

**BURLINGTON COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
MEETING –November 5, 2020  
TELEPHONIC MEETING  
2:00 PM**

*In response to Executive Director’s inquiry Ms. Cullinan agreed Executive Director should read the opening statement and run the meeting.*

Executive Director called the meeting to order and read the Open Public Meetings notice into record.

**ROLL CALL OF COMMISSIONERS:**

Eve A. Cullinan	Present
Damon Burke	Present
Dina Rocco (Alternate)	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Services	PMA Management Corp. <b>Jenn Signs</b> <b>Justin Wilkinson</b>
	Qual Lynx <b>Chris Roselli</b>
	PERMA Risk Management Services <b>Robyn Walcoff</b> <b>Jenn Conicella</b>
Attorney	CraigAnninBaxter Law <b>Robert Baxter, Esq.</b>
Treasurer	<b>Edward Troy</b>
Safety Director	J.A. Montgomery Consulting <b>Robert Garrish</b>
Employee Benefits	PERMA Risk Management Services <b>Paul Laracy</b> <b>Emily Koval</b>
	Conner Strong & Buckelew <b>Diane Peterson</b> <b>Brandon Lodics</b>
	Amerihealth Administrators <b>Megan Penick</b>

Express Scripts, Inc.  
**Kyle Colalillo**

Auditor

Bowman & Company, LLP  
**James Miles**  
**Dennis Skalkowski**

**ALSO PRESENT:**

Carolyn Havlick, Burlington County  
Tom Stenberg, Assured Partners  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF OCTOBER 1, 2020**

*Executive Director noted the closed minutes were e-mailed to the Commissioners.*

**MOTION TO APPROVE THE OPEN MINUTES AND CLOSED  
MINUTES OF OCTOBER 1, 2020**

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

**CORRESPONDENCE: NONE**

**COMMITTEE REPORTS:**

**SAFETY COMMITTEE:** Mr. Garrish reported the Safety Committee postponed the scheduled meeting of September 17<sup>th</sup> and was rescheduled for November 19<sup>th</sup> at 10:00 AM via Zoom Conference Call. Mr. Garrish advised the meeting topics would include but not limited to Loss Control Checklist and Updates, review of Law Enforcement/Safety Director Bulletins, COVID-19 Safety Protocols, recent Governor's Executive Orders and the NJ PEOSH update. Mr. Garrish advised that completed his report unless there were any questions.

**CLAIMS COMMITTEE:** Ms. Conicella advised the Claims Committee did not meet, however the PARS would be presented during closed session of the Commission Meeting.

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

**PMA SERVICE AGREEMENT:** Executive Director reported the current PMA Service Agreement included a provision to allow for (2) one year extensions of the agreement. PMA has agreed to extend the Service Agreement for an additional year, 1/1/21 to 12/31/21, at the current terms and conditions. Executive Director advised he was asking the Commissioners for consideration in extending the agreement. Executive Director noted if the Commissioners were in agreement the Commission Attorney would prepare an addendum to the existing agreement.

**MOTION TO APPROVE AN EXTENSION OF PMA'S SERVICE  
AGREEMENT FOR THE PERIOD OF 1-1-21 TO 12-31-21 WITH THE  
CURRENT TERMS AND CONDITIONS**

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

**RESOLUTION AWARDING CONTRACT TO AN ASSIGNED DEFENSE LAW FIRM:** Executive Director reported the agenda included Resolution 44-20, Awarding Contract to an Assigned Defense Law Firm. Executive Director explained Resolution 12-20, Awarding Contracts to Assigned Defense Law Firms, was approved on January 16, 2020. However, Weiner Law Group, LLP was inadvertently not included in the resolution. The Chair and Solicitor did recommend Weiner Law Group, LLP be awarded a contract for 2020.

**MOTION TO ADOPT RESOLUTION 44-20 AWARDING CONTRACT TO AN ASSIGNED DEFENSE LAW FIRM**

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

**CERTIFICATE OF INSURANCE ISSUANCE REPORTS:** Executive Director referred to a copy of the Certificate of Insurance Issuance Report from the NJCE for the month of September, which was included in the agenda. Executive Director reported there were 13 certificate of insurances issued during the month of September. In response to Executive Director's inquiry, Mr. Burke advised he was aware of the certificates that were issued for the County.

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

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

**RFQ FOR PROFESSIONAL SERVICES:** Executive Director reported the RFQ responses for the Property & Casualty Actuary, Auditor, Commission Attorney, Executive Director and Defense Panel were due on October 21, 2020. Executive Director referred to a summary of the responses received for each position, which was included in the agenda. Executive Director advised an evaluation committee would review the responses and recommendations will be made at the December meeting. Ms. Rocco advised she was reviewing the responses with Mr. Baxter. Ms. Rocco advised she was meeting with Mr. Baxter next week.

**NJ COUNTIES EXCESS INSURANCE FUND:** Executive Director reported the NJCE last met on October 22, 2020 and a summary report of the meeting was included in the agenda. Executive Director reviewed the key items discussed at the meeting. Executive Director advised the Finance Committee met and reviewed the preliminary 2021 Budget. The Finance Committee supported and recommended a delay to the 2021 budget process. Executive Director stated the Fund Commissioners agreed to introduce the budget in November with budget adoption scheduled for December. This would allow the Underwriting Manager to conduct a widespread marketing effort of all of the excess and ancillary insurances. Executive Director advised it might also be a good time for the NJCE to take on additional retentions. Executive Director also reported the Finance Committee reviewed divided options up to \$2 million and a recommendation on issuance of a divided would be presented at the November meeting. Lastly, Executive Director advised the Board

of Commissioners accepted the recommendation of the Finance Committee and authorized an agreement between J.A. Montgomery and First Net to provide a Learning Management System for the NJCE members. Executive Director noted the NJCE was scheduled to meet again on November 19, 2020 at 9:30 AM.

**BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the August Financial Fast Track was included in the agenda. Executive Director advised as of August 31, 2020 there was a surplus of \$2,582,658. Executive Director referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,720,508 of the surplus was the BCIC’s share of the NJCE equity. Executive Director noted the cash amount was \$4,894,411.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the August Financial Fast Track for the NJCE was included in the agenda. As of August 31, 2020 the NJCE had a surplus of \$18,073,415. Executive Director noted the total cash amount was \$33,638,761. Executive Director reported line 7 of the report “Dividend” presented the figure released by the NJCE of \$3,607,551. Executive Director noted the NJCE continues to perform very well.

**CLAIMS TRACKING REPORTS:** Executive Director reported the agenda included two claim monitoring reports as of August 31, 2020. Executive Director referred to a copy of the Claims Management Report Expected Loss Ratio Analysis Report and advised the report measured how the losses were running compared to the actuary’s projections. Executive Director reviewed the results by year for the Commission

**NJCE BEST PRACTICES WORKSHOP, 2020 VIRTUAL EDITION** – Executive Director reported the 9th Annual NJCE Best Practices Workshop was conducted as a Zoom Webinar on Thursday, October 29, 2020. Executive Director advised if anyone missed the webinar, the recording was available and could be obtained by contacting Ms. Conicella.

**2020 PROPERTY & CASUALTY ASSESSMENTS:** Executive Director advised the third and final assessment payment for 2020 was due on October 15, 2020.

**2021 AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE:** – Executive Director reported the 2021 auto ID cards and WC Posting Notices would be sent to each member entity representative for distribution the beginning of December. Executive Director reported the NJCE Underwriting Manager’s Team would review any certificates which need to be re-issued for the 2021 renewal.

Executive Director advised that concluded his report unless there were any questions.

Executive Director's Report Made Part of Minutes

## **FINANCIAL PROCEDURES**

- **Financial Fast Track** – Mr. Laracy reviewed the financial fast tracks for August and September. He said that Year to date \$3.1 million surplus. Although, the Commission was running deficits earlier in the year, COVID-19 allowed the program to build surplus. There was an operating profit in September. Noteable, Mr. Laracy said there was \$4 million write off which was the County’s payable to the Commission from 2016. The surplus built up enough that the County was able to pay this debt. This is a significant financial transaction.

**TERMINATION – BCIT AND BSSSD**

The Commission received termination notice for BCIT effective January 1 and letter of intent to terminate on March 1. As a result, the budget has been constructed differently because of the uncertainty of their termination. The budget will be presented with the County and Bridget self liquidated; and the Schools as self liquidated, as well.

Ms. Cullinan said that she was not sure if they schools will be pulling out their equity of the Fund. Mr. Laracy said he had not heard from the school, only the broker and will confirm with the school. Executive Director asked if equity distribution was approved by the bylaws. Mr. Laracy said the Risk Management Plan says 6 years, because that is when claims can no longer be set, but the Commission can make the decision to let these funds be released earlier.

**BUDGET UPDATE** - The Agenda included the introduction of the Burlington County Insurance Commission 2021 Budget.

Mr. Laracy said the schools is going up much more than the county and bridge because of prior experience. The budget is showing higher Express Scripts rebates because of a better contract, which mirrors the MRHIF contract. The Medicare Advantage renewal is remaining flat. Mr. Laracy said the stop loss renewal has increased about 21% at the same retention rate as 2020. If the retention was increased, the self insured pool claims would have to increase. From a historical view, this is a normal renewal.

Mr. Laracy also reviewed the expenses by line. He also reviewed the assessments by members.

**MOTION TO INTRODUCE THE 2021 BURLINGTON COUNTY INSURANCE COMMITTION BUDGET IN THE AMOUNT OF \$54,731,060.**

Moved:	Commissioner Burke
Second:	Commissioner Cullinan
Vote:	3 Ayes, 0 Nayes

**REQUESTS FOR PROPOSALS** - The Health Benefits Actuary and Program Manager contract expires at the end of this year. We ask for a motion to release an RFP for both positions. A summary of responses will be prepared for the next meeting.

Field Service Providers (local broker) contracts are also expiring at the end of this year, but the groups will procure those contracts at their local level.

**MOTION TO RELEASE AN RFP FOR HEALTH BENEFITS ACTUARY AND PROGRAM MANAGER**

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

**Benefits Consultant**

**Claims Audit**

*AIM Benefits Audit and Compliance Solutions* and AmeriHealth Administrators have been continuing the process of the claims audit. AIM has provided the final audit report to AmeriHealth. AIM will coordinate a meeting with CSB, AmeriHealth and the Commission to review the report findings.

Initial Findings indicate there were 11 claims out of a sampling of 228 that had financial errors. Eight claims were overpaid totaling \$52,671 and AHA underpaid three claims totaling \$519. However, the financial accuracy rate measures 99.38%; which is considered within industry standards. Claims processing accuracy is determined to be 94.07%; which is below industry standard of 95%.

The next step is a meeting with AIM, AHA, CSB and the Commission. It is our recommendation that a committee is put in place to review including the Commission and the Treasurer.

The final response from AmeriHealth and outcomes would be matched to the contractual performance guarantees:

**PERFORMANCE GUARANTEES**

- A. Financial Accuracy: 99% 10% of base administrative fee at risk
- B. Procedural Accuracy: 98% 5% of base administrative fee at risk

**AmeriHealth**

*Medical TPA RFP*

Mr. Lodics said that PERMA issued a Medical RFP on behalf of the Commission for Third-Party Administrator on June 29, 2020. The RFP generated responses from AmeriHealth, Aetna, Horizon BCBS, and Cigna. Conner Strong & Buckelew carefully evaluated the proposals. Two of the respondents were eliminated from consideration because of their inability to meet several key evaluation criteria specified in the RFP including, cost-effectiveness, claims reporting, and ETBT requirements. AmeriHealth initially responded to the RFP with a 3-year renewal proposal and 7.42% increase in ASO fees. CSB made further negotiations with AmeriHealth, and AmeriHealth agreed to offer a 12-month continuance of current ASO fees for the Commission, effective 1/1/2021 – 12/31/2021, with all contract terms and conditions unchanged. Based on the potential change in Commission membership in 2021, CSB recommends accepting the 1-year continuance with AHA. In response to Ms. Cullinan, Mr. Lodics said that an RFP will be released next year.

	AmeriHealth (Current)	AmeriHealth (Renewal)*
Contract Year	1/1/2018 - 12/31/2020	1/1/2021 - 12/31/2021
Total		
Total PEPM	\$33.58	\$33.58
Total Enrolled Employees	1940	1940
Estimated Monthly Fees	\$65,145.20	\$65,145.20
Estimated Annual Total	\$781,742.40	\$781,742.40
<b>Estimated Annual Dollar Difference (\$)*</b>		\$0.00
<b>Estimated Annual % Difference (%)*</b>		0.00%

**MOTION TO ACCEPT THE AMERIHEALTH 12 MONTH PROPOSAL WITH  
NO INCREASE IN FEES OR CHANGES IN TERMS**

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

**Express Scripts**

*SaveOn SP Implementation*

CSB and ESI have been working in partnership to implement The SaveOn savings program effective 1/1/2021. Mr. Lodics reviewed the details of the program. He said this **voluntary** program will re-structure cost-sharing allocation so that the plan can maximize manufacturer assistance dollars (coupons) while reducing the member’s copay to \$0. This program will only apply to a select list of specialty medications provided by SaveOn SP. ESI is scheduled to release communication letters to eligible BCIC members the week of 11/2/2020. A sample of this communication letter was attached for review.

**Symetra**

*Symetra Stop Loss Renewal*

Symetra provided the 2021 Stop Loss renewal, providing two possible renewal options. CSB has evaluated the renewal and developed an executive summary of the renewal options. This executive summary was attached to the agenda for review. Mr. Lodics said the Commission is also searching the possibility of joining the MRHIF, which is similar to the CEL for the P&C side.

**BCIC Open Enrollment**

*Burlington County*

CSB will develop Open Enrollment materials for Burlington County’s upcoming open

enrollment period. Materials will be shared with County contacts for member distribution.

### **Commission Litigation**

In a previous meeting, the Commission approved negotiation on a claim appeal regarding the out of network reimbursement level. AmeriHealth provider's relation communicated with the attorney, who then questioned another appeal for related services with another out of network provider.

Mr. Lodics said the appeal did not reach the Commission; therefore, AmeriHealth continues discussion with the attorney only on the first appeal.

**TREASURER REPORT:** Mr. Troy reported he reviewed the Bill Lists, find them to be in order and recommended payment.

### **MOTION TO APPROVE RESOLUTION 45-20 NOVEMBER PROPERTY & CASUALTY BILL LIST AND RESOLUTION 46-20 NOVEMBER BENEFIT BILL LIST**

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

Executive Director advised the Treasurer's monthly reports were included in the agenda.

**ATTORNEY:** Mr. Baxter advised he was meeting with Ms. Rocco next Friday to review and rate the responses received from the RFQ's. Mr. Baxter reported he would submit the memorandum to the Commission with their recommendations.

**CLAIMS SERVICE:** Ms. Conicella reported she did not have anything to report.

**CLAIMS SERVICE:** Ms. Signs advised PMA's monthly reports were included in the appendix section of the agenda. Ms. Sign referred to the WC Claims by Quarter Report valued as of 10/1/20. Ms. Signs reviewed the claim counts compared to 2019 for the member entities. Ms. Signs noted the claim counts were trending down compared to last year results. Ms. Signs referred to the Year to Date Containment Savings Report, which was included in the agenda for the period of 1/1/20 to 10/01/20 and advised PMA billed charges were for \$618,006. Ms. Signs indicated the final paid charges were \$236,629 with a savings of \$381,378 or 62%. Ms. Signs advised the PPO penetration rate of 98% was great. Ms. Signs also reviewed the WC Claims Frequency and Severity by Location and Top 5 Causes Group by Claims Frequency report which were included in the agenda. Ms. Signs advised that concluded her report unless anyone had any questions.

**NJCE SAFETY DIRECTOR:** Mr. Garrish reviewed the October - November 2020 Risk Control Activity Report which was included in the agenda. Mr. Garrish referred to information and instructions for the NJCE Media Library and NJCE Online Streaming Video Service, which was also included in the agenda. Mr. Garrish advised the agenda also included a list of the Safety Director Bulletins issued and indicated they were available on the NJCE website. Mr. Garrish reminded everyone of the indefinite suspension of in person training, however live instructor using the Zoom webinar platform was available and the November Webinar Schedule was included in the agenda. Mr. Garrish advised that concluded his report unless there were any questions at this time.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** Executive Director asked if there was anyone from the public that wanted to make a comment.

**CLOSED SESSION:** Executive Director read Resolution 47-20, 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 47-20 FOR CLOSED SESSION**

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

Executive Director asked that everyone hang up and call into the second number provided.

**MOTION TO APPROVE PARS/SARS DISCUSSED DURING CLOSED SESSION**

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

Executive Director advised the next meeting was on December 3, 2020 and the 2021 Budget Property and Casualty would be introduced.

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED 3:03 PM**

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