

**BURLINGTON COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING –June 4, 2020
TELEPHONIC MEETING
2:00 PM**

Chairman Friedman called meeting to order. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Sander Friedman, Esq.	Present
Eve A. Cullinan	Present
Damon Burke	Present
Dina Rocco (Alternate)	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Services	PMA Management Corp. Jenn Signs Justin Wilkinson Qual Lynx PERMA Risk Management Services Robyn Walcoff Jenn Conicella
Attorney	CraigAnninBaxter Law Robert Baxter, Esq.
Treasurer	Edward Troy
Safety Director	J.A. Montgomery Risk Control Glenn Prince
Employee Benefits	PERMA Risk Management Services Paul Laracy Emily Koval Conner Strong & Buckelew Diane Peterson Brandon Lodics Amerihealth Administrators Megan Penick Express Scripts, Inc. Ken Rostkowski

ALSO PRESENT:

Carolyn Halvick, Burlington County
Steve Walsh, EJA/Capacity
Rob Henry, Brown & Brown Metro
Thomas Czerniecki, Rowan College at Burlington County
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES OF MAY 5, 2020

MOTION TO APPROVE THE OPEN MINUTES OF MAY 5, 2020

Moved:	Chairman Friedman
Second:	Commissioner Burke
Vote:	3 Ayes, 0 Nays

CORRESPONDENCE: NONE

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on March 12th and unfortunately, the meeting scheduled for June 11th was postponed. Mr. Prince advised the next meeting was scheduled for July 9th and if it was not possible to meet in person the meeting would take place via Zoom. Mr. Prince advised that completed his report unless there were any questions.

CLAIMS COMMITTEE: Ms. Conicella advised the Claims Committee did not meet, as there were no PARS.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda with one action item and several informational items.

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director referred to a copy of the Certificate of Insurance Issuance Report from the NJCE which was included in the agenda. Executive Director reported there was 1 certificate of insurance issued during the month of April. Executive Director asked if anyone had any questions and requested a motion to approve.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

NJ COUNTIES EXCESS INSURANCE FUND: Executive Director reported the NJCE postponed the luncheon scheduled for June 25th celebrating 10 years of the Fund for later in the year. Executive Director advised the NJCE would meet on June 25th at 9:30 AM telephonically.

BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the March Financial Fast Track was included in the agenda. Executive Director advised as of March

31, 2020 there was a surplus of \$1,919,154. Executive Director referred to line 10 of the report, "Investment in Joint Venture" and indicated \$1,424,839 of the surplus was the BCIC's share of the NJCE equity. Executive Director noted the cash amount was \$4,718,250.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the March Financial Fast Track for the NJCE was included in the agenda. As of March 31, 2020 the NJCE had a surplus of \$16,112,208 Executive Director noted the total cash amount was \$29,318,877. Executive Director reported line 7 of the report "Dividend" presented the figure released by the NJCE of \$3,607,551.

CLAIMS TRACING REPORTS: Executive Director reported the agenda included two claim monitoring reports as of March 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

2020 PROPERTY & CASUALTY ASSESSMENTS: Executive Director advised the second assessment payment was due on May 15, 2020. Executive Director noted payments should be sent to Edward Troy, Commission Treasurer.

2020 MEETING SCHEDULE: Executive Director reported the Commission would not meet in July and the next meeting was scheduled for August 6, 2020.

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

Executive Director's Report Made Part of Minutes

Ms. Koval of PERMA advised she would provide the Benefits Report today.

FINANCIAL PROCEDURES

- **Financial Fast Track** – Attached is the health program income statement for April 2020. Ms. Koval said that this month was low, which is being seen across the state due to low utilization overall and no elective surgeries.

In addition, there was a large receivable from a prior year being received from Amerihealth that was due to a claim that was paid out of turn and should have been paid by Medicare first.

TERMINATION – BSSSD & BCIT

We received unofficial notice that the school members of the health program were terminating effective September 1, 2020.

Mr. Troy said there are concerns with these members terming in 90 days because there is significant run out that needs to be considered and how the Commission is going to make sure that the other members are protected from this impact. He said he would like to see a report or get a committee together to notify the Commission of the steps being taken for their withdrawal.

Mr. Laracy said that he would include a list of his concerns and PERMA’s responses. He said he would send this in a week.

Benefits Consultant

Claims Audit - Mrs. Peterson said that *AIM Benefits Audit and Compliance Solutions* and AmeriHealth Administrators have been continuing the process of the claims audit. The audit confidentiality agreement had been completed and AIM has received in-house claims data from AHA.

After long negotiations, AIM and AHA have reached an “agreement to principle” for AHA to support the audit utilizing remote technology. The remote audit was tentatively scheduled the week of July 13.

Below is an estimated timeline for the claims audit. We will continue to provide updates as the process progresses.

AIM and BCIC sign AHA Audit Confidentiality Agreement	Week Jan 20, 2020	Complete
Fee Agreement signed by AHA for direct payment to AIM	Jan 31, 2020	Complete
AHA provided requested claims data to AIM	Week Jan 27, 2020	Complete
Remote Audit	Week July 27, 2020	Tentatively Scheduled
Draft Report issued to AHA (<i>estimated</i>)	TBD	
Final Report provided to Burlington County Insurance Commission (<i>estimated</i>)	TBD	

Commission Vitals

Memorandum

A Memorandum to the Commission was attached to this agenda. This Memorandum will discuss the vital statistics of BCIC for the first quarter of 2020.

AmeriHealth - Medical TPA RFP

Ms. Peterson said that in August 2019, the Medical RFP for Third-Party Administrator was rescinded because PERMA provided CSB with an updated resolution that extended the AHA contract through December, 2020. Any transition prior to January 1, 2021 would result in an early termination fee penalty. The RFP did generate interest from Horizon BCBS, AETNA, and CIGNA. The recommendation at the time was to postpone the RFP issuance to spring of 2020. In response to Mr. Troy, Ms. Peterson said that the schools data will be extracted from the RFP.

MOTION TO APPROVE THE ISSUANCE OF A MEDICAL RFP FOR THIRD-PARTY ADMINISTRATOR AND NETWORK FOR AN EFFECTIVE DATE OF JANUARY 1, 2021

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

COVID-19 Telemedicine

Effective in April, BCIC members have access to AmeriHealth's Telemedicine program, MD Live. MD Live will continue to be offered at \$0 copay to BCIC members until further notice due to COVID-19. AHA provided utilization reports after the last meeting and were attached to this report.

Stop Loss - Stop Loss Reimbursement Status

Ms. Peterson said that CSB has reviewed the outstanding Stop Loss receivables and requested that AmeriHealth Administrators conduct an audit of selected large claim filings and stop loss reimbursements from Swiss Re. She said that as was discussed in the Executive Director's report and it was determined approximately \$500k should have been paid by Medicare. The CMS system had inaccurate information. AmeriHealth has applied a credit to a May invoice and will recover the monies holding both the Commission and the estate of the participant harmless. There remains one receivable that should have resolution or discussion on next steps by the meeting.

Horizon Dental - Dental Premium Credit

Due to COVID-19, Horizon Blue Cross Blue Shield of NJ is offering a 25% premium credit to Burlington County for the months of April and May. No action is required from Burlington County at this time and this credit will appear on the July invoice. Please Note: this credit will only apply for the dental PPO plans and not the DMO plan. Ms. Peterson said no action is required.

Legislative Update - New COBRA Regulations

Due to the COVID-19 pandemic, the Department of Labor (DOL) and the Internal Revenue Service (IRS) recently issued guidance for group health plan sponsors regarding deadline extensions for COBRA, Flexible Spending Accounts (FSAs), and Health Reimbursement Arrangements (HRAs). The extended timeframes were intended to assist employers, employees and dependents who may have difficulty meeting standard timeframes associated with COBRA. The new ruling establishes an "Outbreak Period" defined as beginning with the declaration of a National State of Emergency on March 1, 2020 running through the duration of the Emergency plus a 60-day period following the date the National State of Emergency ends. At this time, an end date had not been specified for the National State of Emergency so the "Outbreak Period" cannot yet be determined.

The DOL guidance provides the below timeframe extensions derived by disregarding the Outbreak Period:

- Extension of the 30-day and 60-day special enrollment timeframes

- Extension of the 60-day COBRA election period
- Extension of the 45-day initial premium payment timeframe
- Extension of the 30-day grace period for subsequent premium payments
- Extension of the 60-day COBRA notification timeframe

The chart below compares the current time-frames with the new guidelines:

COBRA NOTICE/EVENT	PRE-PANDEMIC	CHANGE
Initial Notice of COBRA Rights	Within first 90 days	Clarification required
Election Notice	Within 14 days of Qualifying Life Event	Clarification required
Election Period	Within 60 days	60 days after the end of the “outbreak period”
Initial Payment	Within 45 days	Within 45 days after the end of the “outbreak period”
Grace period for non-payment	30 days	30 days after “outbreak period”

We are working with the Commission’s COBRA administrator, Benefit Express, to ensure they are taking the necessary measures to comply with and administer the new timeframes for eligible lines of coverage administered by the Commission. We will provide updated information and correspondence when they are available. For more information, please click on this link to the DOL’s COVID-19 FAQ: <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebbsa/our-activities/resource-center/faqs/covid-19.pdf>

Vitals report – Ms. Peterson said that the vitals report was attached to the agenda and a memo summarizing this information was included. She said there are some highlights:

In the 4th quarter, the per employee per month spend was high. Utilization was stable, but there were a few high claimant, of which were 3 claimants that didn’t hit the SIR in 2019 so there was no reimbursement. She said the average of these 3 was \$260,000 which was mostly paid in March 2020. Two of the claimants are no longer on the plan, so will only responsible for the run out.

She said one thing that stood out in the highest paid conditions is morbid obesity which has many implications that are costly. Prescription had an increase which was driven by specialty, in particular oncology.

She said the takeaways from this report is to work with ESI and AHA to identify programs to help reduce these high dollar issues. We will work with ESI on a program called SaveON which helps reduce specialty cost. With AHA, we will focus on programs for conditions related to obesity.

Ms. Cullinan said the County has found the webinars that CSB has been doing for COVID to be very well received and thanked the firm.

In response to Mr. Troy, Ms. Peterson said that last summer we discussed doing tiered plan with Virtua being in the first tier to drive utilization. At that time, AHA’s contract with the hospital prohibited them from doing this.. Virtua is a tier 1 with other carriers and CSB is performing an analysis on this hospital and may have a direct contract with them that the Commission can use.

In response to Mr. Burke, Ms. Peterson said this contract could come into play with Worker’s

Compensation but would have to work with that carrier.

Amerihealth – Ms. Penick said that March was very high, but seeing a lower claim utilization is low, as expected. The average decreased to \$634.01 in April. She reviewed the overview report, which included in the agenda. Mr. Troy asked for the status on the MDLive since it started, Ms. Penick said that there has been 25 claims in teladoc, but zero in MDlive.

Express Scripts - Mr. Rostkowski reviewed the ESI report which he said was also reviewed in the Program Manager’s special report. He said that specialty is significant and is driving costs. Overall utilization is also high. He said he would work the Program Manager on the Saveon Program which could provide 20%-30% savings. He said he would send there is an Rx open application that is being rolled out to be sure that the pharmacy is open.

TREASURER REPORT: Mr. Troy reported he reviewed the Bill Lists and recommended payment.

MOTION TO APPROVE RESOLUTION 31-20 JUNE PROPERTY & CASUALTY BILL LIST AND 32-20 JUNE BENEFIT BILL LIST

Moved:	Chairman Friedman
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 did not have anything to report.

CLAIMS SERVICE: Ms. Conicella advised she did not have anything to report this month.

CLAIMS SERVICE: Ms. Signs advised PMA’s monthly reports were included in the appendix section of the agenda. Ms. Signs had difficulty with her computer so Mr. Wilkinson presented PMA’s report. Mr. Wilkinson referred to the WC Claims by Quarter Report valued as of 5/1/20. Mr. Wilkinson advised the claims were trending lower due to the current pandemic however expected them to be higher later in the year. Mr. Wilkinson reviewed the claim counts compared to 2019 for the member entities. Mr. Wilkinson referred to the Year to Date Containment Savings Report, which was included in the agenda for the period of 1/1/20 to 5/01/20 and advised PMA billed charges were for \$316,632. Mr. Wilkinson indicated the final paid charges were \$136,956, with a savings of \$179,408 or 57%. Mr. Wilkinson advised the PPO penetration continued to be outstanding at 98%. Mr. Wilkinson 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. Wilkinson advised that concluded his report unless anyone had any questions.

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the May to June 2020 Risk Control Activity Report which was included in the agenda. Mr. Prince referred to instructions for the new Video Streaming Service. Mr. Prince reported the NJCE now had a new video streaming service, which is an “on demand” service, has about 130 titles available for streaming right to your workplace. Mr. Prince referred to the June Webinar Training Schedule, which was also included in the agenda. Mr. Prince advised he was working with Mr. Burke on a flagger work zone training program. Unfortunately, that training was not transferred to a webinar yet, however a course was found

through Rutgers and the webinar information was forwarded to Mr. Burke. Mr. Prince advised that concluded his report unless anyone had any questions.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: Chairman Friedman asked if there was anyone who wished to make a public comment.

Chairman Friedman indicated since there was no Public Comment he asked for a motion to adjourn the meeting.

MOTION TO ADJOURN:

Moved:	Commissioner Cullinan
Second:	Chairman Friedman
Vote:	3 Ayes, 0 Nays

MEETING ADJOURNED 2:34 PM

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