

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
MARCH 28, 2011
LINDENWOLD BOROUGH HALL
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	Present
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
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Program Manager	Conner Strong Diane Peterson Paul Chae Brandon Lodics Jason Miller
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Attorney	J. Kenneth Harris, Esq.
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Claims Administrator	Aetna
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Treasurer	Joanne Diggs
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Amerihealth	Lisa Didio
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Delta Dental	Don Hickey
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ALSO PRESENT:

William G. Dunn, Mount Holly MUA
Jean Grubb Black Horse Pike Regional School District
Stephen Derkoski, Member
Nancy Ghani, PERMA
Joseph Linker, Conner Strong
Tyrone Wakefield, Lawnside Boro
Gary LaVenia, Maple Shade
Dawn Thompson, Borough of Lindenwold
Chuck Hartsoe, PEGAS
Pat Eckel, RHM Benefits
Greg Grimaldi, Conner Strong

Ms. Thompson welcomed the Committee to Lindenwold Borough.

APPROVAL OF MINUTES: February 28, 2011 Open and Closed

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF FEBRUARY 28, 2011:

Moved:	Chairman Beatrice
Second:	Commissioner Lipsett
Vote:	Unanimous

CORRESPONDENCE: None

PRO FORMA MONITORING REPORTS: The regulatory Compliance Checklist as of March 2011; the Financial Fast Track Report, as of March, 2011; the Indices and Ratios Report, as of February 2011 and the Budget/Billing Reconciliation as of March 2011 were included in the agenda. Executive Director said that the surplus shown in the February Financial Fast Track was a short due to it being a short month.

STATE OF NEW JERSEY SURCHARGE FOR SCHOOL BOARD MEMBERS: Attached for the Executive Committee's consideration is Resolution #19-11 authorizing the payment of the State's surcharge to the Fund's school board members. There is a credit of \$88,228 from July 2007 to December 2009. The surcharge for Fund Year 2010 is \$588,663 and from January through June 2011 is \$462,844. These payment amounts are included on the March bills list for approval. In response to Commissioner Shannon, Executive Director said that the Fund has been collecting a portion of these surcharges every month for the School Board members, then pay on an annual basis.

MOTION TO ADOPT RESOLUTION #19-11 AUTHORIZING PROCESS OF PAYMENT FOR STATE SURCHARGE TO SCHOOL BOARD MEMBERS

Moved:	Chairman Wolk
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Second: Commissioner DiAngelo
Vote: 11 Ayes, 0 Nays

MUNICIPAL REINSURANCE HIF: MRHIF is taking an active role in lobbying for changes to Senate Bill 2718, legislation that, if enacted, will revolutionize the financing and structure of local government health benefits. MRHIF positions are outlined in the attached summary. We welcome additional input and comments from all HIF commissioners and members. Executive Director said the bill is mostly technical, but the HIFs were not represented in the legislation. Otherwise, the changes introduced in the bill are already being done in the HIF system.

In addition, Executive Director said that with the possible moratorium of the State Health Benefit Plan, the HIFs need to be recognized as a separate entity in this legislation so they cannot be interpreted as a 'state plan'. The Funds should be included as an alternative to the State Health Benefit plan, along with private insurance.

Executive Director said he and two MRHIF Commissioners will be attending meetings in Trenton to discuss these issues. Commissioner Shannon asked that there also be consideration for the legislative language to be changed from requiring five different plan options to three, especially for smaller municipalities. She said she was concerned that the municipality's exposure may increase depending on employee contribution, if one of the plan options includes less than the proposed 30% contribution. She asked that the legislation allow for their exposure not to increase with richer plans. Program Manager said she will devise plans based on this factor and present to the Commissioners. She said she would develop a base plan, allowing no more exposure than the municipality currently owns, then adding multiple plans where the exposure and contributions would be "bought" by the employee. Commissioner DiAngelo said the various plans requirement is similar to the HIF enacting the Patriot V plan years ago.

Fund Attorney said the legislation is going to require at least six percent of the cost of coverage to be allocated from employee contributions, which will be determined based on salary.

The MRHIF Wellness Kickoff meeting took place on March 22nd at the Tavistock Country Club, which will be discussed in the Program Manager's report.

SAIF SUBGROUP - We've recently received a resolution of withdrawal from Newton Board of Education, a member of the SAIF Subgroup. Their withdrawal will be effective July 1, 2011. In addition, the Commissioners of the subgroup have been strongly encouraged to send representation to the monthly meetings. Executive Director introduced Pat Eckel from RHM Benefits and Chuck Hartsoe from PEGAS, the broker and Co-Executive Director of the subgroup. He said the new member marketing is going well and hopes to gain enough lives for separate indemnification as of July 1.

DEPARTMENT OF BANKING AND INSURANCE EXAMINATION - The DOBI examination of the HIFs has recently been successfully completed. An audit report should be available soon.

BANKING AND ASSET MANAGER RFP – The current Asset Manager for the MRHIF and all local HIFs, TD Bank, has requested an interest rate change. The Municipal Excess Liability JIF has decided to issue an RFP before allowing an adjustment. Since the HIFs have previously followed suit with the MEL regarding Banking, the HIFs will also participate in this non-binding RFP for this position. A report will be provided when responses are received. Fund Treasurer will keep update the Fund next month.

2011 PROFESSIONAL CONTRACTS - The Professional Services Agreements have been sent to the various Fund Professionals for 2011. Upon completion of the Professional Service Agreements, the Chair will be asked to execute the Agreements.

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. Ms. Koval said approximately 10 forms have been received. Chairman Mevoli requested a second notice be sent to all Fund Commissioners encouraging responses.

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

PROGRAM MANAGER:

WELLNESS PROGRAM

The Wellness Kick-Off meeting with Onlife Health will be held on Tuesday, March 22nd and we look forward to having a wellness coordinator from each group in attendance. We will be communicating with you further regarding this important initiative.

HEALTH CARE REFORM

President Obama's 2012 Budget Analysis (PPACA) –

President Obama “is committed to implementing the Patient Protection and Affordable Care Act swiftly and efficiently since rising health care costs are the single biggest driver of our long-term fiscal problems. As a down payment towards a permanent fix, the budget proposes additional reforms to our health care system that would be sufficient to pay for 2 years of fixing the Medicare’s sustainable growth rate, thus preventing a large cut in Medicare reimbursements for doctors that would jeopardize care for older Americans.”

Senate Committees Discuss PPACA After One Year

In a statement convening the hearing, Health Reform: Lessons Learned During the First Year, Senate Finance Committee Chairman Max Baucus (D-MT) focused on the strengthening of the

Medicare program. “Because of the changes in the Affordable Care Act, Medicare is stronger than ever,” Baucus said, citing improved wellness care, incentives to providers for high-quality care, increased use of health information technology, elimination of the prescription drug coverage “doughnut hole” and efforts to reduce fraud and waste.

Ranking Republican Member Orrin Hatch (R-UT), in his opening statement, emphasized the hidden costs of the bill and criticized “the heavy-handed intervention in their healthcare by Washington bureaucrats.” He also decried a lack of transparency by HHS, asserting that the agency has failed to respond to nearly 67 percent of Republican requests for information.

The committee also heard from the following policy experts:

Douglas Holtz-Eakin, president of the American Action Forum, described PPACA as “a missed opportunity to reform Medicaid” and said that the law “damages budget and economic policy.” In particular, Holtz-Eakin said that the presence of the exchanges in 2014 and the amount of money at stake would likely compel employers to drop coverage and force employees to pay for a greater share of their coverage.

Paul Van de Water, senior fellow at the Center on Budget and Policy Priorities, focused his testimony on dispelling misconceptions that have arisen in two areas — health reform’s effects on Medicare and on state budgets. He specifically sought to refute the notion that the Congressional Budget Office’s cost estimate “double-counts” savings from Medicare.

EXPRESS SCRIPTS UPDATE

- The FDA is ordering manufacturers of unapproved prescription cough, cold and allergy drugs to remove their products from the market. Since they have not been evaluated by FDA for safety, effectiveness and quality, patients may be a greater risk when using these products than when using FDA-approved drug products. Please go to <http://tiny.cc/fdaunapproved> for more information on FDA’s unapproved list.
- On March 22, 2011 the patent on Pfizer’s glaucoma drug Xalatan will expire, allowing generics to become available. This will be the first drug in a class known as ophthalmic prostaglandins to become available generically.

OPEN ENROLLMENTS

There will be an open enrollment for all of the School Boards during the month of April for changes effective July 1, 2011.

MT. HOLLY MUA- DEPENDENT to Age 26 OPEN ENROLLMENT

Mt. Holly MUA will be holding a special open enrollment for dependents to age 26 from 4/1/2011 to 5/2/2011. Coverage will be retroactive back to 2/1/2011, when the group joined the Fund.

MARKETING REPORT

The majority of Municipalities and Boards of Educations are contacted during marketing campaigns. As of March 18, 2011, the following groups have provided data for actuarial rating:

Name of Prospect	Proposed Effective Date
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
Mantua Township BOE	5/1/2011
Brigantine BOE	6/1/2011
Berlin Township BOE	6/1/2011
Southampton BOE (RX & DNT ONLY)	7/1/2011
Riverside BOE	7/1/2011
Easthampton BOE	7/1/2011
West Deptford BOE	7/1/2011

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

TREASURER'S REPORT –Fund Treasurer reviewed the bills list and treasurer reports that were distributed to the Committee. She said there was a cash balance of \$18,973,551.85 for

Payment of March Vouchers:

TOTAL 2010	\$500,960.00
TOTAL 2011	\$1,459,936.47
Supplemental	\$4800.00
TOTAL	\$1,965,696.47

MOTION TO APPROVE RESOLUTION 20-11 AND SUPPLEMENTAL BILLS LIST, APPROVING THE MARCH PAYMENTS AND THE BALANCE OF THE TREASURER'S REPORTS:

Moved: Commissioner Gilson
 Second: Commissioner Beatrice
 Roll Call Vote: 11 Ayes, 0 Nays

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

AETNA:

MONTHLY REPORT – Chairman Mevoli read the Aetna report that was distributed to the Committee.

AMERIHEALTH: No report

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

ATTORNEY: No Report

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC:

None.

MOTION TO ENTER EXECUTIVE SESSION:

Moved:	Commissioner Beatrice
Second:	Commissioner Rochford
Vote:	11 Ayes, 0 Nays

MOTION TO ENTER OPEN SESSION.

Moved:	Commissioner Gilson
Second:	Commissioner Lipsett
Vote:	11 Ayes, 0 Nays

MOTION TO DENY CLAIM APPEAL 02-11-01 IN THE AMOUNT REQUEST AMOUNT OF \$4,190.00.

Moved:	Commissioner Shannon
Second:	Commissioner Rochford
Vote:	11 Ayes, 0 Nays

MOTION TO APPROVE CLAIM APPEAL 03-11-01 IN THE AMOUNT OF \$1,608

Moved: Commissioner Shannon
Second: Commissioner Rochford
Vote: 11 Ayes, 0 Nays

MOTION TO APPROVE CLAIM APPEALS 03-11-02 AND 03-11-03

Moved: Commissioner Gilson
Second: Commissioner DiAngelo
Vote: 11 Ayes, 0 Nays

MOTION TO ADJOURN:

Moved: Commissioner Michelli
Second: Commissioner Beatrice
Vote: Unanimous

MEETING ADJOURNED: 7:45 PM

NEXT MEETING: April 25, 2011 Borough of Woodlynne

Emily Koval , Assisting Secretary
for

JOSEPH WOLK, SECRETARY