

**BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND  
OPEN MEETING: SEPTEMBER 29, 2017  
FRANKLIN LAKES, NEW JERSEY  
12:00 P.M.**

Meeting called to order by Secretary Victor Baginski. The Open Public Meeting Notice was read into the record.

**ROLL CALL OF 2017 EXECUTIVE COMMITTEE:**

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

**APPOINTED OFFICIALS PRESENT:**

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

**OTHERS PRESENT:**

Deb Ginetto, Burton Agency  
Frank Covelli, PIA  
Tom Ucko, IMAC  
Dave Vozza, Vozza Agency

Matt McArow, GJEM

**CORRESPONDENCE - None**

**APPROVAL OF MINUTES:**

**MOTION TO APPROVE THE PRESENTED OPEN MINUTES OF AUGUST 15, 2017:**

<b>MOTION:</b>	Commissioner Hart
<b>SECOND:</b>	Commissioner Gambutti
<b>ROLL CALL VOTE:</b>	5 Ayes, 0 Nays, 1 Abstain (Commissioner Catenaro)

**EXECUTIVE DIRECTORS REPORT**

**FINANCIAL FAST TRACK - As of July 31, 2017**

Executive Director said the Fund made \$500,000 in the month of July.

**INTRODUCTION OF 2018 BUDGET**

Executive Director said the 2018 budget materials are included in the Agenda. He said the budget was reviewed in detail at the August meeting and a few changes were made. He said the rate increase for the brokers and professionals were added as well as a reduction in reinsurance of 19.1%. He said the budget also shows the breakout of Medicare Advantage and EGWP, as per the request of the Commissioners. The draft budget reflects an overall increase of .26%.

**CLAIMS FUND**

Medical claims are increasing 2.97%, while prescription claims are rising by 9.03% and dental claims are dropping by 5%. The increase in Rx claims is caused by higher utilization of specialty drugs primarily among the newer members of the Fund. The effective Rx increase is offset by the application of formulary rebates as a result of the new contract with ESI. In addition, we have proposals to migrate Medicare enrollees to "Employer Group Waiver Programs" from Aetna. These programs have higher federal subsidies than our existing "Retiree Drug Subsidy" programs and save additional money. The net Rx increase is zero as a result. The dental program is performing excellently and the budget is dropping by 5%.

**REINSURANCE AND INSURED PROGRAMS**

Reinsurance costs will drop by 19.13% based upon the introduced MRHIF budget. This drop is caused by the normal increase in retentions on specific claims (from \$250,000 to \$275,000), very good overall results for MRHIF, and the excellent loss ratio for BMED. Medicare Advantage rates are rising by 19.82% due to high claims experience and a new "Health Insurer Tax" under the Affordable Care Act. It is possible that this tax will be repealed but it needs to be included for now. These line items also illustrate the impact of the EGWP program. The line item rises to accommodate higher premium costs but is offset by the greater reduction in the Rx claims line item for a savings of \$206,096.

## RATE STABILIZATION RESERVE AND DIVIDENDS

This item can be adjusted at the discretion of the Executive Committee. In prior years we have:

- Appropriated money into the line item in order to help build surplus;
- Applied dividends to the line item to reduce rates; and
- Given members the opportunity to apply some or all of their dividends to reduce their rates.

The BMED now has substantial surplus and can consider dividends that are much greater than those paid in the past. The options illustrated for 2017 below represent 11% and 8% of the budget respectively. Up to 2.5% of each members assessments can be used to reduce rates. The balance can be taken as a check or as a billing credit. At our August planning meeting, the option to declare a dividend of \$2.5 million was chosen.

Item	Status
Surplus as of 5/30/2017	\$ 18,034,857
Surplus Target - 2.5 Months of Claims	\$ (5,787,500)
Less Surplus of Former Members and Excess Retention on Dental Only Members	\$ (2,249,668)
Less Retention for Rate Stabilization	\$ (2,500,000)
Available	\$ 7,497,688
Paid in 2011	\$ 445,158
Paid in 2012	\$ -
Paid in 2013	\$ -
Paid in 2015 (Included payments to former members dental only members w excess balances)	\$ 2,412,751
Paid in 2016	\$ 750,000
2017 Options	
Pay 1/2 (rounded)	\$ 3,750,000
Pay 1/3 (rounded)	\$ 2,500,000

In response to Commissioner Hart, Executive Director said there is currently no retention for rate stabilization included in the budget because the surplus is very strong, as there has been in prior years. Director said if the Commissioners want to build a buffer to lower a future increase. Commissioner Hart said he feels this is a good planning tool to have rate stabilization in the budget. Executive Director said the surplus is up to almost \$19 million, but additional funds can always be added to the budget, but that would increase rates slightly. He said a year with a lower increase would ideally be the best time to add this line. Commissioner Kunze said this would not affect the current dividend because it would be an added line to the 2018 budget, not surplus. The Commissioners agreed to add 1% to rate stabilization. Executive Director said a resolution is included in consent agenda to introduce the budget, which can include a contingency with this addition to the budget, as discussed.

## **CONTRACTS AND EXPENSES**

Expenses for most professionals are projected to increase by 2%. Generally, proposals are consistent with RFP responses received in 2016. Although the initial response for wellness grants has been minimal, maintaining this budget can be considered to allow other members to apply. In addition, there are disease management programs that are available from Aetna and ESI that can be funded using this line item.

## **ASSESSMENTS**

Assessments will be prepared using Fund policy developed over the last several years with average increases as follows:

- Medical +1%
- Medicare Advantage +9%
- Rx unchanged
- Dental -5%

In the past, the BMED only made loss ratio adjustment of up to +2.5%. Implementation of adjustments up to +2.5% is also included to incentivize members with excellent loss ratios to remain in the BMED.

## **CONTINUING COST CONTROL EFFORTS**

In an effort to continue with less than trend increases, a number of efforts are underway:

- Out of network (OON) costs continue to be a primary cost driver in BMED. We are investigating 2 steps to help offset these costs:
  - The current OON fee schedule is set at 150% of Medicare rates for providers, and 175% for facilities. We believe that we can move to the 150% rate for facilities with minimal or no disruption. Savings of .14% or \$30,000 would result.
  - We are investigating a vendor that would use Fund claims data and communications efforts to encourage enrollees to use lower cost in network providers. This concept needs to be developed further but would involve sharing of savings with enrollees that use high quality but lower cost in-network providers.
- MRHIF has concluded negotiations with ESI for a new 3 year contract. In addition to better discounts and rebates (worth an average of 8% over the 3 year term), we are investigating a custom formulary to further reduce costs.
- MRHIF is also investigating a program that communicates with providers and enrollees to migrate from high cost to low cost generics voluntarily.
- Aetna and ESI both have disease management programs that are effective but require greater access to enrollee phone numbers in order to make direct contact. To access these cost effective programs, a commitment to populate our enrollment data base with phone numbers will be required.
- The grandfathering of step therapy can be lifted to further enhance generic utilization and save additional money.

## **MRHIF MEETING**

Executive Director said the MRHIF Executive Committee met on September 13<sup>th</sup>. At the meeting, the Committee introduced the 2018 budget which had an overall decrease of almost 10%. Because of

good loss experience, the BMED is receiving a decrease of 19.82%. In addition, the Committee approved a new 3 year renegotiated contract term with Express Scripts which will produce an 8% savings for the local Funds. The Committee also approved Aetna for a voluntary vision provider.

**DIVIDEND**

At the August meeting, the Committee approved a \$2,500,000 dividend. A listing of the dividend amounts is below and a resolution is included formalizing this decision. Checks will be cut after the adoption of the budget. Rates changes and credits will be reflected on the January bills. Commissioner Hart said he may be changing his election but will let PERMA know.

<b>BMED DIVIDEND ILLUSTRATION</b>	<b>2,500,000</b>
Alpine	2,490
Carlstadt	14,323
Carlstadt Board of Education	3,114
East Rutherford	4,341
East Rutherford Board of Education	6,836
Emerson	5,660
Fort Lee	19,168
Franklin Lakes	63,408
Hillsdale	4,700
Lodi	42,750
Maywood Borough	244,591
Montvale	77,334
Moonachie	163,079
North Arlington	255,121
Oakland	101,716
Palisades Park	80,853
Park Ridge	216,127
Ridgefield Park	166,849
Rochelle Park	2,215
Rutherford	306,353
Saddle River	124,063
South Hackensack	137,422
Wallington	241,632
Wanaque	5,018
Wanaque Valley Regional S.A.	529
Westwood	205,016
Wood-Ridge	5,288

**WELLNESS APPLICATION**

Ms. Koval said at the August meeting, the Committee approved the initial applications for the Wellness Program. Since then, Edgewater Borough submitted an application a copy was included in the Agenda. The Board Advisor has already began initial conversations with the Borough.

**MOTION TO INCLUDE EDGEWATER BOROUGH IN THE WELLNESS GRANT PROGRAM.**

**MOTION:**

Commissioner Kunze

**SECOND:**

Commissioner Hart

**VOTE:**

6 Ayes, 0 Nays

## **INDEMNITY AND TRUST AGREEMENTS**

Ms Koval said PERMA sent Indemnity and Trust Agreements and Resolutions to be adopted by the governing body to renew membership with the Fund for an additional 3 years. Below is a list of members who have renewing agreements due by December 31, 2017 and older. Please reach out to PERMA (kkamprath@permainc.com) for a blank form to be executed. The list was last updated on September 21, 2017.

BOROUGH OF LODI	12/31/2012
BOROUGH OF EAST RUTHERFORD	12/31/2017
BOROUGH OF HILLSDALE	12/31/2017
TOWNSHIP OF SOUTH HACKENSACK	12/31/2017
WANAQUE VALLEY REGIONAL S.A.	12/31/2017
EAST RUTHERFORD BOARD OF ED	12/31/2017
VILLAGE OF RIDGEFIELD PARK	12/31/2017
CARLSTADT BOARD OF ED	12/31/2017
BOROUGH OF OAKLAND	12/31/2017
BOROUGH OF CARLSTADT	12/31/2017
BOROUGH OF MONTVALE	12/31/2017
BOROUGH OF PARK RIDGE	12/31/2017
BOROUGH OF SADDLE RIVER	12/31/2017
BOROUGH OF FT. LEE	12/31/2017
FRANKLIN LAKES BOROUGH	12/31/2017

Bergen Municipal Employee Benefits Fund		Print Date:			
2018 Proposed Budget		9/7/2017 13:08			
Census:	Monthly	Annual			
Medical Aetna	1,156	13,872			
Rx	816	9,792			
Dental	2,061	24,732			
Vision	-	-			
Medicare Advantage - Medical	282	3,384			
Rx No Medical (Incl in Rx above)	170	2,040			
Dental Only (Incl in Dental above)	1,251	15,012			
Medicare Advantage - Only (Incl above)	37	444			
DMO Only	52	624			
LINE ITEMS	Annualized Budget FY2017	Proposed Budget FY2018	\$ Change	% Change	
1 Medical Claims Aetna	\$ 20,375,902	\$ 20,981,646	\$ 605,745	2.97%	
2 Prescription Claims	\$ 4,171,308	\$ 4,548,030	\$ 376,722	9.03%	
3 Less Rx Formulary Rebates	\$ -	\$ (250,000)	\$ (250,000)	-100.00%	
4 Less EGWP Savings		\$ (650,000)	\$ (650,000)	-100.00%	
5 Dental Claims	\$ 2,329,607	\$ 2,213,127	\$ (116,480)	-5.00%	
6 Vision Claims	\$ -	\$ -			
7 Subtotal	\$ 26,876,817	\$ 26,842,803	\$ (34,013)	-0.13%	
8					
9 HMO/DMO Premiums	\$ 52,612	\$ 52,612	\$ -	0.00%	
10 Medicare Advantage - Pharmacy	\$ -	\$ 443,904	\$ 443,904	100.00%	
11 Medicare Advantage	\$ 645,405	\$ 829,881	\$ 184,477	28.58%	
12 Medicare Advantage Park Ridge	\$ 345,780	\$ 376,710	\$ 30,930	8.95%	
13 Reinsurance					
14 Specific	\$ 1,882,153	\$ 1,509,135	\$ (373,018)	-19.82%	
15 Aggregate*	\$ 67,626	\$ 67,626	\$ -	0.00%	
16					
17 Subtotal Reinsurance	\$ 1,949,779	\$ 1,576,761	\$ (373,018)	-19.13%	
18					
19 Total Loss Fund	\$ 29,870,393	\$ 30,122,672	\$ 252,280	0.84%	
20					
21 Rate Stabilization Reserve*	\$ (20,141)	\$ 938	\$ 21,079	-104.66%	
22					
23 Expenses					
24 Legal	\$ 28,611	\$ 29,183	\$ 572	2.00%	
25 Treasurer	\$ 18,551	\$ 18,922	\$ 371	2.00%	
26 Administrator	\$ 310,642	\$ 316,855	\$ 6,213	2.00%	
27 Risk Management Consultants	\$ 563,527	\$ 574,798	\$ 11,271	2.00%	
28 TPA - Claims Agent Aetna	\$ 711,911	\$ 726,149	\$ 14,238	2.00%	
29 Dental TPA	\$ 76,669	\$ 76,669	\$ -	0.00%	
30 Rx Admin	\$ 5,000	\$ 5,000	\$ -	0.00%	
31 Actuary	\$ 38,500	\$ 38,500	\$ -	0.00%	
32 Auditor	\$ 17,850	\$ 18,000	\$ 150	0.84%	
33 Benefits Consultant	\$ 231,455	\$ 236,084	\$ 4,629	2.00%	
34 Board Advisor	\$ 12,485	\$ 12,734	\$ 250	2.00%	
35					
36 Subtotal Expenses	\$ 2,015,201	\$ 2,052,895	\$ 37,694	1.87%	
37					
38 Miscellaneous and Special Services					
39 Misc/Cont	\$ 15,432	\$ 15,432	\$ -	0.00%	
40 Internet Documentation	\$ -	\$ -	\$ -	0.00%	
41 Wellness, Disease, Case Management	\$ 75,000	\$ 75,000	\$ -	0.00%	
42 Affordable Care Act Taxes	\$ 9,364	\$ 9,364	\$ -	0.00%	
43 Plan Documents	\$ 15,000	\$ 12,000	\$ (3,000)	-20.00%	
44 Subtotal Misc/Sp Svcs	\$ 114,796	\$ 111,796	\$ (3,000)	-2.61%	
45					
46 Total Expenses	\$ 2,129,997	\$ 2,164,691	\$ 34,694	1.63%	
47					
48 Total Budget	\$ 31,980,249	\$ 32,288,301	\$ 308,052	0.96%	
49 Total Billing	\$ 32,204,390	\$ 32,288,301	\$ 83,911	0.26%	
50					
51 Reconciliation	224,141	0			

Bergen Municipal Employee Benefits Fund												
ASSESSMENT COMPARISON FY2017 vs. FY2018												
Group Name	Annualized Assessment FY2017			Proposed Assessment FY2018			Difference \$			Difference %		
	Member Billed	Direct Billed	Total	Member Billed	Direct Billed	Total	Member Billed	Direct Billed	Total	Member Billed	Direct Billed	Total
BOROUGH OF ALPINE	\$ 38,040	\$ 1,116	\$ 39,156	\$ 36,132	\$ 1,056	\$ 37,188	\$ (1,908)	\$ (60)	\$ (1,968)	-5.02%	-5.38%	-5.03%
BOROUGH OF MOONACHIE	\$ 1,357,632	\$ -	\$ 1,357,632	\$ 1,337,976	\$ -	\$ 1,337,976	\$ (19,656)	\$ -	\$ (19,656)	-1.45%	0.00%	-1.45%
BOROUGH OF CARLSTADT	\$ 210,984	\$ -	\$ 210,984	\$ 200,424	\$ -	\$ 200,424	\$ (10,560)	\$ -	\$ (10,560)	-5.01%	0.00%	-5.01%
BOROUGH OF HILLSDALE	\$ 55,968	\$ 3,996	\$ 59,964	\$ 54,288	\$ 3,876	\$ 58,164	\$ (1,680)	\$ (120)	\$ (1,800)	-3.00%	-3.00%	-3.00%
BOROUGH OF LODI	\$ 175,692	\$ 708	\$ 176,400	\$ 167,064	\$ 672	\$ 167,736	\$ (8,628)	\$ (36)	\$ (8,664)	-4.91%	-5.08%	-4.91%
BOROUGH OF MONTVALE	\$ 1,172,292	\$ -	\$ 1,172,292	\$ 1,159,848	\$ -	\$ 1,159,848	\$ (12,444)	\$ -	\$ (12,444)	-1.06%	0.00%	-1.06%
BOROUGH OF NORTH HARTINGTON	\$ 90,648	\$ 1,296	\$ 91,944	\$ 86,004	\$ 1,224	\$ 87,228	\$ (4,644)	\$ (72)	\$ (4,716)	-5.12%	-5.56%	-5.13%
BOROUGH OF PARK RIDGE	\$ 2,153,988	\$ 660	\$ 2,154,648	\$ 2,190,384	\$ 624	\$ 2,191,008	\$ 36,396	\$ (36)	\$ 36,360	1.69%	-5.45%	1.69%
BOROUGH OF RUTHERFORD	\$ 3,109,412	\$ 9,696	\$ 3,119,108	\$ 3,084,020	\$ 9,552	\$ 3,093,572	\$ (25,392)	\$ (144)	\$ (25,536)	-0.82%	-1.49%	-0.82%
BOROUGH OF WOOD-RIDGE	\$ 76,392	\$ -	\$ 76,392	\$ 72,696	\$ -	\$ 72,696	\$ (3,696)	\$ -	\$ (3,696)	-4.84%	0.00%	-4.84%
BOROUGH OF SADDLE RIVER	\$ 978,300	\$ 2,640	\$ 980,940	\$ 964,968	\$ 2,508	\$ 967,476	\$ (13,332)	\$ (132)	\$ (13,464)	-1.36%	-5.00%	-1.37%
BOROUGH OF WESTWOOD	\$ 1,334,892	\$ 1,320	\$ 1,336,212	\$ 1,366,800	\$ 1,248	\$ 1,368,048	\$ 31,908	\$ (72)	\$ 31,836	2.39%	-5.45%	2.38%
TOWNSHIP OF SOUTH HACKENSACK	\$ 1,397,772	\$ -	\$ 1,397,772	\$ 1,443,324	\$ -	\$ 1,443,324	\$ 45,552	\$ -	\$ 45,552	3.26%	0.00%	3.26%
BOROUGH OF EMERSON	\$ 81,576	\$ 1,752	\$ 83,328	\$ 77,460	\$ 1,656	\$ 79,116	\$ (4,116)	\$ (96)	\$ (4,212)	-5.05%	-5.48%	-5.05%
MAYWOOD BOROUGH	\$ 81,144	\$ -	\$ 81,144	\$ 77,232	\$ -	\$ 77,232	\$ (3,912)	\$ -	\$ (3,912)	0.00%	0.00%	-4.82%
BOROUGH OF EAST RUTHERFORD	\$ 98,988	\$ 625	\$ 99,608	\$ 95,671	\$ 625	\$ 96,296	\$ (3,312)	\$ -	\$ (3,312)	-3.35%	0.00%	-3.33%
BOROUGH OF WALLINGTON	\$ 2,188,200	\$ -	\$ 2,188,200	\$ 2,157,012	\$ -	\$ 2,157,012	\$ (31,188)	\$ -	\$ (31,188)	-1.43%	0.00%	-1.43%
TOWNSHIP OF ROCHELLE PARK	\$ 65,976	\$ -	\$ 65,976	\$ 62,688	\$ -	\$ 62,688	\$ (3,288)	\$ -	\$ (3,288)	-4.98%	0.00%	-4.98%
VILLAGE OF RIDGEFIELD PARK	\$ 2,621,196	\$ -	\$ 2,621,196	\$ 2,596,512	\$ -	\$ 2,596,512	\$ (24,684)	\$ -	\$ (24,684)	-0.94%	0.00%	-0.94%
WANAQUE VALLEY REGIONAL S.A.	\$ 11,736	\$ -	\$ 11,736	\$ 11,124	\$ -	\$ 11,124	\$ (612)	\$ -	\$ (612)	-5.21%	0.00%	-5.21%
EAST RUTHERFORD BOARD OF ED	\$ 148,776	\$ 2,544	\$ 151,320	\$ 141,420	\$ 2,424	\$ 143,844	\$ (7,356)	\$ (120)	\$ (7,476)	-4.94%	-4.72%	-4.94%
BOROUGH OF FT. LEE	\$ 258,936	\$ 68,640	\$ 327,576	\$ 246,360	\$ 65,256	\$ 311,616	\$ (12,576)	\$ (3,384)	\$ (15,960)	-4.86%	-4.93%	-4.87%
CARLSTADT BOARD OF ED	\$ 80,664	\$ 1,536	\$ 82,200	\$ 76,632	\$ 1,464	\$ 78,096	\$ (4,032)	\$ (72)	\$ (4,104)	-5.00%	-4.69%	-4.99%
BOROUGH OF OAKLAND	\$ 2,083,476	\$ 53,196	\$ 2,136,672	\$ 2,069,448	\$ 53,880	\$ 2,123,328	\$ (14,028)	\$ 684	\$ (13,344)	-0.67%	1.29%	-0.62%
BOROUGH OF FRANKLIN LAKES	\$ 1,332,804	\$ 57,168	\$ 1,389,972	\$ 1,367,568	\$ 60,792	\$ 1,428,360	\$ 34,764	\$ 3,624	\$ 38,388	2.61%	6.34%	2.76%
TOWNSHIP OF FAIRFIELD	\$ 2,957,712	\$ -	\$ 2,957,712	\$ 3,081,420	\$ -	\$ 3,081,420	\$ 123,708	\$ -	\$ 123,708	4.18%	0.00%	4.18%
FAIRFIELD BOE	\$ 2,075,410	\$ 13,356	\$ 2,088,766	\$ 2,056,463	\$ 13,242	\$ 2,069,705	\$ (18,947)	\$ (114)	\$ (19,061)	-0.91%	-0.85%	-0.91%
TOWNSHIP OF MINE HILL	\$ 13,248	\$ -	\$ 13,248	\$ 12,612	\$ -	\$ 12,612	\$ (636)	\$ -	\$ (636)	-4.80%	0.00%	-4.80%
BOROUGH OF EDGEWATER	\$ 3,202,536	\$ 12,864	\$ 3,215,400	\$ 3,228,516	\$ 12,972	\$ 3,241,488	\$ 25,980	\$ 108	\$ 26,088	0.81%	0.84%	0.81%
TOWNSHIP OF VERONA	\$ 2,408,040	\$ 108,852	\$ 2,516,892	\$ 2,425,152	\$ 108,012	\$ 2,533,164	\$ 17,112	\$ (840)	\$ 16,272	0.71%	-0.77%	0.65%
<b>Totals:</b>	<b>\$ 31,862,425</b>	<b>\$ 341,965</b>	<b>\$ 32,204,390</b>	<b>\$ 31,947,218</b>	<b>\$ 341,083</b>	<b>\$ 32,288,301</b>	<b>\$ 84,793</b>	<b>\$ (882)</b>	<b>\$ 83,911</b>	<b>0.27%</b>	<b>-0.26%</b>	<b>0.26%</b>

## **BENEFITS CONSULTANT REPORT**

### **OPEN ENROLLMENT**

Benefits Consultant said the BMED will be hosting the 2018 open enrollment for January 1, 2018. Open Enrollment will begin in October 16<sup>th</sup> and run through November 10<sup>th</sup>. We ask that all forms be entered into the Benefit Express system no later than November 17<sup>th</sup>. As we discussed at our previous meeting, Open Enrollment packets will be sent electronically to each group for distribution to their employees. Guides will be electronically sent from the BMED Enrollment mailbox to the group enrollment contact. Please be sure they are distributed. If any group would like physical guides delivered to their location, please let our office now.

#### Highlights:

- Retirees and COBRA enrollees will receive the information directly at their residences
- Medicare Advantage retirees will not be included in this open enrollment

### **VISION RFP UPDATE**

Benefits Consultant said The MRHIF recently released an RFP for a stand-alone vision product which resulted in 3 proposals. Aetna's response provided the strongest plan design at the lowest administration fee. This will be a voluntary option for members starting January 1, 2018.

### **ESI 2018 FORMULARY**

Benefits Consultant said ESI has announced changes to the National Preferred Formulary (NPF) guide which will take effect on January 1, 2018. ESI has informed us (based on claim data for the last 130 days) there will be 41 members impacted by the changes. Impacted members will receive a mailing from Express Scripts notifying them of their impacted medication and the preferred alternatives at least 45 days in advance of January 1st. Though medications will be excluded, the National Preferred Formulary allows for members who prove a clinical reason for not being able to take a covered alternative to continue to fill the non-formulary medication through an authorization process. In previous years, formulary updates have caused little member disruption, however we will work with groups who have affected members to assist with the transition.

The updated guide excludes 46 multi-source brands including Benicar/Benicar HCT, Strattera and Vytorin. A summary list of changes was distributed prior to the meeting.

### **EGWP (EMPLOYEE GROUP WAIVER PLAN)**

Benefits Consultant said in accordance with the introduction of the 2018 Budget, the EGWP plan will be implemented as discussed at the last fund meeting as of January 1, 2018. Sample member letters and the slide deck were included in the Agenda. There will be three separate communications sent. One will be for those groups who are transitioning to the AETNA EGWP program from UHC and Express Scripts. A separate letter was drafted for those groups moving from UHC to AETNA Medicare Advantage with no prescription. Two BMED groups who are not currently in Medicare Advantage will be receiving a separate communication to transition their retirees to the plan.

### **SAVEON UPDATE**

Benefits Consultant said his team continues to work on the January 1, implementation of the SaveOn program with Express Scripts and SaveOn. Included in this agenda was a draft of the initial member

communication we will be mailing on or about November 1, 2017 to approximately 27 BMED members who have been identified as eligible for the SaveOn program. SaveOn will send a second letter to those members who do not respond to the initial communication followed by 3 phone call attempts to reach non-responsive members.

Due to compliance issues, members enrolled in high deductible health plans are not eligible for the SaveOn program.

**ADMINISTRATIVE AUTHORIZATION**

No small claim appeals need to be approved.

No appeals for executive session.

**FUND ATTORNEY** - No Report

**TREASURER** - The Bills List and Treasurer's report was included in the Agenda.

Resolution 21-17 September 2017 Bills List

<b>FUND YEAR</b>	<b>AMOUNT</b>
FY 2017	\$439,003.04
<b>TOTAL</b>	<b>\$439,003.04</b>

**BOARD ADVISOR** - Board Advisor said he has followed up with each entity that has expressed interest in the Wellness Program. He said he has been unable to reach the contact at Verona to discuss further. Executive Director said he will reach out to the Borough.

Board Advisor said he is in the process of setting up a meeting with Valley Health for Franklin Lakes. He said he has also met with Hackensack Medical Center to discuss how to structure a program for Edgewater.

**AETNA - THIRD PARTY ADMINISTRATOR** - Ms. Ward reviewed May, June and July 2017 claims. She said they were consistent with a slight spike in July. She said the dashboard report shows the Fund is receiving 62.1% discounts and the in network numbers are very positive. She said the only missed metric was the average answer speed.

**PHARMACY NETWORK (Express Scripts)** - Mr. Rostkowski thanked the Fund for the contract renewal. He said the overall trend is up 14% for the year however it was up 6.5% in August. He said this can fluctuate monthly. He said the generic fill rate is at 79% and there is room for improvement. He said every point is worth about \$110,000 for the Fund.

**DELTA DENTAL** - Ms. White said after the reduction in the premiere schedule the Fund saw a reduction in claims. She said overall in NJ and CT they only lost about 60 dentists.

**MOTION TO APPROVE THE CONSENT AGENDA INCLUDING THE 1% INCREASE TO THE BUDGET FOR RATE STABILIZATION, AS WELL AS APPROVING THE EDGEWATER WELLNESS GRANT APPLICATION.**

**MOTION:**

Commissioner Kunze

**SECOND:**  
**VOTE:**

Commissioner Hart  
6 Ayes, 0 Nays

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** Mr. Covelli said including funds in rate stabilization is good for long term strategy for the Fund. In response to Mr. Vozza, Executive Director said the assessments will increase roughly 1%.

**MOTION TO ADJOURN**

**MOTION:**  
**SECOND:**  
**VOTE:**

Commissioner Hart  
Commissioner Gambutti  
Unanimous

**MEETING ADJOURNED:** 12:45 pm

**NEXT MEETING:** October 24, 2017  
Franklin Lakes Borough  
12:00 P.M.

Karen Kamprath, Assisting Secretary  
Date Prepared: September 29, 2017