SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
FEBRUARY 28, 2011
MAGNOLIA BOROUGH COMMUNITY CENTER
6:15 PM

Meeting of Executive Committee called to order by Michael Mevoli. Open Public Meetings notice read into record.

ROLL CALL OF 2011 EXECUTIVE COMMITTEE:

Michael Mevoli, Chairman	Borough of Brooklawn	Present
M. Joseph Wolk, Secretary	Borough of Mt. Ephraim	Absent
Richard Michielli	Borough of Magnolia	Present
Louis Di Angelo	Borough of Bellmawr	Present
Anthony Beatrice	Borough of Runnemede	Present
Terry Shannon	Borough of Barrington	Present
Jennifer Johnson	Paulsboro BOE	Present

EXECUTIVE COMMITTEE ALTERNATES:

Jack Lipsett	Gloucester City	Present
Joseph Gilson	Cherry Hill Fire District	Present
Neal Rochford	Haddonfield	Present
Joseph Collins	Delsea Regional	Present

APPOINTED PROFESSIONALS PRESENT:

Executive Director/Adm.	PERMA Risk Management Services **Paul Laracy** **Emily Koval**
Program Manager	Conner Strong **Diane Peterson** **Paul Chae** **Brandon Lodics** **Jason Miller**
Attorney	**J. Kenneth Harris, Esq.**
Claims Administrator	Aetna **Gary Lopez**
Treasurer	**Joanne Diggs**
Amerihealth	**Kari Goldberg**

ALSO PRESENT:
William G. Dunn, Mount Holly MUA
John F. Hall, Woodstown
Jean Grubb Black Horse Pike Regional School District
Teresa Scorpinato, Black Horse Pike Regional School District
Michael Banini, Member
Nancy Ghani, PERMA
Joseph Linker, Conner Strong

Commissioner Michelli welcomed the Committee to Magnolia Borough.

APPROVAL OF MINUTES: January 24, 2011 Open and Closed

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JANUARY 24, 2011:

Moved:	Chairman Mevoli
Second:	Commissioner Michelli
Vote:	Unanimous

CORRESPONDENCE: None

PRO FORMA MONITORING REPORTS: The following reports were included in the agenda: Regulatory Compliance Checklists, as of February 2011; Financial Fast Track Report, as of December 31, 2011 and January 31, 2011; Indices and Ratios Report, as of December 2011; Budget/Billing Reconciliation , as of February 2011. Executive Director said the year end report numbers presented are immature right now. The Actuary has been given these reports to begin the 2010 audit which will be presented in June.

RATES AND ASSESSMENTS FOR BOARDS OF EDUCATION: Rates and assessments for the Boards of Education have been developed. Our report with the Actuarial renewal memo is included in the agenda.

Executive Director said the numbers reflect a 9.21% increase which is below the 10-11% trend, but slightly higher than the municipalities for medical. The dental increase was similar to the municipalities.

In response to Chairman Mevoli, Executive Director said the State Health Benefit rate was approximately 8.6%, so the 9.21% increase is within the cap. He said he was unsure why, but the School Boards were more vulnerable to the state plan this year. Although, he still feels the State Health Benefits Plan is not healthy.

Commissioner Johnson said that although the rate is below the capped increase, her entity was still seeing a 3-4% increase over their already budgeted benefit amount, which is hard to sustain each year. She asked if there was something that the members could do to help reduce the trend for next Fund Year. Executive Director said the member could negotiate and control their Broker fees, but the most cost effective change would be to discuss plan design changes with the unions. Commissioner Johnson suggested giving more flexibility on how dividends are applied. She said a committee of the Board of Ed members should be developed to discuss how these increases can be controlled.

Commissioner DiAngelo said that if these increases continue to be in the 12-13% range, the members may have to require employee contributions, but give them options by tiers. He said currently there is one plan option with one cost. The members could offer multiple plans with coverage tiers letting the employee choose their tier and associate a different contribution at each level.

Program Manager said she will prepare a multiple plan tier list for next month's meeting. She said the employee contributions will make the difference in these plans. Executive Director said that all employee contributions are outside the budget cap. In addition, the finance committee could work together next year to discuss a loss ratio system which budgets based on experience, rather than the equalizing all members' assessments.

Chairman Mevoli suggested the rates and assessments be ratified in a resolution rather than a motion.

MOTION TO ADOPT RESOLUTION 16-11, CERTIFYING THE 2011 SCHOOL BOARD MEMBER RATES AND ASSESSMENTS EFFECTIVE JULY 1, 2011, AS CONTAINED IN THE REPORT.

Motion:	Commissioner Gilson
Second:	Commissioner DiAngelo
Vote:	10 Ayes, 0 Nays

SAIF MEETING: The School Alliance Insurance Fund Subgroup met on February 2, 2011 to discuss the group's progress. Minutes from this meeting were included in the agenda.

Executive Director said the projected rates discussed in the meeting minutes were an over estimation and the rates just certified are the same for this subgroup. He said this rate does include a $600,000 recent claim among this group, which mostly effected the MRHIF level. Chairman Mevoli asked for attendance at the Executive Committee meetings by at least one commissioner from this subgroup.

MOTION TO ADOPT RESOLUTION 17-11, CERTIFYING THE 2011 SCHOOL ALLIANCE INSURANCE FUND SUBGROUP AND COASTAL SUBGROUP SCHOOL BOARD RATES AND ASSESSMENTS EFFECTIVE JULY 1, 2011, AS CONTAINED IN THE REPORT.

Motion:	Commissioner Gilson
Second:	Commissioner Rochford
Vote:	10 Ayes, 0 Nays

COASTAL HIF CONTRACTS: Currently, the Fund has appointed the Allens Group as the Fund Coordinator for the Coastal Subgroup. The Fund would usually include this position within the 'fair and open' process of awarding contracts by advertising and receiving RFQ responses. The Executive Committee could consider awarding the contract by the alternate process and request a Political Contribution Form be completed and verified by the Allens Group.

Mr. Linker said that all the members in the subgroup were the Allens Group's clients at the time of membership. If the Fund decides to RFQ for the broker and do not choose them, a lot of work would have been spent by the broker without pay. He suggested including this broker position within the 2012 RFQ process, but since these members are about 20% of the Allen's Group book of business, it would be awkward to not award the position for this year.

Chairman Mevoli said he did not agree with awarding through an unfair and open process because it is not the Fund's usual practice. Commissioner Beatrice agreed that all Fund contracts should be procured in the same manner. In response to the Chairman, Fund Attorney said this contract is an exception and months of work has already been performed, so there should not be a problem awarding this contract as unfair and open for now. The Fund should change it to Fair and Open in 2012.

Resolution 14-11 is included to award and amend the 2011 professional contracts and fees to reflect the Coastal Subgroup. The Fund Treasurer, Auditor, Actuary and Attorney will be affected by this resolution.

These contracts will be paid through the assessments from the Coastal Subgroup members.

MOTION TO ADOPT RESOLUTION NO. 13-11 AWARDING AND AMENDING FUND YEAR 2011 CONTRACTS AND FEES TO REFLECT SCOPE OF WORK CHANGES ASSOCIATED WITH THE CREATION, OPERATION, AND MANAGEMENT OF THE SOUTHERN COASTAL SUBGROUP

Moved:	Commissioner Beatrice
Second:	Commissioner Lipsett
Vote:	10Ayes, 0 Nays

MOTION TO ADOPT RESOLUTION 18-11 TO AWARD A PROFESSIONAL SERVICES CONTRACT TO THE ALLENS GROUP AS FUND COORDINATOR UNDER THE UNFAIR AND OPEN STATUTE.

Moved:	Commissioner Johnson

Second:	Commissioner DiAngelo
Vote:	8 Ayes, 2 Nays
	(Nays: Chairman Mevoli & Beatrice)

In addition, the Fund Attorney has suggested we improve documentation associated with our "fair and open" contract awarding process. Email correspondence of recommendations which will be discussed under his report.

MUNICIPAL REINSURANCE HIF: The MRHIF met on February 2, 2011 for their annual reorganization meeting. Commissioner Wolk's report is included in the agenda.

DEPARTMENT OF BANKING AND INSURANCE EXAMINATION: The DOBI examination of the HIFs is proceeding efficiently. Executive Director said it should be complete very shortly.

OSC FILING: The Office of the State Comptroller requires that, for contracts between $2 million and $10 million, public entities report such transactions to them. Attached are the forms completed and filed for the Program Manager and Aetna on February 14, 2011.

PRIMA CONFERENCE: The next PRIMA convention will take place in Portland, Oregon from June 5th to June 8th, 2011. Please check your calendars and determine if you are interested in attending this year's conference. Resolution 14-11 authorizing travel and related expenses for the conference is included

MOTION TO ADOPT RESOLUTION #14-11 AUTHORIZING TRAVEL AND RELATED EXPENSES FOR ATTENDANCE OF ONE MEMBER AT THE ANNUAL RISK MANAGEMENT CONFERENCE.

Motion:	Commissioner Beatrice
Second:	Commissioner DiAngelo
Vote:	10 Ayes, 0 Nays

FINANCIAL DISCLOSURE STATEMENTS: Included in your agenda packet is a Financial Disclosure form. We would encourage all Fund Commissioners to complete these forms and provide two copies with original signatures to the Fund office on or before April 1, 2011. In accordance with State regulations, the Fund must file these disclosures with the Department of Community Affairs. The website for the on-line form is:
http://www.state.nj.us/dca/lgs/ethics/pdfs/fds_fill-in_form.pdf

Executive Director's Report Made Part of February 28, 2011 Minutes.

PROGRAM MANAGER:

WELLNESS PROGRAM: The dates and locations are in the process of being finalized for the Wellness Kick-Off meeting with Onlife Health. The letter to the groups will be mailed by February

28th requesting each Southern member to appoint a Wellness Coordinator. The Web Portals marketing materials are in the design stage and will be reviewed at the Kick-Off meeting. Enrollment files for the wellness program have been reviewed and are in the testing stages.

SPECIAL OPEN ENROLLMENTS: Willingboro Township had a change in contribution schedules that required the township to hold a special open enrollment. The effective date of this enrollment will be 4/1/2011, members are only allowed to switch from their current to the non-contributory plan; all else equal.

Black Horse Regional School District is holding a special open enrollment for adding Dependent 26 coverage to their plan. They are required to offer this enrollment for members who may have adult child dependents that are affected by this change in eligibility rules.

MEMBER VISITS

Cherry Hill Fire District

Diane Peterson and Brandon Lodics will be visiting Cherry Hill Fire District to discuss the new FSA product with a group of employees. An additional meeting to be held with employees and spouses is scheduled for March 3rd.

Gateway BOE & Woodbury Heights

Diane and Scott Davenport, a consultant for Gateway BOE, will also be meeting with Gateway BOE and Woodbury Heights to discuss various plan options, renewals, and evaluate the current service structure.

Borough of Bellmawr

Diane will be meeting with the Mayor and PBA representatives to review the HIF and SHBP. In addition, Conner Strong is reaching out to Horizon in an effort to have a SHBP representative present at the meeting. The meeting date will be finalized once all schedules are coordinated.

MARKETING REPORT

The majority of Municipalities and Boards of Educations are contacted during marketing campaigns. As of February 15, 2011, the following groups have provided data for actuarial rating:

Name of Prospect	Proposed Effective Date
Winslow Township	1/1/2011
Pemberton Township	1/1/2011
Mt. Holly MUA	1/1/2011
Brookdale Community College	1/1/2011
Bridgeton BOE	2/1/2011
Burlington County Bridge Commission	2/1/2011
City of Bridgeton	3/1/2011
Quinton BOE	3/1/2011

Borough of Pennsgrove	3/1/2011
Mt. Laurel BOE	4/1/2011
Berlin Borough BOE	4/1/2011
Northern Burlington Regional School District	5/1/2011
Brigantine BOE	6/1/2011
Southampton BOE (RX & DNT ONLY)	7/1/2011

CLAIM APPEALS

There are THREE claim appeals to be reported in closed session.

Program Manager's Report Made Part of February 28, 2011 Minutes.

TREASURER'S REPORT –Treasurer submitted report detailing receipts and disbursements by Fund Year as of February 2011. Commissioner Gilson said according to the treasurer reports, the ending balance is not staying within a 2.5 reserve. Fund Treasurer said the rates usually catch up as the year progresses. As of now, the financials look healthy.

Payment of February 2011 Vouchers:

TOTAL 2010	$92.88
TOTAL 2011	$1,028,004.83
Supplemental	$247.00
TOTAL	$1,028,344.71

MOTION TO APPROVE RESOLUTION 15-11 AND SUPPLEMENTAL BILLS LIST, APPROVING THE FEBRUARY PAYMENTS AND THE BALANCE OF THE TREASURER'S REPORTS:

Moved: Commissioner Beatrice
Second: Commissioner Lipsett
Roll Call Vote: 10 Ayes, 0 Nays

Treasurer's Report Made Part of February 28, 2011 Minutes.

AETNA:

MONTHLY REPORT – Mr .Lopez reviewed monthly claim activity report for Southern HIF, Coastal and SAIF subgroups, including key statistics for the Fund as of December 31, 2010.

For December 2010, Aetna paid claims in the amount of $4,413,559. For charges in excess of $10,000 for the month, total billed amount was $5,116,437.39 and the total paid amount was $1,835,278.50.

Mr. Lopez reviewed the key statistics report. In response to Commissioner Shannon, Mr. Lopez said the increases are mostly due to Fund growth. In addition, the In -Network usage increased over the past year. Program Manager attributed this increase to a strong network in the area. Commissioner Shannon suggested an HMO plan design to almost eliminate out of network costs.

AMERIHEALTH: No report

Claims Administrators Report Made Part of February 28, 2011 Minutes.

ATTORNEY: Fund Attorney said as the Fund grows, regulatory compliance will grow. He said some of the meeting minutes of the discussion about awarding contracts in 2009 was not complete and hopes to help eliminate compliance issues. He said the State may perform random audits of compliance. An email from Fund Attorney was included in the agenda listing steps of how future documentation of RFQ and awarding contracts should be taken. In response to Commissioner Gilson, Fund Attorney said nothing has occurred, these steps would be preventative. He said that the RFQ submissions will be reviewed by the professionals and a summary will be prepared for the board. Executive Director said that there are also website regulations that the Fund will need to comply with.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC:

Mr. Badini said that Aetna has not paid an old doctor bill and would like to speak to someone. Mr. Chae said he will work with Mr. Badini on this issue.

MOTION TO ENTER EXECUTIVE SESSION:

Moved:	Commissioner Beatrice
Second:	Commissioner Shannon
Vote:	Unanimous

MOTION TO ENTER OPEN SESSION.

Moved:	Commissioner DiAngelo
Second:	Commissioner Johnson
Vote:	Unanimous

MOTION TO ADJOURN:

Moved:	Commissioner DiAngelo
Second:	Commissioner Michelli
Vote:	Unanimous

MEETING ADJOURNED: 7:45 PM

NEXT MEETING: March 28, 2011 Borough of Lindenwold

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Emily Koval , Assisting Secretary
for

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JOSEPH WOLK, SECRETARY