

**BURLINGTON COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING –August 6, 2020
TELEPHONIC MEETING
2:00 PM**

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

In response to Executive Director’s inquiry Ms. Cullinan agreed Executive Director could run the meeting in Mr. Friedman’s absence.

ROLL CALL OF COMMISSIONERS:

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

FUND PROFESSIONALS PRESENT:

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

Rob Henry, Brown & Brown Metro
Tom Stenberg, Assured Partners
Tom Narolewski, Assured Partners
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES OF JUNE 4, 2020

MOTION TO APPROVE THE OPEN MINUTES OF JUNE 4, 2020

Moved:	Commissioner Burke
Second:	Commissioner Cullinan
Vote:	2 Ayes, 0 Nays

CORRESPONDENCE: NONE

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on July 9th via conference call and a variety of safety topics were discussed. Mr. Prince advised they were tentatively scheduled to meet again on September 17th via a Zoom Conference Call. Mr. Prince noted the minutes and agenda would be distributed prior to the meeting. Mr. Prince advised that completed his report unless there were any questions.

CLAIMS COMMITTEE: Ms. Conicella advised the Claims Committee last met in June and the PARS would be presented during closed session.

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

RFP FOR PROFESSIONAL SERVICES: Executive Director reported the Commission Service Agreements for the Executive Director Actuary, Auditor, Commission Attorney, Third Party Administrator including Managed Care Services and Defense Law Firms were expiring as of December 31, 2020. 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. Executive Director noted when the Executive Director RFP was advertised it would include instructions for the responses to be returned to the Commission Attorney's office instead of PERMA's office

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

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

ON LINE DRIVING TRAINING COURSES: Executive Director reported Mr. Burke requested an additional 250 usages of the online National Safety Counsel Defensive Driver Course offered through SafeServe.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 APPROVE THE ONLINE DEFENSIVE DRIVER TRAINING COURSE FOR 250 USAGES FOR A COST OF \$5,737.50

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

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 7 certificate of insurances issued during the month of June. In response to Executive Director's inquiry, Mr. Burke advised he reviewed the report and it was accurate. Executive Director requested a motion to approve the report.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

NJ COUNTIES EXCESS INSURANCE FUND: Executive Director reported the NJCE last met on June 23, 20 and a summary report of the meeting was included in the agenda. Executive Director asked if anyone had any questions on the report. Executive Director noted the NJCE was scheduled to meet again on September 24, 2020 at 9:30 AM.

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, 2020 there was a surplus of \$2,059,992. Executive Director referred to line 10 of the report, "Investment in Joint Venture" and indicated \$1,481,899 of the surplus was the BCIC's share of the NJCE equity. Executive Director noted the cash amount was \$5,614,689.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the May Financial Fast Track for the NJCE was included in the agenda. As of May 31, 2020 the NJCE had a surplus of \$16,382,595. Executive Director noted the total cash amount was \$30,379,953. 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 operate with a profit which is great news. Executive Director advised there would be a tough excess renewal for 2021 which might require higher retentions.

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

BANK POSITIVE PAY: Executive Director advised over the past few weeks several of our municipal JIFs have experienced fraudulent activities in their bank accounts. Fortunately, the majority of the JIFs are on "Positive Pay". Executive Director explained "Positive Pay" was a feature offered by banks to prevent any unauthorized checks from being honored. Executive Director noted the issuer of the checks transmits a file to the bank with specific information regarding checks issued and the bank will only honor those checks. Executive Director advise we strongly recommend implementing this feature on all Insurance Commission Bank Accounts. In response to Executive Director's inquiry, Mr. Troy advised the Commission did not have positive pay, however he was in touch with the Bank to implement the new program.

2021 RENEWAL- UNDERWRITING DATA COLLECTION: Executive Director reported the Fund Office had started the collection process for the 2021 renewal in order to provide the relevant information to the underwriters. Executive Director advised last year was the initial launch of Origami, the online platform where members' exposure data was uploaded for members to access and edit, as well as, applications to download and complete for ancillary coverages. Executive Director noted the ancillary coverage applications could be completed online except for the Cyber and Medical Malpractice with Covid-19 Supplemental applications. Executive Director explained the applications were extensive and needed to be downloaded and completed by hand and then uploaded to Origami or sent to the Fund Office. Executive Director reported the NJCE Underwriting Manager was requesting the entities provide all of the COPE, (construction, occupancy, protection, exposure) property information this year. Executive Director noted this included the building age/year built, construction type, zip codes and flood zones.

2021 BURLINGTON COUNTY 2021 MEMBERSHIP RENEWAL: Executive Director reported Burlington County's three-year membership with the New Jersey Counties Excess Joint Fund (NJCE) renewed on January 1, 2021. Executive Director advised the Fund Office sent a sample resolution and agreement to the County to adopt and confirm their intent to renew their membership with the NJCE. Executive Director stated the Fund Office also sent a sample resolution and agreement to the member entities of the Burlington County Insurance Commission to renew their membership in the Commission for another three years beginning on January 1, 2021.

NJCE BEST PRACTICES WORKSHOP: Executive Director reported the NJCE had set up a task force to address the feasibility of holding the seminar in 2020.

2020 MEL MRHIF & NJCE EDUCATIONAL SEMINAR: Executive Director advised the annual seminar originally scheduled for May 1st was cancelled and would be rescheduled for a date later in the year.

2020 PROPERTY & CASUALTY ASSESSMENTS – Executive Director reminded the Commission the third assessment payment for 2020 was due on October 15, 2020. Executive Director advised the Fund Office would send out the Statement of Accounts the first week in

September. Executive Director noted checks could be made payable to the Burlington County Insurance Commission and should be sent to Edward Troy, Treasurer.

2020 MEETING SCHEDULE: Executive Director reported the Commission would not meet in September and the next meeting was scheduled for October 1, 2020.

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

Executive Director's Report Made Part of Minutes

Mr. Laracy of PERMA advised he would provide the Benefits Report today.

FINANCIAL FAST TRACK – The health program income statement for June 30, 2020 was included in the agenda. Mr. Laracy reviewed the report and stated that the Commission’s financials are under budget this month due to the COVID slow down.

Mr. Laracy said that there were some old reinsurance receivables that the Program Manager’s team were able to get back to the Fund.

MEMBERSHIP UPDATE – BSSSD & BCIT - The schools have notified the Fund that their termination date of September 1 was not approved by the Union and they will remain members until further notice.

MEDICAL TPA RFP - The Medical TPA RFP responses were received by PERMA last week from the following carriers:

1. AmeriHealth
2. Aetna
3. Cigna
4. Horizon

BUDGET UPDATE - Mr. Laracy said the Commission claims through June 30 have been sent to the Actuary and we expect to present a draft budget to the Committee next month, but will review with Mr. Troy and the Commissioners prior to introduction. Some highlights:

1. Two budget will be presented – one with and one without the Schools
2. The budget will reflect projected savings from the TPA RFP results
3. The Medicare Advantage renewal will produce some savings
4. Completion of services that were not used during the quarantine will be included.

Benefits Consultant

CLAIMS AUDIT - *AIM Benefits Audit and Compliance Solutions* and AmeriHealth Administrators have been continuing the process of the claims audit. The audit confidentiality agreement has 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 is scheduled the week of July 27. Ms. Peterson presented the below estimated timeline for the claims audit and advised that her team 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	Scheduled
Draft Report issued to AHA (<i>estimated</i>)	TBD	Week of August 31
Final Report provided to Burlington County Insurance Commission (<i>estimated</i>)	TBD	Week of September 21

AMERIHEALTH - Medical TPA RFP

PERMA issued a Medical RFP for Third-Party Administrator on June 29, 2020. A timeline is included below. The RFP generated responses from AmeriHealth, Aetna, Horizon BCBS, and Cigna. CSB and PERMA will evaluate the responses and present a summary to the Commission for review.

Deliverable	Action Date
RFP Release Date	6/29/2020
Vendor Confirms receipt & intention to Submit a Proposal	7/2/2020
Vendor review & submission of questions related to the RFP to Commission	7/10/2020
Addendum with answered questions completed and advertised by Commission	7/15/2020
Complete Proposals Due to Commission	7/28/2020
	Proposals received after the due date will not be considered
Commission RFP review period	7/29/2020 - 8/3/2020
Commission presentation of market findings to County and Commission representatives	TBD
Finalist Proposals	8/6/2020
Vendor Ratification	9/3/2020
Effective Date	1/1/2021

STOP LOSS - Stop Loss Reimbursement Status

Ms. Peterson said that as the newly appointed Program Manager of the BCIC in April 2019, her team performed an audit and collection effort of outstanding Stop Loss receivables going back to the inception of Commission. With the assistance of PERMA, AmeriHealth, Express Scripts and SwissRe, we were successful in collecting the majority of the reimbursements owed to the Commission going back to 2015.

Contract Year	# of Claims with Receivable	Stop Loss Receivable
2016-2017	11	\$1,298,955
2017-2018	5	\$552,856
2018	9	\$829,616
Total	25	\$2,681,427
Recovery/Adjusted		\$2,545,581
Potential Write-Off		\$135,846

Recoveries include:

- 1) A claimant who was Medicare Primary though the Commission paid as primary due to inaccurate CMS reporting
- 2) Submission of additional information that the Stop Loss carrier required
- 3) Adjustment of claims for a birth of multiples
- 4) Negotiations with both the medical TPA and prescription PBM to reimburse for file issues resulting in untimely reporting for Stop Loss.

A large portion of the total receivables resulted from a lack of process and integration of prescription claim files. For the years in review, the prescription claim filing totaled \$483,884. Because of the age of the receivables and changes in account management teams at the TPA and PBM, it would not be feasible to further our research and discovery. Both AmeriHealth and Express Scripts have worked diligently to provide some background information and correspondence. As a commitment to the Commission, AmeriHealth has agreed to provide payment of \$253,000 and has provided a *Settlement Agreement and Release*. Express Scripts has made a tentative commitment of \$94,288; however, an additional internal approval is still required.

Plan Year	Amount as Of July 2019*	Amount as of July 2020*
July 2015 - June 2016	\$178,534	\$88,722
July 2016 - June 2017	\$1,068,119	\$354,148
July 2017 - December 2017	\$782,709	\$41,014
Total Receivable	\$2,029,362	\$483,884
	Commitment by AmeriHealth	\$253,000
	Proposed Commitment by Express Scripts	\$94,288
	Final Receivable	\$135,846

CSB has implemented a tracking system to assure that claims are filed timely and all requested information is complete and received within the agreed upon timeframes outlined in the contract. We are actively working with both SwissRe and Symetra (as of January 1, 2020) on current receivables.

Ms. Peterson said that it is her recommendation that the Commission accepts the proposed payments, write off the remaining balance and close the corresponding Plan Years in accordance with the Commission protocols. We will forward the AmeriHealth agreement to the Fund Attorney for approval.

MOTION TO ACCEPT THE PROPOSED REINSURANCE PAYMENTS, AS PRESENTED AND WRITE OFF THE REMANING BALANCE OF \$135,846 TO CLOSE OUT YEARS 2015, 2016, 2017 AND 2018.

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

Express Scripts - SaveOn SP Program

Conner Strong & Buckelew recommends the Commission implement the SaveOn SP program. 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. A presentation outlining the estimated Commission savings of \$428k is attached to this agenda.

Mr. Lodics provided a presentation that was included in the agenda, reviewing the program in detail. In response to Mr. Troy, Mr. Lodics said that the engagement starts when the member is filling a prescription through Accredo. Mr. Rostkowski said that the member is soft-transferred to a member at Save On to explain the program and increase their co-pay. Mr. Lodics said that although the program is voluntary, the participation has been high which is making it successful on all other Funds.

Pharmacy Update - Effective August 16, 2020, Sam's Club Pharmacies will no longer be part of the standard networks of pharmacies ESI offers. ESI will make sure that any member who uses Sam's Club today has a convenient cost-effective option available and will be receiving proactive communications within 30-60 days. Specific client impact is forthcoming.

Direct Contracting - Information Update

Ms. Peterson said that CSB and PERMA are working on behalf of the Commission as well the Health Insurance Funds to procure professional service in pursuing the goal of developing a direct contracted provider network. CSB plans to consult with an independent provider consultant to continue to develop the feasibility of this option. Specific topics with various professionals include:

- Assessing variation in cost and quality among providers
- Identifying potential savings from a full service embrace model vs. center of excellence model
- Evaluating savings from incentivizing the transition of certain patient services from outpatient hospitals and increased use of free-standing

- facilities
- Analyzing all savings options and outline the process of implementing each option

Legislative Update - Chapter 44 - Educator's Health Benefit Fairness Act; July 2020

The Executive Director and Program Manager offices have been closely following the legislation and preparing for implementation on January 1, 2021. We will be working with the 2 School Districts and their Benefits Risk Manager to assure compliance.

Key Legislative Components:

- Requires SEHBP and eligible employers that do not participate in the SEHBP to provide certain plans for public education employees and certain public education retirees.
- Requires these plans be offered to public education employees at a salary-based contribution schedule, which will be an alternative to Chapter 78/current negotiated schedule.
- The first plan, NJ Educator's Health Plan must be offered on January 1, 2021
 - A special open enrollment will be held for School Boards in the fall
 - All new employees hired on or after July 1, 2020 will be required to enroll in the Educators Plan on January 1, 2021.

Back to Work COVID-19 Testing - Insurers are not required to cover COVID-19 tests that employers may mandate as they bring employees back to work. The Families First Coronavirus Response Act (FFCRA) requires insurers to cover COVID-19 tests without patient cost-sharing, but guidance clarified that the law only applies to tests that are deemed "medically appropriate" by a healthcare provider. This latest guidance suggests that if an employer does mandate employees be COVID-19 tested as a requirement of return to work, it is not required to be covered by insurance. The attached letter was distributed to BCIC members.

Claim Ratification - Administrative Authorization

In July, an employee requested an additional review of AmeriHealth's clinical policy regarding oral surgery for a dependent. After an administrative review, it was concluded that COVID-19 prevented the procedure from taking place before the dependent exceeded the age requirement of the service. Realizing that this service would have otherwise been covered, we provided an administration authorization to have the service approved.

AMERIHEALTH ADMINISTRATORS – Ms. Penick reviewed the Amerihealth Administrator's report which was included in the agenda. In response to Mr. Troy, Ms. Penick said that the telephonic medicine had 38 COVID-19 related visits. She said the June and July reports will be available at the next meeting. Mr. Troy asked that the report be revised to include Year to Date totals.

In response to Ms. Cullinan, Ms. Penick said that the copay waiver for COVID-19 testing has been extended. Ms. Peterson said that the rapid testing does have cost sharing with ESI. She recommended that the Commission allow coverage of all tests regardless of the cost share and not require a prescription.

EXPRESS SCRIPTS – Mr. Rostkowski reviewed the Express Scripts report which was included in the agenda. He said there are two high cost specialty patients that represent a large part of the spend, but the non specialty spend is running much better. Mr. Rostkowski followed up from an earlier comment about the rapid tests which do have a higher false positive rate. Mr. Colalillo explained the status of vaccines and the phases.

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

MOTION TO APPROVE RESOLUTION 33-20 JULY PROPERTY & CASUALTY BILL LIST, 34-20 JULY BENEFIT BILL LIST, RESOLUTION 35-20 AUGUST BILL LIST, AND 36-20 AUGUST BENEFIT BILL LIST

Moved:	Commissioner Cullinan
Second:	Commissioner Burke
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, however he asked Ms. Dodd to send draft copies of the RFP to him for review.

CLAIMS SERVICE: Ms. Conicella advised as Executive Director mentioned, they were working on planning the Best Practices Workshop. Ms. Conicella reported the workshop would most likely be a webinar at the end of October. Ms. Conicella advised Executive Director did mentioned the renewal and indicated her team was using Origami to provide the Underwriting Team with the claim information. Ms. Conicella concluded her report unless there were any questions.

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 7/1/20. Ms. Signs reviewed the claim counts compared to 2019 for the member entities. Ms. Signs referred to the Year to Date Containment Savings Report, which was included in the agenda for the period of 1/1/20 to 7/01/20 and advised PMA billed charges were for \$350,013. Ms. Signs indicated the final paid charges were \$151,718, with a savings of \$198,295 or 57%. Ms. Signs advised the PPO penetration rate of 98% was exceptional. 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 his report unless anyone had any questions. In response to Executive Director’s inquiry, Ms. Signs advised there were no COVID claims and Mr. Burke also believed there were no COVID claims. In response to Mr. Troy’s inquiry regarding the benchmark percentages, Ms. Signs advised there was no control over what the provider actually charges. Ms. Signs advised in North Jersey the medical procedures are much higher than Burlington County and South Jersey. The State Average was based on the entire state.

NJCE SAFETY DIRECTOR: Mr. Prince reviewed the June - August 2020 Risk Control Activity Report which was included in the agenda. Mr. Prince referred to the July/August Webinar Training Schedule. Mr. Prince advised as he reported in the past, they have transitioned from instructor led classes to webinar style programs. Mr. Prince noted the instructions and registration information

were also included in the agenda along with the Group Training Procedures. Mr. Prince 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 37-20, 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 37-20 FOR CLOSED SESSION

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

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

MOTION TO NEGOTIATE WITH THE PROVIDER, PAY AN ADDITIONAL CLAIM PAYMENT AND SIGN A HOLD HARMLESS

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

MOTION TO PARS/SARS DISCUSSED DURING CLOSED SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED 3:37 PM

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