5:34-7.28.

(d) Participation in the system for all registered members terminates on the system expiration date assigned by the Director.

(e) The lead agency shall notify the Director in writing within five days of the withdrawal of any registered member from an approved cooperative purchasing system.

(f) A registered member which has formally terminated its participation in an approved cooperative purchasing system, may renew its membership by following the procedure defined in this section.

(g) A registered member of a cooperative purchasing system shall retain membership in a system until the member formally withdraws from participation or the system is dissolved.

#### **5:34-7.9 Cooperative pricing system or joint purchasing system administrative responsibilities**

(a) Upon approval of system registration and annually thereafter either on the anniversary of the registration of the system or in January of each succeeding year, the lead agency shall publish in its official newspaper a notice similar in content to the following:

Notice of Cooperative Purchasing

(Name of lead agency) acts as lead agency in a cooperative purchasing agreement in cooperation with (list number) registered members. Under this system, the (name of lead agency) solicits competitive bids for certain items purchased by registered members. This is a (specify, joint purchasing system or cooperative pricing system) as defined and regulated by N.J.A.C. 5:34-7. Interested citizens or vendors may obtain information regarding the manner of operation of this system by contacting (name, address and phone number of lead agency). System Identifier \_\_\_\_\_, approved by the New Jersey Division of Local Government Services through (expiration date of the system).

(b) Prior to the advertisement for bids, a registered member may request a review copy of the bid specifications.

(c) Before seeking bids, the lead agency shall obtain from the registered members: 1. In the case of a joint purchasing system, the exact quantity of goods to be provided or services to be performed that the lead agency shall purchase for the registered members.

2. In the case of a cooperative pricing system, the estimated quantities that each registered member proposes to contract for during the life of the master contract.

(d) The lead agency of a joint purchasing system shall disclose in the specifications, the quantities and details of delivery required.

(e) The lead agency of a cooperative pricing system shall include in the specifications lead agency requirements, stated in definite quantities; and registered member requirements, stated as individual estimated needs. 1. The specification shall list the registered members who have submitted estimates, their delivery address, their estimated maximum quantities and other relevant information to permit the bidder to understand what is potentially involved.

(f) The lead agency in a joint purchasing system and the individual registered members in a cooperative pricing system shall be responsible for compliance with the change order requirements of N.J.A.C. 5:34-4.

(g) Each registered member may, by resolution, provide for and authorize payment in advance for estimated administrative costs to be paid to the lead agency for a joint purchasing or cooperative pricing system. Such administrative costs shall be budgeted by the lead agency as a Special Item of Revenue offset with appropriations.

(h) No contract shall be made by any registered member for a price which exceeds any other price available to the registered member.

#### **5:34-7.10 Cooperative purchasing system requirement for bids**

(a) Each request for bids shall contain the following:

1. Language requiring uniform bid price(s) for both the lead agency and registered members. A provision with respect to the registered members shall be included substantially as follows:

##### **REQUIREMENTS OF REGISTERED MEMBERS**

Check here if willing to provide the goods or services herein bid upon to registered members of the (System Name and System Identifier) who have submitted estimates, without substitution or deviation from specifications, size, features, quality, price or availability as herein set forth. It is understood that orders will be placed directly by the registered members identified herein by separate contract, subject to the overall terms of the master contract to be awarded by the (name of the lead agency), and that no additional service or delivery charges will be allowed except as permitted by these specifications.

Check here if not willing to extend prices to registered members of the (System Name and System Identifier) who have submitted estimates as described above. It is understood that this will not adversely affect consideration of this bid with respect to the needs of (name of the lead agency).

2. A statement as to the procedure to be followed in the event that the lowest responsible bidder, in the bid document, declines to extend prices to the registered members who submitted estimates. Examples of such procedures include:
  - i. The contract for the stated needs of the lead agency will be awarded to the lowest responsible bidder, and new bids will be sought and a master contract subsequently awarded with respect to the needs of the registered members who have submitted estimates;
  - ii. The contract for the needs of the lead agency will be awarded to the lowest responsible bidder, and a master contract for the registered members who have submitted estimates will be awarded to the next lowest bidder whose bid agrees to extend prices; or
  - iii. The contract for the needs of the lead agency will be awarded, all other bids shall be rejected and no further bids will be sought by the lead agency on behalf of the registered members who have submitted estimates.

- (b) The master contract shall state that the bid prices may be extended to registered members who have not submitted estimates prior to the advertisement for bids with the written approval of the lead agency and the contractor.
- (c) A statement as to whether or not insurance certificates and/or performance bonds are necessary.

**5:34-7.11 Cooperative pricing system financial and contractual details**

- (a) The lead agency shall certify the funds available for its own needs.
- (b) The master contract executed shall provide for the following: 1. The quantities ordered for the lead agency's own needs; and  
  
2. The estimated aggregate quantities to be ordered by the registered members who submitted estimates, subject to the specifications and prices set forth in the master contract.
- (c) The lead agency shall supply the registered members of the cooperative pricing system who have submitted estimates, the name of the successful bidder, prices awarded and the contract identification number. A registered member may request a copy of the specifications. Each registered member who submitted estimates may then order directly from the vendor. If the cost of the order is under the bid threshold, and if the contracting agent is authorized to do so, then the contracting agent may issue a purchase order, pursuant to N.J.S.A. 40A:11-3a or 18A:18A-3a, as appropriate. If the cost of the order exceeds the bid threshold, then the contract must be awarded by resolution of the governing body in accordance with N.J.S.A. 40A:11-4a or 18A:18A-4a, as appropriate. The system identifier shall be affixed to each purchase order or contract and shown on all forms pertaining thereto.
- (d) Registered members who submit estimates shall not issue orders and contractors shall not make deliveries, that deviate from the specifications or price as set forth in the master contract.

**§ 5:34-7.14 Joint purchasing systems financial and contractual details, exclusive of boards of education** (a) The financial and contractual details set forth in this section shall apply only to contracting units subject to the requirements of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.). Boards of education shall be subject to the financial and contractual details set forth in the Public School Contracts Law (N.J.S.A. 18A:18A-1.1 et seq.) and the administrative requirements contained in N.J.A.C. 6A:23A. (b) In the case of a joint purchasing system, the lead agency shall comply with the certification of funds requirement of N.J.A.C. 5:30-5 with respect to the full amount of the contract and Division of Local Government Services' requirements for Encumbrance Accounting Systems. (c) The funds of the lead agency applicable to its own share of the contract to be awarded shall be charged to regular appropriations in its budget.

(d) Prior to handling the funds of the other registered members, the lead agency shall request approval of the Director for a Dedication by Rider pursuant to N.J.S.A. 40A:4-39, entitled "Receipts from Other Agencies participating in the (Name of System) joint purchasing system, System Identifier \_\_\_\_\_." In order to meet the statutory requirement that expenditures under a Rider may be made only in accordance with the availability of funds, the following steps shall be taken:

1. Prior to the award of contract, the chief financial officer of each registered member (other than the lead agency) shall issue a certificate of available funds, in accordance with N.J.A.C. 5:30-5.

2. The contracting agent of each registered member, with authorization by resolution of the governing body if over the statutory bid limit, shall issue a purchase order to the lead agency together with a copy of its certification of available funds.

3. The lead agency shall, in accordance with N.J.A.C. 5:30-5, issue its own certificate, covering the full amount of the proposed contract including both its own share and those of the registered members. The certificate shall be conditional with respect to the amounts due from the registered members so that the certificate shall read in part as in the following example:

\$ 5,000 From (Lead Agency) appropriation number 207, Road Department, Other Expenses. \$ 2,000 Due from (Name of registered member) pursuant to its purchase order number 70243 and Certification of Available Funds dated \_\_\_\_\_, (Lead Agency) Dedication by Rider Account Number 7. \$ 1,000 Due from (Name of registered member) per its purchase order Number A-402 and Certification of Available Funds dated \_\_\_\_\_, (Lead Agency) Dedication by Rider Account Number 7. \$ 8,000 Total Certified.

4. The lead agency shall then award the total contract to the successful bidder.

5. The lead agency shall not advance funds of its own to cover the purchase on behalf of the registered members but shall make payments only upon receipt of the funds. Payments to the lead agency shall be made promptly in accordance with an agreed-upon schedule, which may include making payment to the lead agency in advance of receipt of goods. The voucher providing for the advance payment shall indicate: "Transfer of funds to (name of lead agency) as cash advance to enable it to purchase the following on behalf of (name of registered member) as Lead Agency in (name of joint purchasing system), System Identifier \_\_\_\_\_." "(Then list what is to be purchased.)"

6. Funds received by the lead agency as advances from registered members shall be:

i. Placed in a separate bank account established within the Rider and held in trust for the purpose of permitting the lead agency to serve as contracting agent for the awarding of joint purchasing contracts;

ii. Used only for the payment of actual bills to the contractors pursuant to the overall joint purchasing agreement; and

iii. Returned immediately to the registered member upon any determination that the full amount is not needed for payments as initially expected.

**5:34-7.28 Time for review-all systems**

(a) The Director shall approve or reject all applications within 45 days.

(b) The 45 day review period shall commence only upon the determination by the Director that the application is complete.

(c) Failure of the Director to act upon an application within 45 days shall constitute a default approval of the application for a period of five years or in the case of new membership, until the date previously approved by the Director for the termination of system registration pursuant to N.J.A.C. 5:34-7.5(f).

# APPENDIX IV



## AVAILABLE ONLINE AT NO COST TO MEMBERS

### SAVE THE DATES

## 14th Annual MEL, MRHIF & NJCE Educational Seminar

FRIDAY, APRIL 19 ▶ 9:00 AM – NOON

FRIDAY, APRIL 26 ▶ 9:00 AM – NOON

Designed specifically for elected officials, commissioners, municipal, county and authority personnel, risk managers and related professionals.

The seminar is expected to be eligible for the following continuing education credits:

- CFO/CMFO Public Works and Clerks
- Insurance Producers
- Accountants (CPA) and Lawyers (CLE)
- Water Supply and Wastewater Licensed Operators (Total Contract Hours)
- Registered Public Purchasing Officials (RPPO)
- Qualified Purchasing Agents (QPA)

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## AGENDA

### FRIDAY, APRIL 19

- Keynote Address
- Ethics
- Benefits Issues

### FRIDAY, APRIL 26

- JIF Governance
- Status of Insurance Markets
- Legislative Issues
- Coverage Overview
- Claims Concerns
- Risk Control Update
- Cyber Update

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