

**BURLINGTON COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING –February 4, 2021
TELEPHONIC MEETING
2:00 PM**

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

ROLL CALL OF COMMISSIONERS:

Ashley Buono	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
	Qual Lynx Chris Roselli
	PERMA Risk Management Services Robyn Walcoff Jenn Conicella
Attorney	CraigAnninBaxter Law Jeffrey Craig, Esq.
Treasurer	Edward Troy
Safety Director	J.A. Montgomery Consulting Jonathon Czarnecki Glen 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. Kyle Colalillo

ALSO PRESENT:

Carolyn Havlick, Burlington County
Tom Stenberg, Assured Partners
Rob Henry, Innovative Risk Solutions
Cathy Dodd, PERMA Risk Management Services

CORRESPONDENCE: NONE

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Czarnecki reported the Safety Committee was scheduled to meet on March 2nd. Mr. Czarnecki advised at that meeting they would discuss the causes of the most expensive claims during 2020 and how we could mitigate any potential losses related to these incidents. Mr. Czarnecki said they would also discuss the provisions of the new Safety Grant Program. Mr. Czarnecki concluded his report unless anyone any questions.

CLAIMS COMMITTEE: Ms. Conicella reported the Claims Committee did not meet last month; however, there was one property PAR that would be presented during closed session.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and there were four action items.

WELCOME ASHLEY BUONO, ESQ.: Executive Director said he wanted to welcome Ms. Buono, Chair of the Burlington County Insurance Commission. Executive Director said Ms. Buono would also be the representative for the NJCE.

RESOLUTION CERTIFYING THE ELECTION OF CHAIRPERSON: Executive Director referred to a copy of Resolution 18-21, Certifying the Election of Chairperson, Vice Chair, Commissioner and Alternate Commissioner which was included in the agenda. Executive Director noted the resolution listed the Commissioners. Executive Director asked if anyone had any questions and requested a motion to approve.

MOTION TO APPROVE RESOLUTION 18-21, CERTIFYING THE ELECTION OF CHAIRPERSON

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

RESOLUTION APPOINTING A COMMISSIONER TO THE NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND FOR THE FUND YEAR 2021: Executive Director said as he mentioned earlier, Ms. Buono would also serve as the Commissioner to the NJCE. Executive Director requested a motion to approve Resolution 19-21, Appointing a Commissioner to the New Jersey Counties Excess Joint Insurance Fund for the Fund Year 2021, Ashley Buono, Esq.

MOTION TO APPROVE RESOLUTION 19-21, APPOINTING A COMMISSIONER TO THE NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND FOR THE FUND YEAR 2021

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

RESOLUTION DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS: Executive Director referred to Resolution 20-21, Designating Authorized Signatures for Commission Bank Accounts which was included in the agenda. Executive Director said this resolution added Ms. Buono to the Commission Bank Accounts. Executive Director asked if anyone had any questions and requested a motion to approve Resolution 20-21.

MOTION TO APPROVE RESOLUTION 20-21, DESIGNATING AUTHORIZED SIGNATURES FOR COMMISSION BANK ACCOUNTS

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

2021 PLAN OF RISK MANAGEMENT: Executive Director reported the 2021 Plan of Risk Management was included in Appendix III of the agenda. Executive Director advised the Plan was an overview of the Commission's coverage, risks retained by the Commission, reserving philosophy, method of assessing member contributions, claims payment authority, etc. Executive Director said the changes were highlighted in yellow. Executive Director asked Mr. Cooney to review the changes. Mr. Cooney said there were many marketing efforts this year for the different line of coverages. Mr. Cooney noted the Equipment Breakdown deductible changed from \$25,000 to \$50,000. Mr. Cooney advised the Named Storm Occurrence Aggregate deductible of \$5,000,000 was added. Mr. Cooney advised the major changes this year were in cyber and public official coverages. Mr. Cooney said the significant change in the POL/EPL was the increase in retention on the Munich's Excess Liability policy replacing BRIT at a higher retention of \$1.5 million in lieu of \$550,000. Mr. Cooney advised there would be an overview of the coverage changes at the next NCE Meeting and posted on the NJCE website. Mr. Cooney advised if anyone had any questions to let him know. Executive Director asked if anyone had any questions and if not requested a motion to approve Resolution 21-21, Plan of Risk Management.

MOTION TO APPROVE RESOLUTION 21-21, PLAN OF RISK MANAGEMENT

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

CERTIFICATE OF INSURANCE ISSUANCE REPORTS: Executive Director advised the December certificate of insurance report was not available and would appear in the next agenda.

NJ COUNTIES EXCESS JOINT INSURANCE FUND: Executive Director reported the NJCE would hold their Reorganization Meeting on February 25, 2021 via Zoom audio/video at 9:30 AM.

BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the November Financial Fast Track was included in the agenda. Executive Director advised as of November 30, 2020 there was a surplus of \$2,777,761. Executive Director referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,661,259 of the surplus was the BCIC’s share of the NJCE equity. Executive Director noted the cash amount was \$5,820,224. Executive Director said at some point this year, he would discuss with his finance department the possibility of issuing a dividend.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the Financial Fast Track was not available.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included two claim-monitoring reports as of November 30, 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.

LEGISLATION S855: Executive Director reported the Attorney asked that this item be tabled to the next meeting.

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

Executive Director's Report Made Part of Minutes

FINANCIAL PROCEDURES - Mr. Laracy reviewed the health benefit’s financial fast track which captured the financials through the end of 2020. He said there is a surplus all year of \$11.5 million for all years. This year, 7.3 million was added to the surplus and there was a 4 million cash receivable from the county that paid out of surplus.

Mr. Laracy said there is the option to have another dividend for the members and gave the option to discuss at the meeting or hold another meeting. All commissioners and treasurer preferred to discuss further internally and have a special meeting.

MOTION TO HOLD A SPECIAL MEETING ON FEBRUARY 10, 2021 AT 10:00 AM

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

REVISED RESOLUTION – PROGRAM MANAGER CONTRACT AWARD – Mr. Laracy said at the last meeting, resolution 17-21 was passed awarding Conner Strong and Buckelew the Program Manager contract. There was an error regarding the total annual fee, which has been corrected (highlighted) and included below for action. Mr. Laracy apologized for the error.

MOTION TO APPROVE RESOLUTION 17-21, APPOINTING PROGRAM MANAGER, CONNER STRONG AND BUCKELEW

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

LOCAL BROKER RESOLUTION – Resolution 22-21 appoints certain brokers for their respective groups with the per employee, per month fee which is determined between the firm and the entity. Mr. Laracy noted the resolution should be corrected to reflect Innovative Risk Solutions, Inc.

MOTION TO APPROVE RESOLUTION 22-21, ESTABLISHING PLAN FOR COMPENSATING PRODUCERS WITH A CORRECTION TO REFLECT INNOVATIVE RISK SOLUTIONS, INC.

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

In response to Mr. Troy, Mr. Laracy said that the School District is still expected to terminate on March 1.

PROGRAM MANAGER’S REPORT

Claims Audit - Audit Review

AIM Benefits Audit and Compliance Solutions completed the claims audit. The review committee meeting is scheduled for February 1, 2021. Results of the meeting will be shared at the March Commission meeting. Ms. Peterson said there were minutes from the initial meeting enclosed. A full report will be provided at the next meeting.

Express Scripts - NPF Changes

BCIC utilizes Express Script’s National Preferred Formulary (NPF). Express Scripts regularly reviews the NPF for new excluded medications. Beginning April 1, 2021, 31 products will be excluded from the NPF. Members who have filled one of the prescriptions in the past 130 days will receive notice from ESI. The member impact of this change is shown below:

Disruption Type	Current Formulary Status	Proposed Formulary Status	Patients Impacted
PREFERRED TO NOT COVERED	Y	NC	38
NON-PREFERRED TO NOT COVERED	N	NC	6

Please note, there will **not** be courtesy refills for these drugs once they come off the formulary on 4/1/2021. Impacted members should discuss alternative medications with their prescribing physician prior to 4/1/2021. The 2nd annual NPF update will still occur effective 7/1/2021. Ms. Peterson said there is an medical necessity appeal option that would start with the physician.

SaveOn SP

CSB and ESI have been working in partnership to implement The SaveOn savings program effective 1/1/2021. Recently it was discovered there was a disconnect between SaveOn and

Accredo that affected the delivery of medication to a participant. ESI provided an administrative “fix” so Accredo could ship the medication. ESI will provide an update at the meeting.

Monitoring Activities - Stop Loss Recoveries

Quarterly, CSB reconciles the Stop Loss Receivables used for GL to AmeriHealth reporting and follows up on reinsurance filings and reimbursements. This process should reduce or eliminate the write-offs or carrier reimbursements from prior years. AmeriHealth is preparing a corrected report. The original report for 4th quarter 2020 did not properly report a laser claim and did not allocate the aggregating deductible.

CMS Demand Letters

CMS sends demand letters to the County regarding claims that were paid by Medicare but CMS determined the claims are the County’s liability. Typically, a County letter advising of the employee/retiree status, eligibility and enrollment is sufficient to satisfy the demand. There are situations when the County may be responsible or partially responsible for the claim.

In 2020, CSB facilitated 8 demand letters with AmeriHealth that were sent to the County. Half of the demands are resolved in the County’s favor and the other 4 are still in a pending status with CMS.

Advocacy Contacts

In 2020, there were 41 contacts to the CSB Advocacy team. The contacts are categorized as follows:

Category	Number
Retiree Questions	6
Claims Processing	2
Eligibility and Enrollment	11
General Benefit Questions	10
ID Cards	2
Open Enrollment	11

We monitor the activity to discern global issues or topics requiring direct communications to the employees. The above counts do not include issues escalated to the Program Manager or claim appeals.

AMERIHEALTH - Ms. Penick reviewed the monthly claims report. She said that the MDLive participation is at 0%.

EXPRESS SCRIPTS – Mr. Colalillo reviewed the ESI report. He reviewed current trend for each member. He said the majority of increases are specialty. Non specialty is flat. There are multiple cancer and HAE patients that are running high, but will be dropping off on March 1.

Mr. Colalillo gave a status update of the vaccine. He said J&J is 60-70% efficacy, but 90% on preventing severe cases.

Lastly, Mr. Colalillo updated the committee on the Saveon issue that a member had, which was not a common error. Ms. Cullinan asked that the time that employees are on hold be rectified. In addition, when employees call Saveon, they are encountering full mailboxes.

In response to Mr. Troy, Mr. Colallio said that there are 38 patients will they impacted by the formulary. He said the formulary changes for specific categories, for example, contraceptive drugs. There is one brand that has multiple generics in which a patient would not need the brand at the cost that it is. Clinically the same drug. All alternatives in the mailing. Many of the impacted patients could be from acute drugs that were taken in the past 12 months.

TREASURER REPORT: Mr. Troy reported the January Benefit Bill List was sent to him earlier and the checks were released. Mr. Troy advised at the January meeting Ms. Koval said the January checks were not ready yet, however requested once they were issued they be processed. It was agreed at that meeting the checks could be released and then the bill list approved in February. Mr. Troy recommended approval of Resolution 23-21, January Benefit Bill List, Resolution 24-21 February P&C Bill List along with Resolution 26-21, February Benefit Bill List which was e-mailed earlier in the morning.

**MOTION TO APPROVE RESOLUTION 23-21 JANUARY BENEFIT BILL LIST,
RESOLUTION 24-21, FEBRUARY P&C BILL LIST AND RESOLUTION 26-21
FEBRUARY 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. Craig welcomed Ms. Buono to Chair the Committee and wanted to thank Ms. Rocco for her assistance in correcting Resolution 17-21 and 22-21 and the corresponding service contract. Mr. Craig advised he would review the new legislation to see if any changes were needed to the Rules and Regulations of the Commission for the next meeting.

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 1/1/21. Ms. Signs reviewed the claim counts compared to 2020 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 1/1/21 and advised PMA billed charges were for \$839,382. Ms. Signs indicated the final paid charges were \$343,222 with a savings of \$496,160 or 59%. Ms. Signs advised the PPO penetration rate of 97% was exceptional compared to the State average. 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. Czarnecki advised the January - February 2021 All Risk Control Activity Report was included in the agenda. Mr. Czarnecki advised two Fork-Lift Training for the County were conducted on January 21st. Mr. Czarnecki advised the agenda included the the February and March Webinar Training Schedules were included in the agenda. Mr. Czarnecki reported the Safety Grant Program changed this year to the new carrier, Munich Re. Mr. Czarnecki said the new grant was in the amount of \$50,000, \$5,000 more than the previous grant. Mr.

Czarnecki advised the grant would not only be for general liability, but also for auto liability and law enforcement liability. Mr. Czarnecki said once the requirements were received from Munich Re, a letter would be issued to the member entity. Executive Director said he was very familiar with Munich Re as they have been the MEL carrier for over 30 years. Executive Director advised BRIT did have some online training classes and noted J.A. Montgomery would duplicate those classes. Mr. Czarnecki concluded his report unless there were any questions. In response to Mr. Troy's inquiry, Mr. Czarnecki provided a brief overview of the CDL clearing house. Ms. Cullinan suggested there be an off line conversation with their Risk Manager and HR Department. Executive Director asked J.A. Montgomery to reach out to Mr. Burke.

OLD BUSINESS: Ms. Dodd said the approval of the minutes were not done and asked if they could be done at this time.

APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF JANUARY 7, 2021

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF JANUARY 7, 2021

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

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 25-21, 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.

In response to Executive Director's inquiry, Ms. Conicella advised she would be using the Zoom Breakout Room for Executive Session. Ms. Dodd advised the Benefits Teams could leave the meeting at this time.

MOTION TO APPROVE RESOLUTION 25-21 FOR CLOSED SESSION

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

MOTION TO APPROVE THE PAR AS DISCUSSED IN CLOSED SESSION

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

Executive Director advised the next meeting was on March 4, 2021 at 2:00 and as of today would be virtual.

MOTION TO ADJOURN:

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

MEETING ADJOURNED 2:55 PM

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