

**BURLINGTON COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
MEETING – August 3, 2022  
2:00 PM**

Chair Buono called the meeting to order and read the Open Public Meetings notice into record.

**ROLL CALL OF COMMISSIONERS:**

Ashley Buono, Esq.	Present
Eve A. Cullinan	Excused
Damon Burke	Present
Dina Rocco, Esq. (Alternate)	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Services	PMA Management Corp. <b>Jennifer Signs</b>
	Qual Lynx <b>Chris Roselli</b>
	PERMA Risk Management Services <b>Jennifer Conicella</b>
Attorney	Cockerill, Craig & Moore, LLC <b>Paul Kelly, Esq.</b>
NJCE Underwriting Manager	Conner Strong & Buckelew
Treasurer	<b>Edward Troy</b>
Safety Director	J.A. Montgomery Consulting <b>Glenn Prince</b>
Employee Benefits	PERMA Risk Management Services <b>Brandon Lodics</b> <b>Emily Koval</b>
	Conner Strong & Buckelew <b>Diane Peterson</b> <b>Ian Dalton</b>
	Amerihealth Administrators <b>Megan Penick</b> <b>Megan Natale</b>
	Express Scripts, Inc. <b>Charles Yuk</b>

**ALSO PRESENT:**

Charlene Holmes, Burlington County H.R.  
Bob Gemmell, Brown & Brown  
Christina Violetti, Hardenbergh Insurance Group  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF JUNE 13, 2022**

Chair Buono made a motion to approve the open and closed minutes of June 13, 2022

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF JUNE 13, 2022**

Moved: Chair Buono  
Second: Commissioner Rocco  
Vote: 3 Ayes, 0 Nays

**CORRESPONDENCE: NONE**

**COMMITTEE REPORTS:**

**SAFETY COMMITTEE:** Mr. Prince reported the Safety Committee last met on July 21, via zoom and a variety of safety topics were discussed. Mr. Prince advised the next meeting was scheduled for October 20. Mr. Prince noted the agenda topics would be sent out prior to the meeting.

**CLAIMS COMMITTEE:** Ms. Conicella reported the Claims Committee last met on July 19 and we would discuss the claims further during closed session today. Ms. Conicella concluded her report unless there were any questions.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised his report was included in the agenda and he had three action items in his report.

**CERTIFICATE OF INSURANCE REPORT:** Executive Director referred to a copy of the certificate of insurance issuance reports from the NJCE listing the certificates issued during the month of June which was included in the agenda. Executive Director advised there were (5) five certificates issued during June. Executive Director asked if anyone had any questions on the report and requested a motion.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT**

Moved: Chair Buono  
Second: Commissioner Burke  
Vote: 3 Ayes, 0 Nays

**RFP FOR PROFESSIONAL SERVICES:** Executive Director reported the Insurance Commission Service Agreements for the Actuary, Auditor, Commission Attorney, Third Party Administrator including Managed Care Services and Defense Law Firms expire as of December 31, 2022. Executive Director advised the Fund Office would issue draft copies of the RFP's and

send to the Commission Attorney for his review and approval before they were advertised. Chair Buono said she would work with Mr. Craig again to review the responses from the Defense Law firms.

**MOTION TO AUTHORIZE THE FUND OFFICE TO ADVERTISE  
REQUEST FOR PROPOSALS FOR THE POSITIONS OF ACTUARY,  
AUDITOR, COMMISSION ATTORNEY, THIRD PARTY  
ADMINISTRATOR INCLUDING MANAGED CARE SERVICES AND  
DEFENSE LAW FIRMS**

Moved:	Chair Buono
Second:	Commissioner Burke
Roll Call Vote:	3 Ayes, 0 Nays

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND (NJCE):** Executive Director reported the NJCE met on June 23, 2022, and a written summary of the meeting was included in the agenda. Executive Director advised the NJCE was changing their Learning Management System to BIS Safety Software and Mr. Prince would discuss more during his report. Executive Director advised the Fund Auditor submitted a draft financial audit. Executive Director said the Board of Fund Commissioners adopted a resolution authorizing the Fund office to file the draft audit and requested an extension to file the final report. Executive Director reported they were planning a webinar on Cyber Liability. Ms. Dodd said an e-mail invitation was sent out on the webinar. In response to Mr. Burke’s inquiry regarding the cyber report from the carrier Executive Director advised Ms. Dodd would follow up. Executive Director noted the NJCE would meet again on September 22, 2022 at 9:30 AM via Zoom.

**2023 RENEWAL UNDERWRITING DATA COLLECTION:** Executive Director referred to a copy of a memorandum from the NJCE Underwriting Team Manager noting some critical items needed for the renewal. Executive Director reported an e-mail was distributed to identified renewal users on June 27, 2022, with the link for the 2023 NJCE JIF Exposure Renewal hosted online via Origami Risk. Executive Director advised the deadline to complete the data underwriting renewal was Friday, August 19, 2022. Executive Director explained the applications for Optional Ancillary Coverage would be completed online via Broker Buddha this year. Executive Director advised an e-mail would be sent out shortly on the new application process which would include instructions and FAQs.

**BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the May Financial Fast Track was included in the agenda. Executive Director advised as of May 31, 2022 there was a surplus of \$3,487,293. Executive Director referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,421,494 of the surplus was the BCIC’s share of the NJCE equity. Executive Director noted the cash amount was \$7,676,924.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the May Financial Fast Track for the NJCE was included in the agenda. Executive Director said as of May 31, 2022 the NJCE had a surplus of \$14,790,254. Executive Director noted the total cash amount was \$26,655,729. Executive Director reported line 7 of the report “Dividend” presented the figure released by the NJCE of \$5,857,551. Executive Director asked if there were any questions on the Financial Fast Tracks.

**CLAIMS TRACKING REPORTS:** Executive Director reviewed the Expected Loss Ratio Analysis Report as of March 31, 2022 with the Commission. Executive Director advised there

were some good years and some not so good. Executive Director noted that we were fortunate that the more recent years were doing better than the actuary projected.

**2022 MEETING SCHEDULE:** Executive Director reported the Commission was not scheduled to meet in September. Executive Director advised we did not have an October meeting scheduled yet. Executive Director advised due to the limited availability of the Board Room in October he was suggesting we conduct the October meeting via zoom on Tuesday, October 11 at 2:00 or Thursday, October 13 at 10:00. After a brief discussion Ms. Dodd advised she would check to see if the Board Room was available on October 11 at 2:00.

**ONLINE DRIVING TRAINING COURSES:** Executive Director reported he had one more item for his report since we were not meeting in September. Executive Director reported Commissioner Burke requested an additional 250 usages of the online National Safety Counsel Defensive Driver Course offered through SafetyServe.com. Executive Director advised the cost for 250 usages was \$5,737.50. Executive Director asked the Commissioners to consider approving this as a Commission expense as we have done in the past.

**MOTION TO AUTHORIZE THE COST OF \$5,737.50 FOR THE ONLINE DRIVING TRAINING COURSE**

Moved: Chair Buono  
Second: Commissioner Burke  
Roll Call Vote: 3 Ayes, 0 Nays

Executive Director's Report Made Part of Minutes

**EXECUTIVE DIRECTOR'S REPORT -BENEFITS**

**FINANCIAL PROCEDURES**

- **Financial Fast Track** – As of May 31, 2022. Mr. Lodics reviewed the financials through May 31, 2022, stating that this month was very positive. The total surplus is over \$9 million, which is very good position.

**BUDGET UPDATE**

Mr. Lodics said the data through 6/30/2022 has been sent to the Actuary to develop a projection for the 2023 budget. The Commission has been running very well through the first half of the year so a positive renewal is expected.

PERMA received competitive Medicare Advantage renewals for both the County and the Bridge.

In order to expedite the rates for open enrollment, Mr. Lodics suggested having a special meeting in September to introduce the 2023 Budget and allow time for Open Enrollment to begin in early fall. The intent would to have one agenda item to introduce the budget, unless other business is needed. The October meeting will be adoption.

**MOTION TO ADVERTISE A SEPTEMBER SPECIAL MEETING FOR SEPTEMBER 13, 2022 AT 2:00 PM VIA ZOOM, PENDING COMMISSIONER AVAILABILITY**

Moved: Chair Buono  
Second: Commissioner Burke

### Program Manager

Ms. Peterson introduced Ian Dalton from the benefits team. Ms. Peterson reviewed the report, which she stated was mostly informational.

### State Health Benefit Plan

Preliminary Meeting for 2023 Renewal - On July 13, 2022, the state commissions that manage the two NJ State Plans (the SHBP and SEHBP) held a public meeting to discuss the preliminary rate changes for 2023. The increases are staggering and summarized below. The rate actions below are slated to be adopted at the next commission meetings on July 25th. While the amounts may change between now and then, even with alterations, the likely increases will be unsettling and massive. This speaks to the concerns many have raised over the past few years regarding the performance of these two programs. Ms. Peterson said she does not expect a final number until mid-September. She said she would encourage members to get experience as soon as possible, as there will be a high demand. There was a group that left last year to the State.

2023 Preliminary Rate Action	State Plan - Government	State Educators Plan
Active Medical	24%	15.6%
Active Pharmacy	3.7%	7.8%
Early Retiree Medical	15.6%	13.6%
Early Retiree Pharmacy	-5.7%	261.0%
Medicare Plan	0.7%	-0.01%

### BCIC Plan Document

Status Update - As mentioned in the past Program Manager's Reports, Conner Strong and Buckelew have been actively working on revising different aspects of the BCIC Plan Document and had advised that these revisions would be reported in a future report. CSB, with the guidance of CMS, has implemented the following revisions to Burlington County Insurance Commission's Plan Document:

1. Prescription Drug Plans:  
Updated to Include an additional PPO prescription plan, PPO Plan 3.

Plan 3

Benefits	Plan 3	
	Network Provider	Non-Network Provider
<b>Prescription Drug Benefits</b>		
<b>Retail</b> <i>34-Day Supply</i>		
Prescription Generic Brand Preferred	\$10.00	\$10.00
Brand Non-Preferred	\$15.00	\$15.00
Preventative Medications as defined by PPACA	\$30.00	\$30.00
	\$0.00	\$0.00
<b>Mail Order</b> <i>90-Day Supply</i>		
Prescription Generic Brand Preferred	\$10.00	\$10.00
Brand Non-Preferred	\$15.00	\$15.00
Preventative Medications as defined by PPACA	\$30.00	\$30.00
	\$0.00	\$0.00

2. Medical Plans

All Plans

<u>Benefit</u>	<u>AmeriHealth</u>	<u>2022 Plan Document</u>	<u>Comment</u>	<u>Recommendation</u>	<u>Resolution</u>
<b>Out of Network Fee Schedule</b>	250% of Medicare	90% of Fair	AmeriHealth has confirmed that all out of network benefits are paid at 250% of Medicare	Update the 2022 Plan Document to match the AmeriHealth system.	Update the 2022 Plan Document to match the AmeriHealth system.

Plan 2

<u>Benefit</u>	<u>Draft SBC Benefit</u>	<u>2022 Plan Document</u>	<u>Comment</u>	<u>Recommendation</u>	<u>Resolution</u>
<b>Outpatient Services-Mental Behavioral Health (In-Network)</b>	\$20 copay	\$35 copay	Based on the federal audits on MHPA compliance, it is strongly recommended to align the MH and SA benefits copays with primary care copays.	Update the 2022 Plan Document to match the AmeriHealth SBC and system.	Update the 2022 Plan Document to match the AmeriHealth SBC and system.

<b>Outpatient Services- Substance Abuse (In-Network)</b>	No charge	\$35 copay	See comment above	Update the AmeriHealth system and SBC to charge a Primary Care copay.	Update the AmeriHealth system and SBC to charge a Primary Care copay.
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Plan 3

<u>Benefit</u>	<u>Draft SBC Benefit</u>	<u>2022 Plan Document</u>	<u>Comment</u>	<u>Recommendation</u>	<u>Resolution</u>
<b>Urgent Care (Out of Network)</b>	No Charge	20% coinsurance	Urgent care service out of network should follow all other services out of network. Only services for life-threatening emergencies would be covered at the in-network benefit level. These services are usually provided in the ER.	Update the AmeriHealth system and SBC to charge the out-of-network benefit level for all other services.	Update the AmeriHealth system and SBC to charge the out-of-network benefit level for all other services.
<b>Outpatient Services- Mental Health (In Network)</b>	\$20 copay	\$35 copay	Based on the federal audits on MHPA compliance, it is strongly recommended to align the MH and SA benefits copays with primary care copays.	Update the 2022 Plan Document to match the AmeriHealth SBC and system.	Update the 2022 Plan Document to match the AmeriHealth SBC and system.
<b>Therapies: Rehabilitation and Habilitation Services (In-Network)</b>	\$20 copay	\$35 copay	This service should align with specialists visits; however, future services for ABA therapies may follow MHPA compliance (more	<del>Update the AmeriHealth system and SBC to charge the correct copay.</del>	Update the 2022 Plan Document to match the AmeriHealth SBC and system.

			to come on ABA therapies)	
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Premier Choice

<u>Benefit</u>	<u>Current SBC Benefit</u>	<u>2022 Plan Document</u>	<u>Comment</u>	<u>Recommendation</u>	<u>Resolution</u>
<b>Out of Pocket Maximum (Tier 1)</b>	\$0 Indv./ \$0 Fam	\$6,250 Indv./ \$12,500 Fam	The Plan Document followed the original MOOP when ACA was implemented. Plan cannot have a \$0.00 MOOP, or the plan would be 100% with zero copays.	Update the AmeriHealth system and SBC to the Plan Document limits.	Update the AmeriHealth system and SBC to the Plan Document limits.
<b>Home health care (Tier 2 and 3)</b>	No Charge	50% coinsurance after deductible	Cannot determine why Tier 2 and Tier 3 benefits do not align with all other benefits in the same Tiers.	Update the AmeriHealth system and SBC to align with other benefits within the same Tiers.	Update the AmeriHealth system and SBC to align with other benefits within the same Tiers.
<b>Outpatient Services-Substance Abuse (Tier 1)</b>	No Charge	\$20 copay	Based on the federal audits on MHPA compliance, it is strongly recommended to align the MH and SA benefits copays with primary care copays.	Update the AmeriHealth system and SBC to charge a Primary Care copay.	Update the AmeriHealth system and SBC to charge a Primary Care copay.

Please note that additional changes were made based on CMS review of the public entity plan document provided to them. The first recommended change was to remove the 12-month limit for the repair of dental injury to the natural tooth under the medical plan. Ms. Peterson said Conner Strong disagrees with this language from CMS and has been able to compromise to get this language updated to reflect the removal of the 12 month limit.

The second change was to include a definition of emergency dental condition, which can be defined as "an acute condition involving the teeth or supporting tissue and needs immediate treatment to stop bleeding, alleviate severe pain, or save a tooth. Types of dental emergencies may include a broken natural tooth, mouth or face swelling or infection."

It is also important to be aware that additional review and future revisions may be in order due to CMS's comments regarding appeal language, language referencing gene therapy for stop-loss coverage, and rescission of coverage due to intentional fraud. CSB, in its ongoing



effort to best serve the Commission, will work with CMS to address these concerns and update the Commission in a future Program Manger's report.

➤ **AmeriHealth Administrators**

Performance Guarantees: First Quarter Results - To best service the Commission, Conner Strong and Buckelew have obtained the metrics for AmeriHealth's first quarter Performance guarantees for 2022. This report shows that of the five (5) performance guarantees, AHA has not met four (4) of these metrics, with Claim Turn around Time (TAT) being the only standard that met the guarantees. For more specifics on the Q1 PG results, please refer to the table below.

Performance Terms		Results				
Performance Measure	Standard	Q1	Q2	Q3	Q4	Final
Claims Financial Accuracy	98%	96.7%				96.7%
Claims Processing Accuracy	96%	91.4%				91.4%
Claim TAT	10 Calendar Days	4.5				4.5
Average Speed to Answer	30 Seconds	140.3				140.3
Abandonment Rate	5%	6.3%				6.3%

Machine Readable Files Implementation - Recent federal regulations require self-funded plan sponsors to post a link for a Machine-Readable File (MRF) on their public website. This machine-readable file (MRF) provides pricing information for both in and out-of-network services subject to the methodology outlined by legislation. To comply with this requirement, medical carriers provided BCIC with a unique URL/hyperlink to the machine-readable file (MRF). The URL/hyperlink was required to be posted by July 1, 2022. The link will automatically refresh each month with any updated information.

To ensure Burlington County Insurance Commission remains compliant, AmeriHealth Administrators have provided a unique URL to the Commission to be posted to their public website.

➤ **Symetra Stop Loss**

Mid-Year Review - The Burlington County Commission purchases Stop Loss for protection against catastrophic claims. For several years, Symetra provided favorable terms, best pricing, and no-laser renewals. Recently Conner Strong & Buckelew, PERMA, and Symetra participated in a mid-year review of the Stop Loss Claims.

The current contract contains an aggregating specific, which is an additional deductible the plan must satisfy before Symetra would pay any reimbursements. The Commission's aggregating specific is set at \$450,000, and as of May, zero dollars were accumulated. Symetra's Target overall Stop Loss Ratio goal is 75%. The Commission's Stop Loss Ratio

was 42% in 2020 and 28% in 2021.

Future Renewals: The main concern among Stop Loss carriers is gene therapy drugs. The pipeline for these expensive drugs is deep, and the carriers will evaluate the best coverage method (if coverage is necessary). An example is *Roctavian*, a Hemophiliac drug at \$2.5 million per dose. Studies have shown that this one could prevent bleeds and the need for preventive treatment for up to 6 years in men with severe hemophilia A. The average annual cost for treatment is ~\$50,000 but can range over \$100,000 with complications. Does a \$2.5 million dose possibly increase life quality offset perhaps six years of treatment? The Stop Loss carriers may not think so since the carriers have no guarantee that the client will renew with them for the multiple years necessary to offset the treatment.

Additional Considerations for Stop Loss Renewals:

- 1) No New Laser Provision can add an additional 6 points to the premium
  - a. Is it worth it?
- 2) Will Gene Therapy be automatic lasers regardless of provision?
- 3) Stop Loss experience refund – through premium may be adjusted up to 9 points accordingly
  - a. The Commission is continuing to run at below target Loss Ratios
- 4) Medical and Prescription Trends
  - a. Is the Stop Loss carrier realistic in applying their trend factors vs. the client's trend
    - i. Symetra increases have been in a 9 – 11% range
- 5) Rate caps can add an additional load of 2 – 7%

In the next few months, CSB will work on securing Stop Loss coverage for 2023 and consider all of the above options in the marketing. Please refer to the handout labeled "Symetra Mid-Year Review Report" for more information on Symetra's report. Ms. Peterson said that the market is not as hard as the P&C side, so we are expecting a decent renewal.

**MEDICAL TPA REPORT – AMERIHEALTH ADMINISTRATORS** – Ms. Penick introduced Ms. Natale who is new to the Amerihealth team for the Commission. Ms. Penick reviewed the claim, high claimant and dashboard reports.

**PRESCRIPTION ADMINSTRATOR- EXPRESS SCRIPTS** – Mr. Yuk reviewed the report included in the agenda which illustrated a good generic fill rate and a per employee, per month plan cost that increased from this time last year. The difference of 13% is due mainly to specialty drugs.

Benefits Executive Director's Report Made Part of Minutes

**TREASURER REPORT:** Mr. Troy reported a July and August Bills Lists were included in the agenda. was included in the agenda. Mr. Troy reported he reviewed the bills lists and found them

to be in order. In response to the Chair's inquiry regarding the check issued to Fairview Insurance, Mr. Lodics advised the were the Risk Manager for the Bridge Commission for the Medicare Advantage Program. Chair Buono requested a motion to approve the bills list.

**MOTION TO APPROVE RESOLUTION 36-22, JULY P&C BILLS LIST,  
RESOLUTION 37-22, JULY HEALTH BILLS LIST, RESOLUTION 38-22,  
AUGUST P&C BILLS LIST, RESOLUTION 39-22 AUGUST HEALTH BILLS LIST**

Moved:	Chair Buono
Second:	Commissioner Burke
Roll Call Vote:	3 Ayes, 0 Nays

**ATTORNEY:** Chair Buono welcomed Mr. Kelly to the meeting. Mr. Kelly said he did not have any verbal report for the meeting.

**CLAIMS ADMINISTRATOR:** Ms. Signs advised PMA's monthly reports were included in the appendix section of the agenda. Ms. Signs referred to the WC Claims by Quarter Report valued as of 7/1/22. Ms. Signs reviewed the 2022 claim counts compared to 2021 for each of the member entities. Ms. Signs referred to the Year-to-Date Containment Savings Report, which was included in the agenda for the period of 1/1/21 to 7/1/22 and advised PMA processed 859 bills in the amount of \$1,337,863. Ms. Signs said there was a savings applied of \$897,622 and the final paid charges were \$440,241. Ms. Signs also reviewed the WC Claims Frequency and Severity by Location and Top 5 Causes Group by Claims Frequency reports which were included in the agenda. Ms. Signs concluded her report unless there were any questions. In response to Executive Director's inquiry, there was a brief discussion on the claims for Special Schools District. Ms. Signs said they were going to plan a visit to the school to review their claims and present a mini stewardship report. Executive Director asked Ms. Violetti to co-ordinate a meeting with Ms. Signs.

**NJCE SAFETY DIRECTO:** Mr. Prince advised the June - August 2022 All Risk Control Activity Report was included in the agenda. Mr. Prince spoke about the Expo, In Person Training, and advised the closest location was to attend was at the Camden Co. Emergency Training Center on September 7 and another was scheduled for October 5 at the Atlantic Cape Community College. 2022. Mr. Prince the agenda also included the 2022 Safety Schedule through September 30 and encourage everyone to review the training. Lastly, Mr. Prince spoke about the new Learning Management System and hoped the new system would be up and running the beginning of the year. Mr. Prince concluded his report unless there were any questions.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** Chair Buono asked if there was anyone from the public that wanted to make a comment. There was no one from the public in attendance.

**CLOSED SESSION:** Chair Buono read Resolution 40-22, Resolution for Closed Session, and requested a Motion for Executive Session (in accordance with the Open Public Meetings Act, N.J.S.A. 10:4012) to discuss payment authority requests.

**MOTION TO APPROVE RESOLUTION 40--22 FOR CLOSED SESSION**

Moved: Commissioner Burke  
Second: Chair Buono  
Vote: 3 Ayes, 0 Nays

**MOTION TO APPROVE THE PARS AND SARS DISCUSSED IN CLOSED SESSION**

Moved: Chair Buono  
Second: Commissioner Burke  
Vote: 3 Ayes, 0 Nays

Ms. Dodd advised she checked through her notes during the meeting and the Board Room was not available on October 11 at 2:00 so that is why she had suggested a zoom meeting. The Commissioners agreed to the zoom meeting.

**MOTION TO ADJOURN:**

Moved: Commissioner Rocco  
Second: Commissioner Burke  
Vote: 3 Ayes, 0 Nays

**MEETING ADJOURNED 2:47 PM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary  
Emily Koval, Benefits