

**BURLINGTON COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
MEETING –March 4, 2021  
TELEPHONIC MEETING  
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	Present
Damon Burke	Present
Dina Rocco, Esq. (Alternate)	Present

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
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Claims Services	PMA Management Corp. <b>Jenn Signs</b>
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	Qual Lynx <b>Chris Roselli</b>
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	PERMA Risk Management Services <b>Robyn Walcoff</b> <b>Jenn Conicella</b>
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Attorney	CraigAnninBaxter Law <b>Jeffrey Craig, Esq.</b>
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Treasurer	<b>Edward Troy</b>
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Safety Director	J.A. Montgomery Consulting <b>Jonathon Czarnecki</b> <b>Glen Prince</b>
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Employee Benefits	PERMA Risk Management Services <b>Paul Laracy</b> <b>Emily Koval</b>
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	Conner Strong & Buckelew <b>Diane Peterson</b> <b>Brandon Lodics</b> Amerihealth Administrators <b>Megan Penick</b>
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	Express Scripts, Inc. <b>Kyle Colalillo</b>
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**ALSO PRESENT:**

Carolyn Havlick, Burlington County  
Tom Stenberg, Assured Partners  
Rob Henry, Innovative Risk Solutions  
Bonnie Ridolfino, Hardenbergh Insurance Group  
Joe Henry, Hardenbergh Insurance Group  
Danielle Colaianni, Hardenbergh Insurance Group  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN MINUTES AND CLOSED MINUTES OF FEBRUARY 4, 2021 AND OPEN MINUTES OF FEBRUARY 10, 2021**

**MOTION TO APPROVE THE OPEN MINUTES OF FEBRUARY 4, 2021**

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

**MOTION TO APPROVE THE CLOSED MINUTES OF FEBRUARY 4, 2021**

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

**MOTION TO APPROVE THE OPEN MINUTES OF FEBRUARY 10, 2021**

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

**CORRESPONDENCE: NONE**

**COMMITTEE REPORTS:**

**SAFETY COMMITTEE:** Mr. Czarnecki reported the Safety Committee last met on Tuesday, March 2 and they discussed a variety of safety topics along with new Munich Re Safety Grant. Mr. Czarnecki advised they also discussed the causes of the County’s most costly claims in 2020. Mr. Czarnecki said the next meeting was not scheduled yet, however would probably be in June. Mr. Czarnecki asked if there were any questions and concluded his report.

**CLAIMS COMMITTEE:** Ms. Conicella reported the Claims Committee met earlier in the month and would present four PARS during closed session.

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

**REVISED 2021 RISK MANAGEMENT PLAN:** Executive Director reported a copy of a revised Risk Management Plan, Resolution 28-21 was included in Appendix II of the agenda.

Executive Director advised the plan was revised to reflect the Cyber change whereby the NJCE was taking the delta between last year's deductible and this year's deductible.. Executive Director noted the change was reflected on page 11 of the Plan and was highlighted in yellow. Executive Director asked the NJCE Underwriting Manager if he had any comments. Mr. Cooney advised he did not, but if anyone had any questions to let him know. In response to Chair Buono's inquiry regarding School Board Legal, Mr. Cooney advised this coverage was like the Public Officials Liability coverage, however the School Board Legal was for school exposure. Mr. Cooney noted the RCBC needed that coverage in the program. Chair Buono asked if Holly, their Health Officer, needed to be listed on the plan. Commissioner Cullinan confirmed Holly's health license was used and she was not a physician. Mr. Cooney advised Holly is covered and does not need to be named. This policy also covers normal activities undertaken by the Health Department, such as vaccines. Nurses or anything below that and general department of health activities are covered under the general liability coverage. Commissioner Cullinan noted that Dr. Conway's name was spelled incorrectly and should be Conaway. Mr. Cooney advised he made a note and would correct. In response to Chair Buono's inquiry, Mr. Cooney said the County did not purchase Employed Lawyers Liability coverage offered through the NJCE, however he could obtain quotes if she was interested. Executive Director suggested obtaining a quote for the coverage. Chair Buono advised she would also discuss the coverage further with Commissioner Burke. Chair Buono asked if there were any other questions. Executive Director then asked for a motion to approve Resolution 28-21, Revised 2021 Risk Management Plan subject to the edit regarding the physician's name.

**MOTION TO APPROVE RESOLUTION 28-21, REVISED 2021 RISK MANAGEMENT PLAN**

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

**EMPLOYEE DISHONESTY COVERAGE:** Executive Director reported the Employee Dishonesty Coverage with Selective Insurance Company renewed on April 5, 2021. Executive Director advised the policy covered the positions of Executive Director, Third Party Administrator and Treasurer. Executive Director said the limit per loss was \$1,000,000 with a \$10,000 deductible. Executive Director noted the annual premium was \$1,686, a slight increase in premium of \$35.00 over the expiring policy. Executive Director advised the premium for the renewal would be paid out of the Miscellaneous and Expense Account and appeared on this month's bill list. Executive Director asked if anyone had any questions.

**MOTION TO APPROVE EXPENDITURE FOR EMPLOYEE DISHONESTY COVERAGE IN THE AMOUNT OF \$1,686**

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

**REVISED CLAIMS COMMITTEE CHARTER:** Executive Director referred to a copy of the Revised Claims Committee Charter, which was included in the agenda. Executive Director advised the Charter was revised to update the Committee Members and reference the meetings would be held via Zoom until further notice. Commissioner Rocco advised she had a procedural question and noted when the Committee was formed it was approved by Resolution. Another

resolution was approved in 2014 for additional changes. Commissioner Rocco asked if a resolution should be prepared for this change. Executive Director said that was a good question and advised he would research, but did not feel a resolution was necessary however, he would discuss with the Commission Attorney. Executive Director thought the Charter could be approved today. Commission Attorney indicated he would review the Rules & Regulations and agreed with approving the Charter today. Commission Attorney said a resolution could be prepared for the next meeting. Executive Director requested a motion to approve the Claims Committee Charter and noted he would research if the resolution was necessary.

**MOTION TO APPROVE REVISED CLAIMS COMMITTEE CHARTER**

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

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** Executive Director advised the certificate of issuance report from the NJCE listing the certificates issued for the month of January was included in Appendix III of the agenda. Executive Director reported there were 108 certificate of insurances issued during the month of January.

**MOTION TO APPROVE CERTIFICATE OF INSURANCE REPORT**

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

**NJ COUNTIES EXCESS JOINT INSURANCE FUND:** Executive Director reported the NJCE held their Reorganization Meeting on February 25, 2021. Executive Director advised Ms. Dodd e-mailed a written summary of the report yesterday and he would provide a verbal report. Executive Director said Chair Buono attended her first NJCE meeting. Executive Director reported elections for the Chair and Secretary were conducted. Executive Director said they also discussed the 2021 budget and the results of the marketing effort, which went up to the last day. Executive Director advised they were dealing with a delta, in other words, the program ended up a lot higher than was certified in the budget. Executive Director said he would be addressing the delta with the NJCE Finance Committee on how they wish to proceed. Executive Director advised the NJCE Underwriting Manager indicated this was the final year for Zurich providing pollution liability coverage, as they were moving away from this industry. Executive Director reported the NJCE Underwriting Manager planned to do a widespread marketing on this line of coverage and exploring the feasibility of making a submission to the NJ Environmental Joint Insurance Fund, (EJIF). Executive Director explained this was a MEL-affiliated program, managed by PERMA and consisted of 13 New Jersey Joint Insurance Funds. Executive Director noted the EJIF provided comprehensive training and education. Executive Director said he would keep everyone updated.

Chair Buono said she reviewed the summary Ms. Dodd sent and attended the February 25 NJCE meeting and even though she attended, asked Executive Director to review the paragraph addressing the delta for those not in attendance. Chair Buono also asked if there was a meeting set up with the finance committee yet.

Executive Director advised the Finance Committee met several times during the months of November and December and Mr. Cooney provided updates on his marketing efforts. Executive Director explained we were in a hard market, probably the worst since the mid 80's, and typically, in a hard market the negotiations go up to the last minute. Executive Director advised the budget was introduced with an 8% increase and hoped Mr. Cooney would come back with a program that would fit, a combination of higher retentions in the commercial markets and expanding the retentions in the NJCE. Executive Director explained expanding the retentions in the NJCE tend to be less expensive than buying commercial coverage if it was still available. Executive Director said the Finance Committee met late in December and Mr. Cooney had not completed his entire marketing effort yet and it was decided the budget should be adopted as introduced at 8%, however the results came in much higher. Executive Director advised there were a number of options to discuss with the NJCE Finance Committee. Executive Director said a meeting was not scheduled yet but should be in the April/May timeframe. Executive Director stated, typically an excess JIF would absorb the delta and depending on how the JIF performed for that particular fund year there were other types of strategies. Executive Director advised claims progress very slowly over time so we would not know where we stood with the delta for years down the road. Executive Director advised this was something we did not have to take action on right away and charge additional assessments. Chair Buono said for clarification, the meeting was not scheduled yet, and there would be one to discuss all of the different options to address the delta. Executive Director advised the other important decision the Finance Committee made was they still wanted to go ahead an issue a \$1.5M dividend to the members for the 2020 year. Executive Director said the important thing to know were the two critical factors of a joint insurance fund, the amount of surplus and the amount of cash. Executive Director noted the NJCE had plenty of cash, so claims can be paid and there is still a \$14M surplus at the NJCE level, which is a sign of strength. Executive Director said there was not a rush to go back to the membership for additional monies.

**BCIC PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the December Financial Fast Track was included in the agenda. Executive Director advised as of December 31, 2020 there was a surplus of \$3,179,882. 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 \$5,790,538.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the December Financial Fast Track for the NJCE was included in the agenda. As of December 31, 2020 the NJCE had a surplus of \$14,058,330. Executive Director noted the total cash amount was \$28,740,251 Executive Director reported line 7 of the report "Dividend" presented the figure released by the NJCE of \$5,107,551. Executive Director asked if there were any questions on the Financial Fast Tracks.

**LEGISLATION:** Executive Director reported Governor Murphy signed legislation which required the title of "chosen freeholder" to be changed to "county commissioner" and all "board of chosen freeholders" to be known as "boards of county commissioners" effective January 1, 2021. Executive Director noted we spoke about this last month and asked the Commission Attorney to comment. Commission Attorney provided a brief overview of the law and recommended the Commission's Rules and Regulations be amended. Commission Attorney advised this did not have to be done immediately but needed to be done during a regular meeting in accordance with the Open Public Meeting Act. Commission Attorney noted any amendments needed to be done by January 1, 2022 or the last meeting of the year. Commission Attorney reported he provided with his opinion letter a marked up rules and regulations to the Executive

Director along with a draft resolution. Commission Attorney pointed out the meeting needed to be advertised. Commission Attorney advised if there were other Commission documents to change they should be included in the resolution. Commission Attorney said a Commissioner should propose the resolution at the May meeting in accordance with the rules and regulations and then voted on during the June meeting. Executive Director advised the Fund Office would review any other documents that might require a change. Commissioner Cullinan agreed with the Commission Attorney as they made changes in the Commissioner's Office, however signs are being changed when a new sign is necessary. Commission Attorney noted you do not have to go back and change documents as the law is not retroactive, such as contracts. In response to Chair Buono's inquiry regarding a resolution approved in December on a contract effective in January, Commission Attorney advised the change does not have to be made until January 1, 2022. Executive Director noted the Commission contracts were fine as they were between the vendors and the Commissions.

Executive Director advised Senate Bill S3375 in its current form would double workers' compensation for both private and governmental entities. Executive Director reported the bill would mandate the use of "usual, reasonable or customary" rates for medical services, eliminate the use of nurse case managers, increase legal costs by instituting attorney fee shifting and eliminate the cap on expert witness fee. Executive Director advised a written summary of Senate Bill S3375 prepared by John Geaney, Esq. of Capehart Scatchard was included in the agenda. Executive Director indicated Mr. Geaney set up a task force and PERMA was serving on the task force to oppose the bill. Executive Director noted Mr. DiDonato was also serving on the task force representing NJAC. Executive Director said there was a meeting planned with the sponsor, Troy Singleton, and he would provide updates to the Commission as they became available.

Executive Director reported another recent change by the Department of Labor would increase workers' compensation by 11% by directing government entities to pay workers' compensation on many accidental disability claims currently paid by the accidental disability pensions. Executive Director advised they would be meeting with the Insurance Commissioner to discuss how problematic this was.

**2021 MEETING SCHEDULE:** Executive Director said the Commission was not scheduled to meet in April and the next meeting was on May 6, 2021 at 2:00 PM.

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** – The health program income statement for January 2021 was distributed prior to the meeting. Ms. Koval said the report illustrated a very positive financial position in January. Dividends were issued this month that were approved at the special meeting last month and have been sent to Mr. Troy for signature.

### **PRESCRIPTION CONTRACT**

The Commission recently was able to obtain the same pricing as the Municipal Reinsurance HIF Express Scripts contract. The MRHIF will be releasing an RFP for this contract and will be including BCIC in their request. Ms. Koval said that the Program Manager will handle in further detail.

## **PROGRAM MANAGER'S REPORT**

**Claims Audit** – Ms. Peterson said that *AIM Benefits Audit and Compliance Solutions* completed the claims audit. The review committee met on February 1, 2021 to discuss the results of the audit. There were some follow-ups from all parties involved. She requested a closed session to discuss the findings further.

In response to Mr. Burke, Ms. Peterson said that any reconciliation or reimbursement from a claim that was adjudicated incorrectly would be notified to the Commission in May.

### **Pharmacy Benefit Manager (PBM) Contract -**

Ms. Peterson said that she was recommending the Burlington County Insurance Commission join with the Municipal Reinsurance Fund (MRHIF), who oversees 8 other HIFs throughout the State and represents roughly 14,000 prescription subscribers. The addition of BCIC's 1,336 enrollees will benefit both the MRHIF and BCIC:

- We have negotiated with Express Scripts to allow BCIC's contract to mirror the MRHIF for 2021, which resulted in a ~2%/\$150K improvement on drug spend (improved discounts + increased rebates).
  - This motion will solidify the relationship, and will eliminate the need for ESI approval.
  
- The MRHIF contracts with a Pharmacy Benefit Consultant – ELMC Rx
  - Services include: claims and clinical audits, contract negotiations, preparation and facilitation of PBM RFPs
  
- 2022 PBM Request for Proposal (RFP)
  - With the addition of the BCIC enrollees, the Rx Consultant will have stronger negotiating power
  - There is a cost associated with Rx Consultant services; for the RFP participation, the BCIC's share = \$3,435
  - Improved contract terms will more than offset the cost.

Participation in this arrangement will not eliminate BCIC from making individual decisions to meet the needs of the membership. All existing prescription formularies, copay plan designs, covered medications will remain as they are today.

Executive Director clarified to Chair Buono that the request was not to join the RFP, but rather to be included in contract RFPs that the MRHIF released on behalf of all its members.

NOTE: This will have no impact on the United Healthcare Medicare Prescription Drug Program.

**AMERIHEALTH** - Ms. Penick reviewed the monthly claims report and high claimant report included in the agenda.

**EXPRESS SCRIPTS** – Mr. Colalillo reviewed the ESI report, which was broken out between with and without schools, as per the request from Mr. Troy at the last meeting. He said there were no new high cost claimants and the HAE patient should level set after the initial onset. IN addition, Mr. Colalillo reviewed the vaccination report that was included and provided a J&J vaccine update. Mr. Colalillo updated the Commission on new therapies for COVID.

**TREASURER REPORT:** Mr. Troy reported he had the bill lists for the regular expenses and as Ms. Koval noted the Benefits Dividend checks in the amount of \$4M which was approved at the special meeting. Mr. Troy advised the checks would be mailed once he received approval today. Mr. Troy said he also looked over the other expenses and found them to be in order and recommended approval.

**MOTION TO APPROVE RESOLUTION 29-21 MARCH DIVIDEND BILL LIST  
BENEFIT BILL LIST**

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

**MOTION TO APPROVE RESOLUTION 30-21 MARCH BENEFIT BILL LIST**

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

**MOTION TO APPROVE RESOLUTION 31-21 MARCH PROPERTY &  
CASUALTY BILL LIST**

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

Executive Director advised in the future the three resolutions could be approved together.

In response to Mr. Troy’s inquiry, Executive Director said a resolution was approved with the reorganization resolutions allowing the Treasurer to process payments when the Commission did not meet.

**ATTORNEY:** Mr. Craig advised he did not have anything else to report other than the information he provided earlier regarding the freeholder name change.

**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 2/1/21. Ms. Signs reviewed the claim counts compared to 2020 for the member entities. Ms. Signs noted the Board of Social Services, Bridge Commission and College did not have any claims yet. 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 2/1/21 and advised PMA billed charges were for \$94,747. Ms. Signs indicated the final paid charges were \$45,589 with a savings of \$49,158 or 52%. Ms. Signs advised



the PPO penetration rate of 100% was fabulous 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. Prince advised the February - March 2021 All Risk Control Activity Report was included in the agenda. Mr. Prince reported all of the training webinars were listed through March 31. Mr. Prince noted all of the training sessions were posted to the NJCE website and encouraged all department heads to view the training opportunities. Mr. Prince referred to copy of the letter included in the agenda regarding the Munich Re Safety Grant Program. Mr. Prince advised that concluded his report unless there were any questions

**OLD BUSINESS:** None

**NEW BUSINESS:** Executive Director advised the Board of Social Services had a new Risk Manager this year, Hardenbergh Insurance Group, and wanted to welcome Bonnie Ridolfino, Joe Henry and Danielle Colaianni. Executive Director said he forgot to mention during his report that he had reached out to the VoTech and Special Services District regarding potential membership in the Burlington County Insurance Commission. Executive Director advised when the Commission was formed we were not competitive and the schools were already in an existing JIF, however it does not hurt to take another look and they were interested. Executive Director said he would update the Commission at the next meeting.

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

**CLOSED SESSION:** Chair Buono read Resolution 32-21, 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. Executive Director advised the Benefits Team also had an item for closed session and suggested they do their presentation first. Executive Director asked Ms. Conicella to transfer the Benefits Team into the breakout room.

#### **MOTION TO APPROVE RESOLUTION 32-21 FOR CLOSED SESSION**

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

#### **MOTION TO APPROVE THE WORKER COMPENSATION PARS AS DISCUSSED IN CLOSED SESSION AND THE LIABILITY PAR PENDING ADDITIONAL INFORMATION**

Moved:	Chair Buono
Second:	Commissioner Cullinan
Roll Call 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:  
Second:  
Vote:

Commissioner Cullinan  
Commissioner Burke  
3 Ayes, 0 Nays

**MEETING ADJOURNED 3:38PM**

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