

# Southern Jersey <sup>FUND</sup>



SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND

## **AGENDA & REPORTS**

**FEBRUARY 26, 2024**

**BERLIN BOROUGH MUNICIPAL HALL**

**59 S. WHITE HORSE PIKE, BERLIN NJ 08009**

**4:15 PM**

## **STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETINGS ACT**

NOTICE OF THIS MEETING WAS GIVEN BY (1) SENDING SUFFICIENT NOTICE HERewith TO THE BURLINGTON COUNTY TIMES AND THE COURIER POST

(2) FILING ADVANCE WRITTEN NOTICE OF THIS MEETING WITH THE CLERK/ADMINISTRATOR OF EACH MEMBER MUNICIPALITY AND (3) POSTING A COPY OF THE MEETING NOTICE ON THE PUBLIC BULLETIN BOARD OF ALL MEMBER MUNICIPALITIES.

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND**  
**AGENDA**  
**MEETING: FEBRUARY 26, 2024**  
**BERLIN BOROUGH MUNICIPAL HALL**  
**4:15 PM**

**MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**

**FLAG SALUTE - MOMENT OF SILENCE**

**ROLL CALL OF 2024 EXECUTIVE COMMITTEE**

Michael Mevoli, Chairman

Joseph Wolk, Secretary

Louis DiAngelo, Executive Committee Member

Terry Shannon, Executive Committee Member

Edward Hill, Executive Committee Member

Gary Passanante, Executive Committee Member

Brian Morrell, Executive Committee Member

Kenneth Cheeseman, Executive Committee Alternate

**BALLOT RESULTS - PERMA** will read the ballot results for new Committee Alternates and take action if a quorum is met.

**APPROVAL OF MINUTES:** January 22, 2024

Open (Appendix I)

**CORRESPONDENCE - None**

**REPORTS:**

**EXECUTIVE DIRECTOR (PERMA)**

Monthly Report.....Page 1

**PROGRAM MANAGER- (Conner Strong & Buckelew)**

Monthly Report.....Page 8

**TREASURER - (Verrill & Verrill)**

January and February 2024 Voucher List (Resolution 16-24) .....Page 12

Treasurers Report.....Page 17

Confirmation of Claims Paid/Certification of Transfers

Ratification of Treasurers Report

**ATTORNEY - (J. Kenneth Harris)**

Monthly Report

**NETWORK & THIRD PARTY ADMINISTRATOR - (Aetna)**

Monthly Report.....Page 20

**NETWORK & THIRD PARTY ADMINISTRATOR - (AmeriHealth)**

Monthly Report.....Page 24

**PRESCRIPTION ADMINISTRATOR – (Express Scripts)**

Monthly Report.....Page 26

**DENTAL ADMINISTRATOR – (Delta Dental)**

Monthly Report

**CONSENT AGENDA..... Page 30**

Revised Resolution 5-24: Designation of Regular Meeting Times and Place ..... Page 31

Resolution 15-24: Forming HIF Cooperative Pricing System .....Page 32

Resolution 16-24: Approval of the January and February 2024 Bills List .....Page 34

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES**

**PERSONNEL - CLAIMS – LITIGATION**

**MEETING ADJOURNED**

**Southern New Jersey Regional Employee Benefits Fund  
Executive Director's Report  
February 26, 2024**

**FINANCE AND CONTRACTS**

**PRO FORMA REPORTS**

- **Fast Track Financial Report** – as of December 31, 2023 (page 3)

**REVISED RESOLUTION 5-24**

This resolution sets the meeting dates for 2024, there is a date change to the May meeting since the schedule falls on Memorial Day. We are recommending moving it up to the May 20<sup>th</sup> which is the 3<sup>rd</sup> Monday on the month.

**MOTION:** *Motion to approve revised Resolution 5-24 approving the schedule of meetings for 2024*

**COOPERATIVE PRICING SYSTEM – SNJREBF LEAD AGENT**

In 2023, the MRHIF and its affiliates sought approval from the NJ Office of the Comptroller to issue an RFP for TPA Services for the local Funds. Approval was not given, as the Comptroller's office felt that MRHIF did not have the authority to procure a claims agent being utilized by the local Funds.

To secure TPA services for PY 2024, the local Funds each performed a 1-year contract for TPA services in the hopes that group purchasing would be permitted for a longer contract starting in 2025.

We have reviewed with the MRHIF QPA and Attorney who agree that the Funds may enter into a Cooperative Pricing Agreement with a lead agent. We are recommending the SNJREBF be the lead agent as they currently have existing contracts with both HIF TPAs and Medicare Advantage providers. We met with the SNJREBF Contracts committee who was supportive of the idea and comfortable moving forward as the lead agent.

The concept of the HIF Cooperative Pricing System was presented to the MRHIF Commissioners by the MRHIF Attorney and received full support.

Included in your agendas is a memo outlining the recommendation from the MRHIF Attorney. The SNJREBF Attorney will provide more detail and answer any questions as part of his report. The Fund will need to approve a Resolution to form (Resolution 15-24), which approves the Cooperative Pricing Agreement. Two entities are needed to form – the BMED will execute the agreement with the SNJHIF. All other Funds will be approving Resolutions to Join by end of March.

**MOTION:** *Motion to approve Resolution 15-24 to form the Cooperative Pricing System and approve the Agreement*

## **FEBRUARY MRHIF MEETING**

The MRHIF had their reorganization meeting on February 15, 2024. Commissioner Wolk was present to represent the Fund.

Below are some of the key highlights:

1. The Fund Attorney provided an overview of the Cooperative Pricing System Initiative.
2. Approval was granted for the Fund Attorney to manage the Cooperative Pricing System filing.
3. Approval to go out to RFP for a Data Warehouse system was approved.
4. Approval to go out to RFP for reinsurer for multi-year contract was approved.

### **2024 MEL, MR HIF & NJCE JIF Educational Seminar:**

The 14th annual seminar will be conducted virtually on 2 half-day sessions: Friday April 19th and Friday April 26th from 9AM to 12PM.

The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees, insurance producers, as well as personnel who work for services companies associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) and New Jersey Counties Excess Joint Insurance Fund (NJCE JIF). We are in the process of preparing to distribute this notice to all members and risk managers.

Enclosed in Appendix V is the latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine which highlights the educational seminar.

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND						
FINANCIAL FAST TRACK REPORT						
		AS OF	December 31, 2023			
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
1.	UNDERWRITING INCOME	5,830,473	66,380,226	1,372,122,523	1,438,502,750	
2.	CLAIM EXPENSES					
	Paid Claims	5,651,535	55,418,796	1,117,098,280	1,172,517,076	
	IBNR	39,166	1,028,778	3,805,161	4,833,939	
	Less Specific Excess	(470,974)	(1,015,404)	(19,620,933)	(20,636,337)	
	Less Aggregate Excess	-	-	(1,807,360)	(1,807,360)	
TOTAL CLAIMS		5,219,728	55,432,170	1,099,475,148	1,154,907,318	
3.	EXPENSES					
	MA & HMO Premiums	726,037	8,485,039	36,696,619	45,181,658	
	Excess Premiums	85,728	958,168	49,192,677	50,150,845	
	Administrative	359,502	3,854,775	121,366,732	125,221,507	
TOTAL EXPENSES		1,171,267	13,297,982	207,256,028	220,554,010	
4.	UNDERWRITING PROFIT/(LOSS) (1-2-3)	(560,521)	(2,349,926)	65,391,347	63,041,421	
5.	INVESTMENT INCOME	31,573	369,045	3,625,367	3,994,412	
6.	DIVIDEND INCOME	0	201,176	11,645,963	11,847,139	
7.	STATUTORY PROFIT/(LOSS) (4+5+6)	(528,949)	(1,779,705)	80,662,677	78,882,972	
8.	DIVIDEND	0	0	72,674,656	72,674,656	
9.	Transferred Surplus	0	0	0	0	
STATUTORY SURPLUS (7-8+9)		(528,949)	(1,779,705)	7,988,021	6,208,316	
SURPLUS (DEFICITS) BY FUND YEAR						
Closed		Surplus	17,493	378,267	7,923,074	8,301,341
		Cash	8,341	348,571	12,787,662	13,136,232
2022		Surplus	(8,446)	(480,064)	64,947	(415,117)
		Cash	(29,880)	730,455	(1,568,827)	(838,372)
2023		Surplus	(537,995)	(1,677,908)		(1,677,908)
		Cash	(2,295,186)	(1,022,736)		(1,022,736)
TOTAL SURPLUS (DEFICITS)		(528,949)	(1,779,705)	7,988,021	6,208,316	
TOTAL CASH		(2,316,726)	56,290	11,218,835	11,275,125	
CLAIM ANALYSIS BY FUND YEAR						
TOTAL CLOSED YEAR CLAIMS		4,114	167,107	1,053,942,706	1,054,109,812	
FUND YEAR 2022						
	Paid Claims	30,405	4,860,332	41,942,356	46,802,688	
	IBNR	(22,831)	(3,805,161)	3,805,161	-	
	Less Specific Excess	1,397	(543,466)	(215,072)	(758,538)	
	Less Aggregate Excess	0	0	0	0	
TOTAL FY 2022 CLAIMS		8,972	511,706	45,532,445	46,044,150	
FUND YEAR 2023						
	Paid Claims	5,617,016	50,406,105		50,406,105	
	IBNR	61,997	4,833,939		4,833,939	
	Less Specific Excess	(472,371)	(486,685)		(486,685)	
	Less Aggregate Excess	0	0		0	
TOTAL FY 2023 CLAIMS		5,206,642	54,753,358		54,753,358	
COMBINED TOTAL CLAIMS		5,219,728	55,432,170	1,099,475,150	1,154,907,320	
This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.						

**Southern New Jersey Regional Employee Benefits Fund**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**  
**BY FUND YEAR**

	SNJREBF 2023	SNJREBF 2022	CLOSED YEAR	FUND BALANCE
<b>ASSETS</b>				
Cash & Cash Equivalents	(1,022,736)	(838,372)	13,136,232	11,275,125
Assessments Receivable (Prepaid)	2,607,306	29,255	89,501	2,726,062
Interest Receivable	-	-	23	23
Specific Excess Receivable	486,685	394,000	-	880,685
Aggregate Excess Receivable	-	-	-	-
Dividend Receivable	-	-	-	-
Prepaid Admin Fees	-	-	-	-
Other Assets	1,167,088	-	-	1,167,088
<b>Total Assets</b>	<b>3,238,344</b>	<b>(415,117)</b>	<b>13,225,756</b>	<b>16,048,983</b>
<b>LIABILITIES</b>				
Accounts Payable	-	-	-	-
IBNR Reserve	4,833,939	-	-	4,833,939
A4 Retiree Surcharge	-	-	-	-
Dividends Payable	-	-	-	-
Retained Dividends	-	-	4,924,415	4,924,415
Accrued/Other Liabilities	82,313	-	-	82,313
<b>Total Liabilities</b>	<b>4,916,252</b>	<b>-</b>	<b>4,924,415</b>	<b>9,840,667</b>
<b>EQUITY</b>				
Surplus / (Deficit)	(1,677,908)	(415,117)	8,301,341	6,208,316
<b>Total Equity</b>	<b>(1,677,908)</b>	<b>(415,117)</b>	<b>8,301,341</b>	<b>6,208,316</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,238,344</b>	<b>(415,117)</b>	<b>13,225,756</b>	<b>16,048,983</b>
<b>BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

This report is based upon information which has not been audited nor certified  
by an actuary and as such may not truly represent the condition of the fund.  
Fund Year allocation of claims have been estimated.

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND													
RATIOS													
INDICES	2022	FY2023											
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Cash Position	11,218,835	\$ 11,537,320	\$ 9,784,018	\$ 8,722,644	\$ 7,428,201	\$ 8,350,758	\$ 10,677,232	\$ 11,984,309	\$ 11,527,347	\$ 13,787,752	\$ 16,450,816	\$ 13,591,850	\$ 11,275,125
IBNR	3,805,161	\$ 3,833,100	\$ 4,191,538	\$ 4,380,535	\$ 4,588,613	\$ 4,680,833	\$ 4,730,251	\$ 4,730,728	\$ 4,724,874	\$ 4,721,569	\$ 4,728,689	\$ 4,794,773	\$ 4,833,939
Assets	16,912,028	\$ 17,201,658	\$ 17,415,171	\$ 16,951,698	\$ 17,375,635	\$ 17,695,543	\$ 17,491,813	\$ 18,100,759	\$ 18,177,833	\$ 17,942,310	\$ 18,172,496	\$ 16,516,842	\$ 16,048,983
Liabilities	8,870,793	\$ 8,897,035	\$ 9,237,668	\$ 9,421,043	\$ 9,622,376	\$ 9,714,749	\$ 9,727,892	\$ 9,714,896	\$ 9,708,865	\$ 9,701,890	\$ 9,713,762	\$ 9,779,578	\$ 9,840,667
Surplus	8,041,236	\$ 8,304,623	\$ 8,177,503	\$ 7,530,656	\$ 7,753,259	\$ 7,980,794	\$ 7,763,921	\$ 8,385,863	\$ 8,468,967	\$ 8,240,420	\$ 8,458,734	\$ 6,737,264	\$ 6,208,316
Claims Paid -- Month	4,627,623	\$ 3,735,395	\$ 3,968,720	\$ 4,679,366	\$ 4,091,263	\$ 4,162,706	\$ 5,203,447	\$ 3,958,017	\$ 4,445,173	\$ 4,722,957	\$ 4,482,372	\$ 6,317,846	\$ 5,651,535
Claims Budget -- Month	3,880,661	\$ 4,080,402	\$ 4,147,795	\$ 4,263,913	\$ 4,471,858	\$ 4,476,503	\$ 4,459,149	\$ 4,469,170	\$ 4,459,000	\$ 4,439,231	\$ 4,463,466	\$ 4,582,903	\$ 4,646,753
Claims Paid -- YTD	46,327,012	\$ 3,735,395	\$ 7,704,115	\$ 12,383,480	\$ 16,474,743	\$ 20,637,449	\$ 25,840,895	\$ 29,798,913	\$ 34,244,086	\$ 38,967,043	\$ 43,449,415	\$ 49,767,261	\$ 55,418,796
Claims Budget -- YTD	45,049,932	\$ 4,080,402	\$ 8,228,197	\$ 12,492,110	\$ 16,963,968	\$ 21,440,472	\$ 25,899,621	\$ 30,368,791	\$ 34,827,791	\$ 39,267,022	\$ 43,730,488	\$ 48,313,391	\$ 52,960,144
RATIOS													
Cash Position to Claims Paid	2.42	3.09	2.47	1.86	1.82	2.01	2.05	3.03	2.59	2.92	3.67	2.15	2.00
Claims Paid to Claims Budget -- Month	1.19	0.92	0.96	1.1	0.91	0.93	1.17	0.89	1.00	1.06	1	1.38	1.22
Claims Paid to Claims Budget -- YTD	1.03	0.92	0.94	1.0	1.0	1.0	1.0	0.98	0.98	0.99	0.99	1.03	1.05
Cash Position to IBNR	2.95	3.01	2.33	1.99	1.62	1.78	2.26	2.53	2.44	2.92	3.48	2.83	2.33
Assets to Liabilities	1.91	1.93	1.89	1.8	1.81	1.82	1.8	1.86	1.87	1.85	1.87	1.69	1.63
Surplus as Months of Claims	2.07	2.04	1.97	1.77	1.73	1.78	1.74	1.88	1.90	1.86	1.9	1.47	1.34
IBNR to Claims Budget -- Month	0.98	0.94	1.01	1.03	1.03	1.05	1.06	1.06	1.06	1.06	1.06	1.05	1.04



Southern NJ Municipal Employee Benefits Fund						
2023 Budget Status Report						
as of December 31, 2023						
				YTD	\$ Variance	% Variance
Expected Losses	YTD Budgeted	Annual	Latest Filed	Expensed		
Medical Claims - All Other	33,230,901	33,230,901	30,380,930			
Medical Claims AmeriHealth - All Other	1,892,682	1,892,682	1,859,598			
Medical Claims - CCBOSS	10,381,334	10,381,334	10,668,124			
Subtotal Medical	45,504,918	45,504,918	42,908,652	45,918,009	(413,091)	-1%
Prescription Claims - All Other	6,272,624	6,272,624	5,810,083			
Rx Rebates - All Other	(1,881,787)	(1,881,787)	(1,743,025)			
Prescription Claims - CCBOSS	2,640,797	2,640,797	2,771,693			
Rx Rebates - CCBOSS	(792,239)	(792,239)	(831,508)			
Subtotal Prescription	6,239,395	6,239,395	6,007,244	7,684,504	(1,445,109)	-23%
Dental Claims - All Other	1,054,382	1,054,382	1,009,477			
Dental Claims - CCBOSS	161,450	161,450	162,540			
Subtotal Dental	1,215,832	1,215,832	1,172,017	1,150,846	64,986	5%
Subtotal Claims	52,960,144	52,960,144	50,087,913	54,753,358	(1,793,214)	-3%
Loss Fund Contingency	158,003	158,003	158,003			
DMO Premiums	4,929	4,929	1,104	4,645	284	6%
Medicare Advantage - All Other	6,569,999	6,569,999	3,262,008			
Medicare Advantage - CCBOSS	1,908,356	1,908,356	1,941,442			
Subtotal Insured Programs	8,483,284	8,483,284	5,204,554	8,480,395	(2,040)	0%
Reinsurance						
Specific	958,168	958,168	896,418	958,168	0	0%
Total Loss Fund	62,559,599	62,559,599	56,346,888	64,196,566	(1,636,967)	-3%
Expenses						
Legal	22,606	22,606	22,606	22,606	0	0%
Treasurer	15,930	15,930	15,930	15,930	-	0%
Administrator	519,830	519,830	426,114	519,710	120	0%
Program Manager	1,310,067	1,310,067	1,080,218	1,937,723	(26,067)	-1%
Brokerage	601,589	601,589	494,137	Included above in Program Manager		
TPA - Med Aetna	1,017,206	1,017,206	972,960	1,078,201	1,043	0%
TPA - Med AmeriHealth Admin	62,038	62,038	62,149	Included above in TPA		
TPA - Dental	73,393	73,393	70,840	73,393	0	0%
Actuary	17,200	17,200	17,200	17,200	(0)	0%
Auditor	17,060	17,060	17,060	17,060	0	0%
Medicare Advantage Implementation	0	0	0	90,648	(90,648)	#DIV/0!
Subtotal Expenses	3,656,919	3,656,919	3,179,215	3,772,471	(115,552)	-3%
Misc/Cont	21,657	21,657	21,657	22,512	(855)	-4%
Affordable Care Act Taxes	13,549	13,549	12,676	16,062	(2,513)	-19%
Claims Audit	40,000	40,000	40,000	40,000	(0)	0%
Plan Documents	15,000	15,000	15,000	16,422	(1,422)	-9%
Total Expenses	3,747,125	3,747,125	3,268,548	3,867,467	(120,343)	-3%
Total Budget	66,306,724	66,306,724	59,615,436	68,064,033	(1,757,309)	-3%

## REGULATORY

<u>Monthly Items</u>	<u>Filing Status</u>
Budget	Filed
Assessments	Filed
Actuarial Certification	Filed
Reinsurance Policies	Filed
Fund Commissioners	Filed with Reorg
Fund Officers	Filed with Reorg
Renewal Resolutions	Filed with Reorg
Indemnity and Trust	Filed with Reorg
New Members	Filed (ongoing)
Withdrawals	N/A
Risk Management Plan and By Laws	Filed with Reorg
Cash Management Plan	Filed with Reorg
Unaudited Financials	9/30/2023 Filed
Annual Audit	12/31/2022 filed
Budget Changes	N/A
Transfers	N/A
Additional Assessments	N/A
Professional Changes	N/A
Officer Changes	N/A
RMP Changes	N/A
Bylaw Amendments	N/A
Contracts	Filed with Reorg
Benefit Changes	N/A

## SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND

### Program Manager

February 2024

Program Manager: Conner Strong & Buckelew

Online Enrollment Training: [kkidd@permainc.com](mailto:kkidd@permainc.com)

Enrollments/Eligibility/Billing: [southernnj\\_enrollments@permainc.com](mailto:southernnj_enrollments@permainc.com)

Brokers: [brokerservice@permainc.com](mailto:brokerservice@permainc.com)

### ELIGIBILITY/ENROLLMENT:

Please direct any eligibility, enrollment, or system related questions to our dedicated SNJREBF enrollment team. To contact the team, email [southernnj\\_enrollments@permainc.com](mailto:southernnj_enrollments@permainc.com) or fax to 856-685-2249.

System training (new and refresher) is provided to all contacts with WEX access **every 3<sup>rd</sup> Wednesday at 10AM**. Please contact Austin Flinn, [aflinn@permainc.com](mailto:aflinn@permainc.com) for additional information or to request an invite.

In the subject line of the email, please include ***Training – Fund Name and Client Name***. Please be sure to add the date of the training you would like to attend in your email so an invite can be sent.

### COVERAGE UPDATES: None

### EXPRESS-SCRIPTS UPDATE:

**4Q2023 SaveOn Savings** – In 2023, the Southern New Jersey Health Insurance Fund has saved \$413,340 for members enrolled in SaveOn, an additional \$116,181 in savings from 3Q2023. There are currently 71 participants in the program since January 2023, adding an additional 9 participants in 4Q2023. In 2023, SNJHIF members who used SaveOn saved a total of \$9,612 in copays. The average savings per prescription to date is \$1,033. Drugs for the treatment of inflammatory conditions remain the top drugs used by SNJHIF members in 2023 with 38 participants, an increase of 6 participants and \$42,928 in savings from 3Q2023. Please reference the 4Q2023 SaveOn report in the appendix of the agenda for additional information relating to the specific drugs being used and the associated savings for each drug in the SaveOn program.

Also included in the appendix is the 2024 SaveOn Drug listing. Please note the following effective 1/1/24:

- Drugs highlighted in green were added to the drug list, total of 28 new drugs
- Drugs highlighted in red were removed from the drug list, total of 7 drugs
  - SNJHIF had 2 members impacted by the drugs Gilenya and Aubagio being removed. Both drugs are used to treat Multiple Sclerosis. Impacted members received notification via U.S. mail as well as an outreach from SaveOn

### OPERATIONAL UPDATES:

With the growth of the HIFs, we are currently reviewing our internal processes and how to make them the most efficient for our mutual clients. We have reviewed our current training workflow process and have made some minor adjustments to our WEX training sign up process, effective immediately.

1. We now have a new training mailbox, [HIFtraining@permainc.com](mailto:HIFtraining@permainc.com). All groups who need assistance with training should send the request to the HIF Training mailbox, **regardless of the HIF**. They should no longer send request for training to their assigned HIF mailbox
2. We will be using a SurveyMonkey link for users to sign up located in the directions (link and QR code) of the attached training schedule. While we understand there maybe exceptions, please encourage new

HR admins/groups to use the Survey Monkey. (link:

<https://www.surveymonkey.com/r/WEXtrainingHIF>)

3. The training schedule will continue to be the 3<sup>rd</sup> Wednesday of every month at 10AM, with the exception of the June 2024 training, will be held on **Tuesday June 18<sup>th</sup> at 10AM**

**PLEASE NOTE:** Any issues relating to logging into WEX or specific questions relating to the group should be sent to the group's current assigned HIF mailbox. Only training requests should be sent to the HIF Training mailbox.

## **2024 LEGISLATIVE REVIEW:**

**FREE COVID-19 At-HomeTest** – Effective November 20, 2023, free COVID-19 at home test kits are available for reorder from the government. Every U.S. household is eligible to order 4 free COVID-19 at home tests. <https://www.covid.gov/tests>

**Medical and Rx Reporting: None**

## **No Surprise Billing and Transparency Act – Continued Delays**

The Health Insurance Funds, including SNJHIF protect plan members from surprise billing with involuntary out of network balance bills with a hold harmless clause:

- Example: an in-network surgeon contracts with an out of network anesthesiologist. Should the out of network anesthesiologist balance bill the patient, the Funds would hold the member harmless, paying up to the invoiced amount.

The law also imposes certain requirements on the Carriers, PBMs and healthcare providers. Many of these requirements continue to be delayed, but we will continue to work with the insurance providers to assure the SNJHIF remains compliant.

- Issuing updated ID Cards with additional out of pocket information
- Providing transparency in coverage machine-readable files
- Providing price comparison tools
- Healthcare providers should work with insurance carriers to provide potential patients with good faith estimates of costs

## **2023 Specialized Audits**

As approved through an RFP through the Program Manager's contract, the HIFs has acquired the services of AIM to conduct specialized audits for the Southern New Jersey Health Insurance Fund (NJHIF). AIM will complete medical claims audits for claims administered by Aetna. The claim audit being performed will determine Aetna's claim processing and financial accuracy of medical claims. AIM will also perform an Operation Review. Aim will perform an in-depth evaluation of the controls employed by the Aetna to ensure quality administration. **See Appendix.**

## **Carrier Appeals:**

<b>Submission Date</b>	<b>Appeal Type</b>	<b>Appeal Number</b>	<b>Reason</b>	<b>Determination</b>	<b>Determination Date</b>
08/23/2023	Medical/Aetna	SNJ 2024-01-01	Investigational lab testing	Upheld	09/06/2023
02/06/2024	Medical/Aetna	SNJ 2024-02-01	Investigational lab testing	Under Review	N/A
02/07/2024	Medical/Aetna	SNJ 2024-02-02	MRI denial	Under Review	N/A

**IRO Submissions:**

<b>Submission Date</b>	<b>Appeal Type</b>	<b>Appeal Number</b>	<b>Reason</b>	<b>Determination</b>	<b>Determination Date</b>
1/5/2024	Medical/Aetna	SNJ 2024-01-01	Investigational lab testing	Overturned	01/22/2024

**Small Claims Committee:** None



### **Online Enrollment System Training Schedule – 2024**

PERMA offers a virtual training and a refresher class on the online enrollment system the third Wednesday of each month. The session provides an overview of the Fund's enrollment system and shows HR users how perform tasks in the system. To gain access to the Fund's enrollment system, each HR user must complete a system access form.

Wednesday, January 17<sup>th</sup> 10:00 am - 11:00 am

Wednesday, February 21<sup>st</sup> 10:00 am - 11:00 am

Wednesday, March 20<sup>th</sup> 10:00 am - 11:00 am

Wednesday, April 17<sup>th</sup> 10:00 am - 11:00 am

Wednesday, May 15<sup>th</sup> 10:00 am - 11:00 am

Tuesday, June 18<sup>th</sup> 10:00 am - 11:00 am

Wednesday, July 17<sup>th</sup> 10:00 am - 11:00 am

Wednesday, August 21<sup>st</sup> 10:00 am - 11:00 am

Wednesday, September 18<sup>th</sup> 10:00 am - 11:00 am

Wednesday, October 16<sup>th</sup> 10:00 am - 11:00 am

Wednesday, November 20<sup>th</sup> 10:00 am - 11:00 am



Please [click here](#) to sign up for a training session or use the QR code!

If there are any questions or issues, please send an email to [HIFtraining@permainc.com](mailto:HIFtraining@permainc.com). In the subject line of the email, please include: *Training - Fund Name and Client Name.*

# SOUTHERN NJ REGIONAL EMPLOYEE BENEFITS FUND

## ACH BILLS LIST

**JANUARY 2024**

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Southern NJ Regional Employee Benefit Fund's Executive Board,  
hereby  
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Fund.

### **FUND YEAR 2023**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
W0124A			
W0124A	J. KENNETH HARRIS, ATTORNEY AT LAW	ATTORNEY PLAN DOC PREP 12/23	2,323.00
			<b>2,323.00</b>
		<b>Total Payments FY 2023</b>	<b>2,323.00</b>

### **FUND YEAR 2024**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
W01240			
W01240	AETNA HEALTH MANAGEMENT, LLC	MEDICARE ADVANTAGE 01/24	546,192.45
			<b>546,192.45</b>
W01241			
W01241	UHC-MEDICARE ADVANTAGE	MEDICARE ADVANTAGE 01/24	294,708.44
			<b>294,708.44</b>
W01242			
W01242	DELTACARE USA	DENTAL- F1-7871800000- BE0058498760 1/24	252.66
			<b>252.66</b>
W01243			
W01243	FLAGSHIP HEALTH SYSTEMS	DMO PREM - BOR LINDWOLD 01/24	25.83
W01243	FLAGSHIP HEALTH SYSTEMS	DMO PREM BOR. SOMERDALE 01/24	6.58
			<b>32.41</b>
W01244			
W01244	VERRILL & VERRILL LLC	TREASURER FEE 01/24	816.67
			<b>816.67</b>
W01245			
W01245	CONNER STRONG & BUCKELEW	DENTAL- PROGRAM MGR. FEES 01/24	6,588.54
W01245	CONNER STRONG & BUCKELEW	BROKER FEE 01/24	92,822.59
W01245	CONNER STRONG & BUCKELEW	MEDICAL- PROGRAM MGR FEES 01/24	130,809.58
W01245	CONNER STRONG & BUCKELEW	HEALTH CARE REFORM	1,430.91
W01245	CONNER STRONG & BUCKELEW	RX-PROGRAM MGE FEES 01/24	20,402.64
			<b>252,054.26</b>

W01246			
W01246	J. KENNETH HARRIS, ATTORNEY AT LAW	ATTORNEY SERVICES 01/24	1,921.50
			<b>1,921.50</b>
W01247			
W01247	ACTUARIAL SOLUTIONS, LLC	ACTUARY FEES 01/24	4,375.00
			<b>4,375.00</b>
W01248			
W01248	AETNA	MEDICAL TPA 01/24	134,198.76
			<b>134,198.76</b>
W01249			
W01249	DELTA DENTAL OF NEW JERSEY INC.	DENTAL TPA 01/24	7,484.94
			<b>7,484.94</b>
		<b>Total Payments FY 2024</b>	<b>1,242,037.09</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>1,244,360.09</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated: \_\_\_\_\_

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

\_\_\_\_\_  
Treasurer



# SOUTHERN NJ REGIONAL EMPLOYEE BENEFITS FUND

## CHECK BILLS LIST

JANUARY 2024

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Southern NJ Regional Employee Benefit Fund's Executive Board,  
hereby  
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

### FUND YEAR CLOSED

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002833			
002833	WELLNESS COACHES USA, LLC	WELLNESS COACHING- CCBSS 01/24	6,032.00
			<b>6,032.00</b>
		<b>Total Payments FY CLOSED</b>	<b>6,032.00</b>

### FUND YEAR 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002834			
002834	PERMA	REIMBURSE FOR CAMDEN/SNJ MEETING	250.70
002834	PERMA	POSTAGE 12/23	100.10
			<b>350.80</b>
002835			
002835	ACCESS	INV 10647862 DEPT 419 12/31/23 FOR JAN	127.18
			<b>127.18</b>
		<b>Total Payments FY 2023</b>	<b>477.98</b>

### FUND YEAR 2024

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002836			
002836	AMERIHEALTH ADMINISTRATORS	MEDICAL TPA FEES 01/24	10,430.75
			<b>10,430.75</b>
002837			
002837	PERMA	ADMIN FEES 01/24	60,131.80
			<b>60,131.80</b>
002838			
002838	ELIZABETH PIGLIACELLI	TREASURER FEE 01/24	536.25
			<b>536.25</b>
002839			
002839	MUNICIPAL REINSURANCE HIF	SPECIFIC REINSURANCE 01/24	134,652.30
			<b>134,652.30</b>
		<b>Total Payments FY 2024</b>	<b>205,751.10</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>212,261.08</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated: \_\_\_\_\_

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

\_\_\_\_\_  
Treasurer

# SOUTHERN NJ REGIONAL EMPLOYEE BENEFITS FUND BILLS LIST

**FEBRUARY 2024**

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Southern NJ Regional Employee Benefit Fund's Executive Board,  
hereby  
authorizes the Fund treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Fund.

## FUND YEAR CLOSED

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002840			
002840	WELLNESS COACHES USA, LLC	WELLNESS COACHING- CCBSS 02/24	6,032.00
			<b>6,032.00</b>
<b>Total Payments FY CLOSED</b>			<b>6,032.00</b>

## FUND YEAR 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002841			
002841	PERMA	REIMB- COLLINGSWOOD MEETING 11/23	227.12
002841	PERMA	2023 AATRIX 1099 FILING	36.40
002841	PERMA	RETIREE- 08/23 INV 08012023-CAMDEN	7,620.00
002841	PERMA	RETIREE- 9/23 INV 09012023- CAMDEN	7,668.00
002841	PERMA	RETIREE- 10/23 INV 10012023 CAMDEN	7,164.00
			<b>22,715.52</b>
<b>Total Payments FY 2023</b>			<b>22,715.52</b>

## FUND YEAR 2024

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002842			
002842	AMERIHEALTH ADMINISTRATORS	MEDICAL TPA FEES 02/24	10,620.40
			<b>10,620.40</b>
002843			
002843	PERMA	RETIREE- 1/24 INV 01012024- WASHINGTON	1,788.00
002843	PERMA	RETIREE- 02/24 INV 02012024- CAMDEN	8,184.00
002843	PERMA	RETIREE- 1/24 INV 01012024- MONROE	1,140.00
002843	PERMA	RETIREE- 01/24 INV 01012024 CAMDEN	7,212.00
002843	PERMA	RETIREE- 03/24 INV 03012024- CAMDEN	7,572.00
002843	PERMA	RETIREE- 02/24/ INV 02012024- MONROE	1,380.00
002843	PERMA	RETIREE-02/24 INV 02012024-WASHINGTON	1,932.00
002843	PERMA	RETIREE- 3/24 INV 03012024- MONROE	1,296.00
002843	PERMA	POSTAGE 01/24	111.43
002843	PERMA	RETIREE-03/24 INV 03012024 WASHINGTON	1,956.00
002843	PERMA	ADMIN FEES 02/24	60,545.40
			<b>93,116.83</b>
002844			
002844	ELIZABETH PIGLIACELLI	TREASURER FEE 02/24	536.25
			<b>536.25</b>
002845			
002845	MUNICIPAL REINSURANCE HIF	SPECIFIC REINSURANCE 02/24	135,056.00
			<b>135,056.00</b>

**TOTAL CHECKS 268,077.00**

W00246			
W00246	VERRILL & VERRILL LLC	TREASURER FEE 02/24	816.67
			<b>816.67</b>
W02240			
W02240	AETNA HEALTH MANAGEMENT, LLC	MEDICARE ADVANTAGE 02/24	563,246.48
			<b>563,246.48</b>
W02241			
W02241	UHC-MEDICARE ADVANTAGE	MEDICARE ADVANTAGE 02/24	294,708.44
			<b>294,708.44</b>
W02242			
W02242	FLAGSHIP HEALTH SYSTEMS	DENTAL PREM. LINDENWOLD 2/24	25.83
W02242	FLAGSHIP HEALTH SYSTEMS	DENTAL PREM. SOMERDALE 2/24	50.88
			<b>76.71</b>
W02243			
W02243	DELTACARE USA	DENTAL- F1-7871800000- BE005907559 02/24	252.66
			<b>252.66</b>
W02244			
W02244	AETNA	MEDICAL TPA 02/24	134,436.00
			<b>134,436.00</b>
W02245			
W02245	DELTA DENTAL OF NEW JERSEY INC.	DENTAL TPA 02/24	7,458.22
			<b>7,458.22</b>
W02247			
W02247	CONNER STRONG & BUCKELEW	MEDICAL- PROGRAM MGR FEES 02/24	131,983.54
W02247	CONNER STRONG & BUCKELEW	HEALTH CARE REFORM 02/24	1,435.20
W02247	CONNER STRONG & BUCKELEW	RX-PROGRAM MGE FEES 02/24	20,448.77
W02247	CONNER STRONG & BUCKELEW	BROKER FEES 02/24	94,291.71
W02247	CONNER STRONG & BUCKELEW	DENTAL- PROGRAM MGR. FEES 02/24	6,565.02
			<b>254,724.24</b>
W02248			
W02248	J. KENNETH HARRIS, ATTORNEY AT LAW	ATTORNEY PLAN DOC PREP 01/24	6,552.00
W02248	J. KENNETH HARRIS, ATTORNEY AT LAW	ATTORNEY SERVICES 02/24	1,921.50
			<b>8,473.50</b>
		<b>TOTAL ACH</b>	<b>1,264,192.92</b>
		<b>Total Payments FY 2024</b>	<b>1,503,522.40</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>1,532,269.92</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated: \_\_\_\_\_

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

\_\_\_\_\_  
Treasurer

SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND										
SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED										
<b>Current Fund Year: 2023</b>										
<b>Month Ending: December</b>										
	Med	Dental	Rx	Vision	Reinsurance	Dividend Reserve	Future	Admin	0	TOTAL
OPEN BALANCE	10,339,897.81	(294,123.00)	(1,977,697.88)	0.00	(31,144.02)	5,166,559.99	141,231.91	247,192.99	0.00	13,591,917.80
RECEIPTS										
Assessments	3,643,230.34	67,192.61	422,111.41	0.00	63,314.12	0.00	10,291.67	287,762.84	0.00	4,493,902.99
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Pymnts	30,058.14	0.00	1,642.07	0.00	44.05	11,660.17	318.74	706.08	0.00	44,429.25
Invest Adj	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
Subtotal Invest	30,058.18	0.00	1,642.07	0.00	44.05	11,660.17	318.74	706.08	0.00	44,429.29
Other Receipts *	58,809.46	0.00	360,634.85	0.00	0.00	0.00	0.00	0.00	0.00	419,444.31
TOTAL	3,732,097.98	67,192.61	784,388.33	0.00	63,358.17	11,660.17	10,610.41	288,468.92	0.00	4,957,776.59
EXPENSES										
Claims Transfers	4,853,149.61	78,495.12	1,198,126.03	0.00	0.00	0.00	0.00	0.00	0.00	6,129,770.76
Expenses	725,706.70	330.07	0.00	0.00	85,728.21	0.00	0.00	333,033.96	0.00	1,144,798.94
Other Expenses *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	5,578,856.31	78,825.19	1,198,126.03	0.00	85,728.21	0.00	0.00	333,033.96	0.00	7,274,569.70
END BALANCE	8,493,139.48	(305,755.58)	(2,391,435.58)	0.00	(53,514.06)	5,178,220.16	151,842.32	202,627.95	0.00	11,275,124.69

SUMMARY OF CASH AND INVESTMENT INSTRUMENTS													
SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND													
ALL FUND YEARS COMBINED													
CURRENT MONTH	December												
CURRENT FUND YEAR	2023												
Description:	SNJ Inv.	Citizens Bank	Parke Bank	Republic Bank	Republic Bank - General Account	Republic Bank - Admin Account	Ocean First Investment Account	New Jersey Cash Management	TD Bank Certificate of Deposit #3283056048	TD Bank Certificate of Deposit #3283056098	Republic Bank Certificate of Deposit #595063511		
ID Number:													
Maturity (Yrs)									1/8/2024	12/7/2023	3/7/2024		
Purchase Yield:	4.90	4.40	5.25	5.49	5.49	5.49	2.50	5.34	5.58	5.67	5.75		
TOTAL for All Accts & instruments													
Opening Cash & Investment Balance	\$13,591,917.83	\$ 5,390.28	\$ 2,441.42	\$ 4,526,292.83	\$ 4,064,791.06	\$ 3,751,305.54	\$ 65,863.55	\$ 81,013.44	\$ 94,819.71	\$ 500,000.00	\$ 500,000.00	\$ -	
Opening Interest Accrual Balance	\$21.98	\$ 21.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1 Interest Accrued and/or Interest Cost	\$0.74	\$0.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
2 Interest Accrued - discounted Instr.s	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
3 (Amortization and/or Interest Cost)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
4 Accretion	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5 Interest Paid - Cash Instr.s	\$44,429.26	\$21.98	\$9.12	\$4,000.80	\$17,027.64	\$14,849.08	\$835.28	\$166.63	\$431.23	\$0.00	\$7,087.50	\$0.00	
6 Interest Paid - Term Instr.s	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
7 Realized Gain (Loss)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
8 Net Investment Income	\$44,430.00	\$22.72	\$9.12	\$4,000.80	\$17,027.64	\$14,849.08	\$835.28	\$166.63	\$431.23	\$0.00	\$7,087.50	\$0.00	
9 Deposits - Purchases	\$19,065,233.74	\$0.00	\$0.00	\$0.00	\$4,507,087.50	\$9,413,347.30	\$1,144,798.94	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000,000.00	
10 (Withdrawals - Sales)	-\$21,426,456.14	\$0.00	\$0.00	-\$4,500,000.00	-\$4,000,000.00	-\$11,274,569.70	-\$1,144,798.94	\$0.00	\$0.00	\$0.00	-\$507,087.50	\$0.00	
		OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	
Ending Cash & Investment Balance	\$11,275,124.69	\$5,412.26	\$2,450.54	\$30,293.63	\$4,588,906.20	\$1,904,932.22	\$66,698.83	\$81,180.07	\$95,250.94	\$500,000.00	\$0.00	\$4,000,000.00	
Ending Interest Accrual Balance	\$22.72	\$22.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Plus Outstanding Checks	\$166,495.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$166,495.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
(Less Deposits in Transit)	-\$9,695.17	\$0.00	\$0.00	\$0.00	\$0.00	-\$9,695.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Balance per Bank	\$11,431,925.29	\$5,412.26	\$2,450.54	\$30,293.63	\$4,588,906.20	\$1,895,237.05	\$233,194.60	\$81,180.07	\$95,250.94	\$500,000.00	\$0.00	\$4,000,000.00	

CERTIFICATION AND RECONCILIATION OF CLAIMS PAYMENTS AND RECOVERIES									
SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND									
Month		December							
Current Fund Year		2023							
		1.	2.	3.	4.	5.	6.	7.	8.
Policy		Calc. Net	Monthly	Monthly	Calc. Net	TPA Net	Variance	Delinquent	Change
Year	Coverage	Paid Thru	Net Paid	Recoveries	Paid Thru	Paid Thru	To Be	Unreconciled	This
		Last Month	December	December	December	December	Reconciled	Variance From	Month
2023	Med	41,737,081.81	4,853,149.61	0.00	46,590,231.42	0.00	46,590,231.42	41,737,081.81	4,853,149.61
	Dental	1,047,313.49	78,495.12	0.00	1,125,808.61	0.00	1,125,808.61	1,047,313.49	78,495.12
	Rx	10,925,944.91	1,198,126.03	0.00	12,124,070.94	0.00	12,124,070.94	10,925,944.91	1,198,126.03
	Vision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	53,710,340.21	6,129,770.76	0.00	59,840,110.97	0.00	59,840,110.97	53,710,340.21	6,129,770.76



**SOUTHERN NEW JERSEY REGIONAL  
EMPLOYEE BENEFITS FUND**

**Monthly Claim Activity Report**

***February 26, 2024***

21



Large Claimant Report (Drilldown) - Claims Over \$100000

Plan Sponsor Unique ID :

Customer:

Group / Control:

All

SNJ Regional Employee Benefits Fund

00737391,00866357,SI030217,SI416902,SI431318

Paid Dates:

Service Dates:

Line of Business:

12/01/2023 - 12/31/2023

01/01/2011 - 12/31/2023

All

	Paid Amt
	\$206,078.06
	\$142,181.95
	\$134,611.48
	\$116,912.08
	\$114,344.31
	\$105,801.16
Total:	\$819,929.04



## SNJ Regional Employee Benefits Fund

1/1/23 thru 12/31/23 (unless otherwise noted)

## Dashboard

### Medical Claims Paid:

January 2023 thru December 2023

Total Medical Paid per EE: **\$1,688**

### Network Discounts

Inpatient: **68.2%**  
Ambulatory: **71.0%**  
Physician/Other: **61.2%**  
**TOTAL: 66.9%**

### Provider Network

% Admissions In-Network: **99.7%**  
% Physician Office: **98.2%**

#### Aetna Book of Business:

Admissions 98.4%; Physician 92.3%

### Top Facilities Utilized (by total Medical Spend)

- Cooper Hospital
- Virtua-West Jersey
- CHOP
- Kennedy Memorial Health
- University of Pennsylvania

### Catastrophic Claim Impact

January 2023 – December 2023

Number of Claims Over \$50,000: **121**  
Claimants per 1000 members: **22.7**  
Avg. Paid per Claimant: **\$141,458**  
Percent of Total Paid: **43.1%**  
• Aetna BOB- HCC account for an average of 40.6% of total Medical Cost

### Aetna One Flex Member Outreach: Through December 2023

Total Members Identified: **1,191**  
Members Targeted for 1:1 Nurse Support : **263**  
Members Targeted for Digital Activity: **928**  
Member 1:1 outreach completed: **255**  
Member 1:1 Outreach in Progress: **8**

### Teladoc Activity

January 2023 – December 2023

Total Registrations: **118**  
Total Online Visits: **244**  
Total Net Claims Savings: **\$117,658**  
Total Visits w/ Rx: **155**

Mental Health Visits: **18**  
Dermatology Visits: **6**

### Allentown Service Center Performance Goal Metrics YTD 2023

#### Customer Service Performance

1<sup>st</sup> Call Resolution: **93.93%**  
Abandonment Rate: **0.57%**  
Avg. Speed of Answer: **17.1 sec**

#### Claims Performance

Financial Accuracy: **98.25%**  
-  
90% processed w/in: **7.7 days**  
95% processed w/in: **14.8 days**  
\*\*\*\*\*

#### Claims Performance (Monthly) (December 2023)

90% processed w/in: **6.4 days**  
95% processed w/in: **12.4 days**  
(Note: This is not a PG metric)  
\*\*\*\*\*

#### Performance Goals

1<sup>st</sup> Call Resolution: **90%**  
Abandonment Rate less than: **3.0%**  
Average Speed of Answer: **30 sec**  
  
Financial Accuracy: **99%**  
**Turnaround Time**  
90% processed w/in: **14 days**  
95% processed w/in: **30 days**





2024 SNJ HIF					
		<u>MEDICAL CLAIMS PAID 2024</u>	<u>TOTAL</u>	<u># OF EES</u>	<u>PER EE</u>
JANUARY		\$ 115,974.39	\$ 115,974.39	276	\$ 420.19
FEBRUARY					
MARCH					
APRIL					
MAY					
JUNE					
JULY					
AUGUST					
SEPTEMBER					
OCTOBER					
NOVEMBER					
DECEMBER					
TOTALS		\$ 115,974.39	2024 Average	276	\$ 420.19

2023 SNJ HIF					
		<u>MEDICAL CLAIMS PAID 2023</u>	<u>TOTAL</u>	<u># OF EES</u>	<u>PER EE</u>
JANUARY		\$ 57,161.00	\$ 57,161.00	138	\$ 414.21
FEBRUARY		\$ 230,443.69	\$ 230,443.69	134	\$ 1,719.72
MARCH		\$ 227,431.93	\$ 227,431.93	138	\$1,648.05
APRIL		\$ 165,876.75	\$ 165,876.75	137	\$ 1,210.77
MAY		\$ 200,962.83	\$ 200,962.83	138	\$ 1,456.25
JUNE		\$ 193,132.39	\$ 193,132.39	136	\$ 1,420.09
JULY		\$ 236,276.53	\$ 236,276.53	136	\$ 1,737.32
AUGUST		\$ 308,802.85	\$ 308,802.85	136	\$ 2,270.60
SEPTEMBER		\$ 254,081.03	\$ 254,081.03	136	\$ 1,868.24
OCTOBER		\$ 390,722.00	\$ 390,722.00	136	\$2,873.32
NOVEMBER		\$ 347,756.34	\$ 347,756.34	135	\$ 2,575.97
DECEMBER		\$ 265,952.43	\$ 265,952.43	135	\$ 1,970.01
TOTALS		\$2,878,599.77	2023 Average	136	\$ 1,763.71



**EXPRESS SCRIPTS®**

Southern New Jersey Regional Employee Benefits Fund

Total Component/ Date of Service (Month)	2022 01	2022 02	2022 03	2022 Q1	2022 04	2022 05	2022 06	2022 Q2	2022 07	2022 08	2022 09	2022 Q3	2022 10	2022 11	2022 12	2022 Q4	2022 YTD
Membership	4,596	4,586	4,598	4,593	4,596	4,605	4,600	4,600	5,000	5,014	5,024	5,013	4,997	4,998	4,984	4,993	4,800
Total Days	178,967	171,953	187,498	538,418	178,596	188,053	183,697	550,346	183,335	204,617	192,041	579,993	196,089	198,567	198,166	592,822	2,261,579
Total Patients	1,643	1,639	1,747	2,464	1,678	1,743	1,741	2,551	1,752	1,858	1,820	2,699	1,979	2,008	1,953	2,979	3,810
Total Plan Cost	\$641,783	\$621,784	\$698,429	\$1,961,996	\$616,769	\$768,271	\$695,354	\$2,080,394	\$835,921	\$778,927	\$794,373	\$2,409,220	\$751,211	\$806,485	\$859,527	\$2,417,222	\$8,868,832
Generic Fill Rate (GFR) - Total	87.6%	85.8%	87.1%	86.9%	87.6%	87.1%	87.3%	87.4%	87.5%	86.1%	87.1%	86.9%	81.6%	84.0%	85.5%	83.7%	86.1%
Plan Cost PMPM	\$139.64	\$135.58	\$151.90	\$142.38	\$134.20	\$166.83	\$151.16	\$150.74	\$167.18	\$155.35	\$158.12	\$160.21	\$150.33	\$161.36	\$172.46	\$161.37	\$153.98
Total Specialty Plan Cost	\$258,321	\$238,408	\$258,476	\$755,205	\$211,002	\$339,439	\$290,418	\$840,859	\$378,061	\$312,245	\$368,494	\$1,058,801	\$277,961	\$366,402	\$391,898	\$1,036,260	\$3,691,125
Specialty % of Total Specialty Plan Cost	40.3%	38.3%	37.0%	38.5%	34.2%	44.2%	41.8%	40.4%	45.2%	40.1%	46.4%	43.9%	37.0%	45.4%	45.6%	42.9%	41.6%

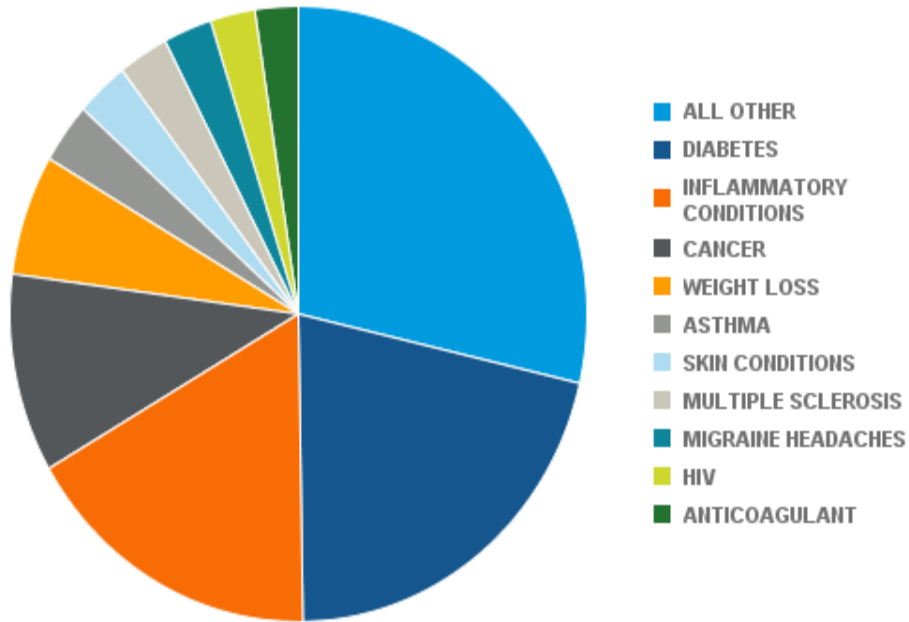
  

Total Component/ Date of Service (Month)	2023 01	2023 02	2023 03	2023 Q1	2023 04	2023 05	2023 06	2023 Q2	2023 07	2023 08	2023 09	2023 Q3	2023 10	2023 11	2023 12	2023 Q4	2023 YTD
Membership	4,885	4,960	5,121	4,989	5,405	5,402	5,395	5,401	5,404	5,384	5,394	5,394	5,397	5,549	5,638	5,528	5,328
Total Days	208,026	187,787	212,118	607,931	215,857	221,887	221,390	659,134	211,066	227,209	208,100	646,375	228,968	229,247	229,673	687,888	2,601,328
Total Patients	2,015	1,917	2,012	3,029	2,074	2,120	2,045	3,110	2,040	2,068	2,006	3,069	2,185	2,214	2,223	3,340	4,468
Total Plan Cost	\$731,056	\$779,560	\$939,382	\$2,449,998	\$860,807	\$990,925	\$976,438	\$2,828,170	\$943,486	\$1,105,047	\$986,640	\$3,035,173	\$1,086,968	\$1,079,258	\$1,070,317	\$3,236,542	\$11,549,883
Generic Fill Rate (GFR) - Total	86.1%	85.3%	86.2%	85.9%	87.1%	86.1%	87.6%	86.9%	87.7%	86.0%	86.2%	86.6%	83.1%	86.3%	88.0%	85.8%	86.3%
Plan Cost PMPM	\$149.65	\$157.17	\$183.44	\$163.70	\$159.26	\$183.44	\$180.99	\$174.56	\$174.59	\$205.25	\$182.91	\$187.56	\$201.40	\$194.50	\$189.84	\$195.16	\$180.65
%Change Plan Cost PMPM	7.2%	15.9%	20.8%	15.0%	18.7%	10.0%	19.7%	15.8%	4.4%	32.1%	15.7%	17.1%	34.0%	20.5%	10.1%	20.9%	17.3%
Total Specialty Plan Cost	\$286,636	\$311,863	\$403,035	\$1,001,534	\$324,115	\$333,871	\$401,673	\$1,059,659	\$361,164	\$489,183	\$429,642	\$1,279,989	\$451,508	\$439,878	\$470,291	\$1,361,677	\$4,702,860
Specialty % of Total Specialty Plan Cost	39.2%	40.0%	42.9%	40.9%	37.7%	33.7%	41.1%	37.5%	38.3%	44.3%	43.5%	42.2%	41.5%	40.8%	43.9%	42.1%	40.7%

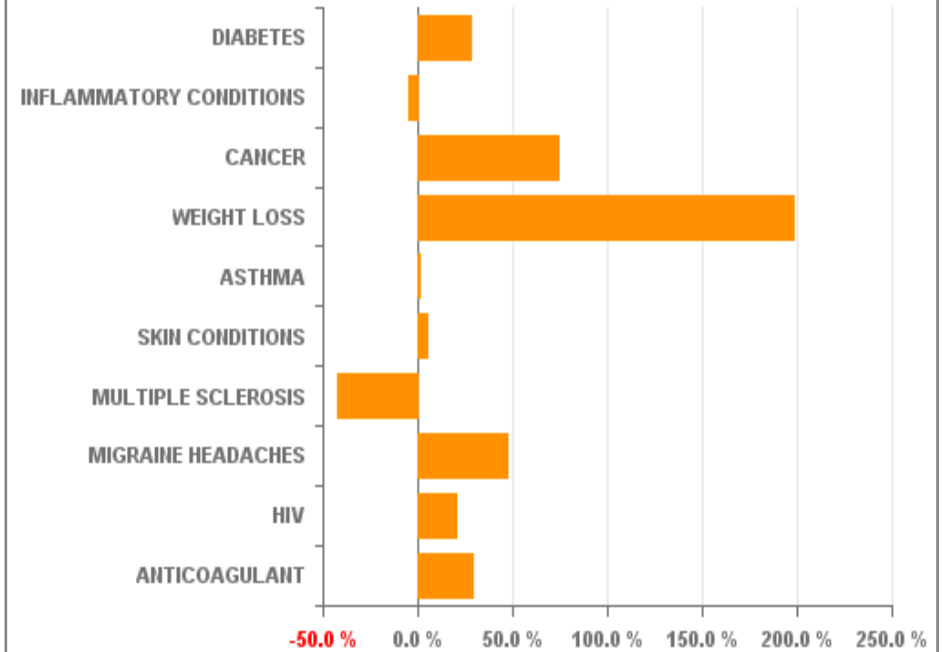
## Top Indications

SOUTH. NJ REGIONAL EMP.BNFT (Current Period 01/2023 - 12/2023 vs. Previous Period 01/2022 - 12/2022) Peer = Commercial

Top Indications by Plan Cost



Plan Cost PMPM % Change (Trend)



			Current Period							Previous Period						Trend
Rank	Peer Rank	Indication	Market Share	Adjusted Rxs	Plan Cost	Plan Cost PMPM	GFR	Peer GFR	Market Share	Adjusted Rxs	Plan Cost	Plan Cost PMPM	GFR	Peer GFR	Plan Cost PMPM	
1	2	DIABETES	29.61%	7,573	\$2,444,524	\$38.24	315 %	34.7 %	27.92%	6,626	\$1,718,733	\$29.84	33.0 %	38.8 %	28.1%	
2	1	INFLAMMATORY CONDITIONS	23.64%	664	\$1,951,750	\$30.53	48.5 %	40.2 %	30.11%	614	\$1,853,549	\$32.18	46.6 %	42.2 %	-5.1%	
3	3	CANCER	14.63%	286	\$1,208,169	\$18.90	77.6 %	75.1 %	10.15%	267	\$624,960	\$10.85	88.4 %	75.4 %	74.2 %	
4	5	WEIGHT LOSS	8.87%	682	\$732,165	\$11.45	7.6 %	9.5 %	3.60%	262	\$221,485	\$3.85	15.6 %	22.4 %	197.8 %	
5	8	ASTHMA	4.45%	4,260	\$367,351	\$5.75	78.5 %	77.3 %	5.31%	3,731	\$326,753	\$5.67	76.6 %	76.0 %	13 %	
6	6	SKIN CONDITIONS	4.13%	1,034	\$340,728	\$5.33	86.3 %	88.3 %	4.75%	903	\$292,439	\$5.08	85.2 %	88.9 %	5.0 %	
7	9	MULTIPLE SCLEROSIS	3.94%	81	\$325,659	\$5.09	71.6 %	42.2 %	8.28%	92	\$509,538	\$8.85	32.6 %	33.7 %	-42.4 %	
8	10	MIGRAINE HEADACHES	3.81%	773	\$314,627	\$4.92	56.5 %	56.3 %	3.13%	538	\$192,879	\$3.35	55.8 %	61.6 %	47.0 %	
9	4	HIV	3.52%	112	\$290,347	\$4.54	23.2 %	26.6 %	3.54%	88	\$218,081	\$3.79	25.0 %	25.8 %	19.9 %	
10	7	ANTICOAGULANT	3.40%	676	\$280,494	\$4.39	16.6 %	20.0 %	3.19%	582	\$196,651	\$3.41	27.7 %	22.4 %	28.5 %	
Total Top 10				16,141	\$8,255,813	\$129.13	48.6 %	49.9 %		13,703	\$6,155,067	\$106.86	50.3 %	53.5 %	20.8 %	

## Top Drugs

SOUTH. NJ REGIONAL EMP.BNFT (Current Period 01/2023 - 12/2023 vs. Previous Period 01/2022 - 12/2022) Peer = Commercial

					Current Period				Previous Period				Change
Rank	Peer Rank	Brand Name	Indication	Specialty Drug	Adjusted Rxs	Patients	Plan Cost	Plan Cost PMPM	Adjusted Rxs	Patients	Plan Cost	Plan Cost PMPM	Plan Cost PMPM
1	7	WEGOVY	WEIGHT LOSS	N	510	92	\$624,428	\$9.77	82	11	\$97,851	\$170	474.9 %
2	3	OZEMPIC	DIABETES	N	655	85	\$558,480	\$8.74	363	46	\$299,103	\$5.19	68.2 %
3	413	VITRAKVI	CANCER	Y	14	1	\$480,189	\$7.51	7	1	\$167,264	\$2.90	158.6 %
4	1	HUMIRA(CF) PEN	INFLAMMATORY CONDITION	Y	69	10	\$443,483	\$6.94	86	8	\$451,659	\$7.84	-11.5 %
5	4	STELARA	INFLAMMATORY CONDITION	Y	33	6	\$399,155	\$6.24	42	5	\$492,765	\$8.56	-27.0 %
6	6	MOUNJARO	DIABETES	N	345	51	\$324,603	\$5.08	30	9	\$27,210	\$0.47	974.7 %
7	10	TRULICITY	DIABETES	N	351	40	\$287,308	\$4.49	333	38	\$260,049	\$4.51	-0.5 %
8	14	SKYRIZI PEN	INFLAMMATORY CONDITION	Y	36	3	\$225,945	\$3.53	3	1	\$12,625	\$0.22	1512.3 %
9	12	JARDIANCE	DIABETES	N	407	42	\$211,323	\$3.31	368	36	\$186,094	\$3.23	2.3 %
10	19	FARXIGA	DIABETES	N	398	41	\$195,807	\$3.06	298	37	\$142,493	\$2.47	23.8 %
11	11	ELIQUIS	ANTICOAGULANT	N	379	47	\$186,233	\$2.91	296	37	\$137,707	\$2.39	218 %
12	351	ORSERDU	CANCER	Y	8	1	\$180,141	\$2.82		NA			NA
13	59	LENALIDOMIDE	CANCER	Y	12	2	\$179,467	\$2.81		NA			NA
14	17	ENBREL SURECLICK	INFLAMMATORY CONDITION	Y	30	3	\$164,961	\$2.58	28	5	\$131,258	\$2.28	13.2 %
15	23	TALTZ AUTOINJECTOR	INFLAMMATORY CONDITION	Y	29	3	\$155,369	\$2.43	19	2	\$98,441	\$171	42.2 %
16	16	DUPIXENT PEN	SKIN CONDITIONS	Y	59	6	\$146,953	\$2.30	52	6	\$129,989	\$2.26	18 %
17	42	JANUVIA	DIABETES	N	274	28	\$132,594	\$2.07	242	26	\$110,554	\$192	8.0 %
18	31	DUPIXENT SYRINGE	SKIN CONDITIONS	Y	53	5	\$129,767	\$2.03	46	4	\$110,829	\$192	5.5 %
19	43	REVLIMID	CANCER	Y	8	2	\$118,207	\$185	15	2	\$249,370	\$4.33	-57.3 %
20	46	HUMIRA PEN	INFLAMMATORY CONDITION	Y	21	3	\$115,997	\$181	21	2	\$96,294	\$167	8.5 %
21	21	BIKTARVY	HIV	N	33	3	\$115,770	\$181	34	3	\$110,562	\$192	-5.7 %
22	159	COPAXONE	MULTIPLE SCLEROSIS	Y	30	3	\$114,418	\$179	27	3	\$103,377	\$179	-0.3 %
23	50	HUMALOG KWIKPEN U-100	DIABETES	N	175	24	\$90,998	\$142	179	24	\$89,457	\$155	-8.4 %
24	36	XARELTO	ANTICOAGULANT	N	185	26	\$89,387	\$140	125	15	\$57,348	\$100	40.4 %
25	98	SAXENDA	WEIGHT LOSS	N	74	22	\$86,675	\$136	102	21	\$119,318	\$2.07	-34.6 %
Total Top 25					4,188		\$5,757,658	\$90.06	2,798		\$3,681,617	\$63.92	40.9 %



**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND  
CONSENT AGENDA  
FEBRUARY 26, 2024**

The following Resolutions listed on the Consent Agenda will be enacted in one motion. Copies of all Resolutions are available to any person upon request. Any Commissioner wishing to remove any Resolution(s) to be voted upon, may do so at this time, and said Resolution(s) will be moved and voted separately.

**Resolutions**

**Subject Matter**

**Motion**\_\_\_\_\_

**Second**\_\_\_\_\_

**Resolutions**

**Subject Matter**

Revised Resolution 5-24: Designation of Regular Meeting Times and Place ..... **Page 31**  
Resolution 15-24: Forming HIF Cooperative Pricing System .....**Page 32**  
Resolution 16-24: Approval of the January and February 2024 2023 Bills List.....**Page 34**

**REVISED RESOLUTION NO. 5-24**

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND  
FIXING PUBLIC MEETING DATES  
FOR THE YEAR 2024**

**WHEREAS**, under the Open Public Meetings Act of New Jersey, each public entity is required to publish the date and place for its public meetings;

**WHEREAS** by the Executive Committee of the Southern New Jersey Regional Employee Benefits Fund that the Fund hereby approves the following 2024 meeting dates, times and location for the Southern New Jersey Regional Employee Benefits Fund:

**THEREFORE BE IT RESOLVED**, by the Commissioners of the Southern New Jersey Regional Employee Benefits Fund that the Fund shall hold public meetings during the year 2024 at on the fourth Monday of each month (\*unless otherwise noted) at 4:15 p.m.

February 26, 2024	BERLIN BOROUGH MUNICIPAL HALL
March 25, 2024	ZOOM
April 22, 2024	BELLMAR FIRE COMPANY
May 20, 2024*	ZOOM
June 24, 2024	HADDON TWP MUNICIPAL BUILDING
July 22, 2024	ZOOM
August 26, 2024	ZOOM
September 23, 2024	BROOKLAWN SENIOR CENTER
October 28, 2024	ZOOM
November 25, 2024	COLLINGSWOOD SR. COMMUNITY CENTER
January 27, 2025	ZOOM

**BE IT FURTHER RESOLVED** that the public can find instructions for accessing those remote public meetings, the means for making public comment, and where relevant documents, if any, will be made available at the following link: [https:// snjrbf.com/meeting-information/](https://snjrbf.com/meeting-information/).

**BE IT FURTHER RESOLVED** that the Secretary of the Fund is hereby directed to publish a copy of this Resolution in the Burlington County Times, the Courier Post and listed on the Fund Website ([www.snjrbf.com](http://www.snjrbf.com))

**ADOPTED FEBRUARY 26, 2024**

**BY:** \_\_\_\_\_  
**CHAIRPERSON**

**ATTEST:**

\_\_\_\_\_  
**SECRETARY**

**REVISED RESOLUTION NO. 15-24**

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND  
RESOLUTION TO FORM  
HEALTH INSURANCE COOPERATIVE PRICING SYSTEM**

**WHEREAS**, Contracting Units of the State of New Jersey are authorized to enter into a cooperative pricing system agreement for the cooperative pricing of goods and services as permitted by the Local Public Contracts Law and the Public School Contracts Law and applicable regulations under N.J.C.A. 5:34-7 et seq.; and

**WHEREAS**, the statutes regulating the creation and establishment of a cooperative pricing system allow contracting units to join together for the purposes of obtaining third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers (hereinafter the "Services") in order to negotiate and contract for the Services in a cost-effective manner, furthering the public interest entrusted to such a cooperative pricing system; and

**WHEREAS**, the governing bodies of the Southern New Jersey Regional Employee Benefits Fund ("SNJ Fund") and the Bergen Municipal Employee Benefits Fund ("BMED") have determined that the formation of and membership in the Health Insurance Cooperative Pricing System ("HICPS") is in the best interest of their respective members.

**NOW THEREFORE, BE IT RESOLVED**, that the governing bodies of the SNJ Fund and BMED do hereby resolve and agree to become the initial members in the HICPS for the purpose of joining with other contracting units in the State to aggregate purchasing power for the Services so as to achieve financial savings and to encourage contracting units to cooperate in seeking ways to better provide health benefits to their employees;

**BE IT FURTHER RESOLVED** that the SNJ Fund is hereby appointed and designated as the "Lead Agency" of the HICPS and agrees to act as the Lead Agency for the HICPS;

**BE IT FURTHER RESOLVED** that the Chairman of the SNJ Fund and BMED are authorized to execute the Health Insurance Cooperative Pricing System Agreement, attached hereto, and that \_\_\_\_\_ of the SNJ Fund and \_\_\_\_\_ of the BMED are hereby designated as the representative of the respective contracting unit and as the contact person for communications between the Lead Agency and the contracting unit and the HICPA; and

**BE IT FURTHER RESOLVED** that the respective Chairman of the SNJ Fund and BMED are authorized and directed to execute such other documents signifying their membership in the HICPS and to deliver same to the Lead Agency of the HICPS.

**ADOPTED: FEBRUARY 26, 2024**

**BY:** \_\_\_\_\_  
**CHAIRPERSON**

**ATTEST:**

\_\_\_\_\_  
**SECRETARY**

**RESOLUTION NO. 16-24**

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND  
APPROVAL OF THE JANUARY AND FEBRUARY 2024 BILLS LIST**

**WHEREAS**, the Southern New Jersey Regional Employee Benefits Fund held a Public Meeting on **February 26, 2024** for the purposes of conducting the official business of the Fund; and

**WHEREAS**, The Treasurer for the Fund presented bills lists to satisfy outstanding costs incurred for operating the Fund during the months January and February 2024 for consideration and approval of the Executive Committee; and

**WHEREAS**, a quorum of the Executive Committee was present thereby conforming with the By-laws of the Fund to conduct official business of the Fund,

**NOW THEREFORE BE IT RESOLVED** the Commissioners of the Executive Committee of the Southern New Jersey Regional Employee Benefits Fund hereby approve the Bills List for January and February 2024 prepared by the Treasurer of the Fund and duly authorize and concur said bills to be paid expeditiously, in accordance with the laws and regulations promulgated by the State of New Jersey for Municipal Health Insurance Funds.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, the Commissioners of the Executive Committee of the Southern New Jersey Regional Employee Benefits Fund hereby approve the Treasurers Report as furnished by the Treasurer of the Fund and concur with actions undertaken by the Treasurer, in accordance with the laws and regulations promulgated by the State of New Jersey for Municipal Health Insurance Funds.

**ADOPTED: FEBRUARY 26, 2024**

**BY:** \_\_\_\_\_  
**CHAIRPERSON**

**ATTEST:**

\_\_\_\_\_  
**SECRETARY**

# APPENDIX I

**SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND  
OPEN MINUTES  
JANUARY 22, 2024**

**ZOOM CONFERENCE CALL**

**4:15 PM**

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

**PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE  
ROLL CALL OF 2023 EXECUTIVE COMMITTEE**

Michael Mevoli, Chairman	Borough of Brooklawn	Present
M. Joseph Wolk, Secretary	Borough of Mt. Ephraim	Present
Louis Di Angelo	Borough of Bellmawr	Present
Terry Shannon	Borough of Barrington	Present
Edward Hill	CCBOSS	Present
Gary Passanante	Borough of Somerdale	Present
Brian Morrell	Gloucester City	Present
Kenneth Cheeseman	Laurel Springs	Present

**APPOINTED PROFESSIONALS PRESENT:**

Executive Director/ Adm.	PERMA Risk Management Services <b>Brandon Lodics</b> <b>Jordyn DeLorenzo</b>
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Program Manager	Conner Strong & Buckelew <b>Crystal Bailey</b>
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Attorney	<b>J. Kenneth Harris, Esq.</b>
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Medical TPA – AmeriHealth	<b>Kristina Strain</b>
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Medical TPA – Aetna	<b>Jason Silverstein</b>
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Express Scripts	<b>Charles Yuk</b>
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Treasurer	<b>Lorraine Verrill</b>
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Delta Dental	<b>Crista O'Donnell - Absent</b>
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**OTHERS PRESENT:**

Scott Davenport	Tyler Jackson
Bernadette Twist	Jacque Maddren

Kimberly Porter	Joe Madera
Michele Miller	Pat Mason
Pay Yacovelli	Peter Mina
Robert Weil	Sarah Scala
Stacey Divello	Suzanne Wood

**APPROVAL OF MINUTES: January 22, 2024 Open**

**MOTION TO APPROVE OPEN MINUTES OF JANUARY 22, 2024 AS PRESENTED:**

Moved:	Commissioner Wolk
Second:	Commissioner DiAngelo
Vote:	Unanimous

**CORRESPONDENCE** – none.

**SINE DIE MEETING:**

**ROLL CALL OF 2024 FUND COMMISSIONERS**

MEMBER ENTITY	COMMISSIONER/CONTACT	ATTENDANCE
Barrington	Terry Shannon	Present
Bellmawr	Louis DiAngelo	Present
Bordentown	Michael Theokas	Absent
Borough of Berlin		
Borough of Lawnside	Angelique Rankins	Absent
Brooklawn	Michael Mevoli	Present
Camden City	OPEN	
CCBOSS	Edward Hill	Present
Chesilhurst	William Hales	Absent
Delran Township	Joseph Bellina	Absent
Elk Township		
Evesham Township		
Franklin Township	Barbara Freijomil	Absent
Gibbsboro	Jack Flynn	Absent
Gloucester City	Brian Morrell	Present
Gloucester Township	OPEN	
Gloucester Township Fire District #2	William Rob	Present
Haddon Heights	Kelly Santosusso	Absent
Haddonfield	Kevin Roche	Present
Laurel Springs	Ken Cheeseman	Present
Lindenwold	Dawn Thompson	Absent
Lumberton Township	Carrie Gregory	Present
Magnolia	Steve Whalen	Present



Mantua	Jemmica Bileci	Absent
Medford Lakes	Robert Burton	Absent
Medford Twp		
Merch/Pennsauken Water Commission	Jack Killion	Present
Merchantville	Edward Brennan	Absent
Monroe		
Mount Holly MUA		
Mt Ephraim	M. Joseph Wolk	Present
North Hanover Twp	Mary Picariello	Absent
Oaklyn Borough	Bonnie Taft	Present
Palmyra	Donna Condo	Absent
Paulsboro	Gary Stevenson	Absent
Pennsauken	Elizabeth Peddicord	Present
Pine Hill	Pat Hendricks	Absent
Pitman	Michael Razze	Absent
Riverside	Meghan Jack	Absent
Runnemede	Eleanor Kelly	Present
Somerdale, Boro of	Gary Passanante	Present
Springfield Township	J Paul Keller	Absent
Township of Berlin	Catherine Underwood	Absent
Township of Waterford	Michael Dougherty	Absent
Washington Township	James Walker	Absent
Wenonah	Karen Sweeney	Absent
West Deptford	Mike Kwasizur	Absent
Westville Borough	Ryan Giles	Absent
Willingboro	Dwayne Harris	Absent
Winslow Township Fire District	Lorraine Sacco	Present
Winslow Twp	Joseph Gallagher	Present
Woodbury Heights	Vikki Holmstrom	Present

## **ELECTION OF OFFICERS, EXECUTIVE COMMITTEE & ALTERNATES**

Executive Director asks for nominations. Attorney swears in Officers and Executive Committee.

### **NOMINATING COMMITTEE RECOMMENDATION**

Michael Mevoli, Chairman

Joseph Wolk, Secretary

Louis DiAngelo, Executive Committee Member

Terry Shannon, Executive Committee Member

Edward Hill, Executive Committee Member

Gary Passanante, Executive Committee Member

Brian Morrell, Executive Committee Member

Kenneth Cheeseman, Executive Committee Alternate

Brandon Lodics opened the floor to any other nominations for the 2023 Executive Committee. No other recommendation was given.

**MOTION TO APPROVE THE RECCOMENDED SLATE AS PRESENTED**

Moved:	Commissioner Di Angelo
Second:	Commissioner Shannon
Vote:	19 ayes, 0 nays

**OATH OF OFFICE**

**MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER**

**ROLL CALL OF 2024 EXECUTIVE COMMITTEE**

**EXECUTIVE DIRECTOR’S REPORT**

**FAST TRACK FINANCIAL REPORT** – Mr. Lodics reviewed the financial fast track through October 31, 2023. He stated that October was a good month with a slight gain with \$8.4 in statutory surplus.

**2024 REORGANIZATION** – Mr Lodics stated that the reorganization resolutions are included in the consent agenda with necessary 2024 updates. He made a few notes about the following resolutions:

- #5-24 – This resolution sets the meeting dates for 2024, please note there is no December meeting. This will be sent to all members.
- #7-24 – Current Signatories – Michael Mevoli, Joseph Wolk, Terry Shannon, Treasurer and Deputy Treasurer.
- #8-24 – RMP – The only change is the specific excess limit to the MRHIF.
- #9-24 – Current MRHIF representatives are Joseph Wolk and Terry Shannon.

**COMMITTEE APPOINTMENTS**

Mr. Lodics stated that each year the Fund Chair makes appointment to the Fund’s standing committees. A report of the proposed 2024 committees is included below. He asked if anyone was interested in joining the open spots on the contracts or claims committee. Mrs. Kelley and Mrs. Sacco joined the open spots.

<u>Contracts</u>	<u>Claims</u>	<u>Finance</u>	<u>Nominating</u>
Lou DiAngelo, Chair	Joseph Wolk, Chair	Terry Shannon, Chair	Joseph Wolk, Chair
Lorraine Sacco	Elanore Kelley	Gary Passanante	Lou DiAngelo
Edward Hill	Terry Shannon	Lou DiAngelo	Terry Shannon

**MUNICIPAL REINSURANCE HEALTH INSURANCE FUND**

The MRHIF executive committee met on December 13.

The 2024 budget and assessments were adopted without amendment. The assessment included in the SNJHIF 2024 budget was unchanged.

The incumbent Benefits Administration system was approved for another one-year contract. A full review of the services promised in the RFP will occur next fall and the Fund will determine whether to extend another year or go back out to RFP.

The MRHIF will have a new member on 1/1/2024 – the Metropolitan Health Insurance Fund.

### **PROGRAM MANAGERS REPORT**

Crystal Bailey reviewed the informational report listed in the agenda.

### **ELIGIBILITY/ENROLLMENT:**

Please direct any eligibility, enrollment, or system related questions to our dedicated SNJREBF enrollment team. To contact the team, email [southernnj\\_enrollments@permainc.com](mailto:southernnj_enrollments@permainc.com) or fax to 856-685-2249.

System training (new and refresher) is provided to all contacts with WEX access **every 3<sup>rd</sup> Wednesday at 10AM**. Please contact Austin Flinn, [aflinn@permainc.com](mailto:aflinn@permainc.com) for additional information or to request an invite.

In the subject line of the email, please include: ***Training – Fund Name and Client Name***. Please be sure to add the date of the training you would like to attend in your email so an invite can be sent.

**COVERAGE UPDATES: None**

**EXPRESS-SCRIPTS UPDATE: None**

**OPERATIONAL UPDATES:** End of Year Reporting was sent to all SNJRHIF group billing contacts on December 19<sup>th</sup>.

In addition to the End of Year report, a Wellness Incentive Program report has been provided reflecting employees who received a gym reimbursement in 2023, as this is taxable income. Wellness incentives provided directly to members that do not go towards their health insurance premiums are considered taxable income regardless of the amount. It is the employer's responsibility to report any wellness incentive as income on the employee's W-2 and withhold all appropriate income tax.

Please note the following:

- The report includes the participant's full name and total amount received in 2023
  - Aetna - up to \$240 per eligible participant
- Initial report will be for reimbursements issued for the time period of **January 1, 2023 through November 30, 2023**
  - Reports were sent to group billing contacts December 21<sup>st</sup>
- An additional report will be provided in late January 2024 for reimbursements issued for submissions in **December 2023**.
  - Employers are responsible for updating an employee's W-2 withholdings once received
- All eligible employees, spouses and dependents (those over age 18) who received a reimbursement will be included in the report separately
  - We recommend groups confirm with their tax advisor if reimbursements for spouses and dependents should be included in the employee's reporting

Please note there is not an option to receive the latter report sooner than late January as the data is not available.

**2024 LEGISLATIVE REVIEW:**

Mrs. Bailey stated nothing new to report since the last time the meeting met.

**Medical and Rx Reporting: None****No Surprise Billing and Transparency Act – Continued Delays****2023 Specialized Audits - See Appendix.**

As approved through an RFP through the Program Manager's contract, the HIFs has acquired the services of AIM to conduct specialized audits for the Southern New Jersey Health Insurance Fund (SNJHIF). AIM will complete medical claims audits for claims administered by Aetna. The claim audit being performed will determine Aetna's claim processing and financial accuracy of medical claims. AIM will also perform an Operation Review. Aim will perform an in-depth evaluation of the controls employed by the Aetna to ensure quality administration. **See Appendix of the agenda.**

**Carrier Appeals: None****Carrier Appeals:**

<b>Submission Date</b>	<b>Appeal Type</b>	<b>Appeal Number</b>	<b>Reason</b>	<b>Determination</b>	<b>Determination Date</b>
12/07/2023	Aetna/Medical	SNJ 2023-12-01	Genetic Testing	Under Review	N/A
10/19/2023	Aetna/Medical	SNJ 2023-12-02	Injectable drug	Upheld	10/31/2023
12/12/2023	Aetna/Medical	SNJ 2023-12-03	Molecular pathology procedure	Upheld	12/19/2023
12/13/2023	Aetna/Medical	SNJ 2023-12-04	Lab services	Upheld	12/19/2023

**IRO Submissions:**

<b>Submission Date</b>	<b>Appeal Type</b>	<b>Appeal Number</b>	<b>Reason</b>	<b>Determination</b>	<b>Determination Date</b>
12/11/2023	Aetna/Medical	SNJ 2023-12-02	Injectable drug	Upheld	12/12/2023

**Small Claims Committee: None**

**TREASURER:** Lorraine Verrill reviewed the bills list for December 2023 and the treasurers report.

**MOTION TO APPROVE RESOLUTION 14-24 DECEMBER 2023 BILLS LIST:**

Moved:

Commissioner Shannon

Second:

Commissioner Cheeseman

Vote:

8 ayes, 0 nays

**FUND ATTORNEY:** Fund Attorney Harris stated that the health and human services department has come out with new rules for MA plans in 2026. He stated that they are implementing standards with respect to prior Authorization requirements. This is going to be with electronic forms to shorten the response time for MA plans. He stated that starting in 2024, there is a pension linked emergency savings account for employees with pensions to have a ROTH type savings account to be used in emergency expenses. They wouldn't be subject to penalties for early withdrawal. He stated this isn't HIF related but could come up in the public entities.

**AETNA:** Mr. Silverstein reviewed the claims for the month of October and November 2023. There were 10 high-cost claimants over the threshold of \$50,000 for the month of October and 11 for November. He stated that the dashboard report shows metrics continue to perform well.

**AMERIHEALTH:** Kristina Strain reviewed the paid claims and enrollment report through December 2023. She stated that there was 1 high-cost claimants over the threshold of \$50,000.

**EXPRESS SCRIPTS:** Mr. Yuk reviewed the utilization for the month of November 2023. He reviewed the top ten indications stated that diabetes & inflammatory conditions and cancer are the top three. He reviewed the top drugs used in the fund compared to the trending market.

**DENTAL ADMINISTRATOR:** no report.

Consent Agenda:

**MOTION TO APPROVE CONSENT AGENDA BELOW AS PRESENTED:**

Resolution 1-24: Award of Professional Fees for 2024

Resolution 2-24: Designation of Service of Process

Resolution 3-24: Designation of Secretary as Custodian of Records

Resolution 4-24: Designation of Official Newspaper

Resolution 5-24: Designation of Regular Meeting Times and Place

Resolution 6-24: Designation of Bank Depositories & CMP

Resolution 7-24: Designation of Authorized Signatories

Resolution 8-24: Approval of Risk Management Plan

Resolution 9-24: Appointment of MRHIF Fund Commissioners

Resolution 10-24: Authorizing Treasurer to Process Payments

Resolution 11-24: Compensating Producers

Resolution 12-24: MRHIF I&T

Resolution 13-24: Bank Earnings Base Rate - Citizens

Moved:

Commissioner Shannon

Second:

Commissioner Wolk

Vote:

8 ayes, 0 nays

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** None.

Mr. Mevoli thanked all the fund commissioners for participating in today's meeting and thanked Jordyn DeLorenzo for getting everyone on the zoom so that we have a quorum.

**MOTION TO ADJOURN:**

Moved:	Commissioner Shannon
Second:	Commissioner DiAngelo
Vote:	All In Favor

**MEETING ADJOURNED: 4:50 pm**

**NEXT MEETING: February 26, 2024 4:15PM**

**BERLIN BOROUGH MUNICIPAL HALL**

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Jordyn DeLorenzo Assisting Secretary  
for

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**JOSEPH WOLK, SECRETARY**

## **SNJHIF Contracts Committee Meeting**

**February 5, 2024 – 12:30pm – Zoom**

Lou DiAngelo, Committee Chair  
Edward Hill, Committee Member  
Lorraine Sacco, Committee Member  
Ken Harris, Fund Attorney  
Brandon Lodics, Executive Director  
Emily Koval, Associate Executive Director  
Jordyn Robinson, Assistant Account Manager

### **COOPERATIVE PRICING SYSTEM**

Mr. Lodics stated that this is going to be an Executive Committee decision overall but would like approval from the Contracts Committee first before moving ahead.

Mr. Lodics stated that in 2023, the MRHIF and the local funds went out for RFP for Medical TPAs as a whole and the NJ Office of the Comptroller did not approve of this saying they felt that MRHIF did not have the authority to procure a claims agent being utilized by the local Funds. The Funds ended up going out for RFP at the local levels for one year. With the collaboration of the Fund Attorney and the QPA, there was discussion for a Cooperative Pricing System with a lead agent. He stated that it is the recommendation that the SNJHIF be the lead agent. He stated that SNJHIF has all of the medical TPAs including Atena, AmeriHealth and Medicare Advantage.

Mr. Harris stated that the Cooperative Pricing System allows the lead agency (SNJHIF) will determine what TPA services are needed for all HIFs. Then it will issue one single RFP. Once the bids come back, the SNJHIF will award a single contract to Aetna, AmeriHealth, UHC MA, etc. Each of the local HIFS will then also be able to pick which network in that contract approval that they want in their local HIFs. He stated that there could be administrative burden but they Program Manager and Executive Director's office works together on all RFPs. He stated that nothing will change in administration fees or anything along those lines. This will just allow the funds to use bargaining power for better rates in the funds.

Mr. Harris prepared all resolution and documentations that are needed to move forward for the SNJHIF as well as the other MRHIF local funds. If approved today, this will be added into the next agenda for the SNJHIF and other funds under the MRHIF umbrella.

Mr. Wolk asked why the State Comptroller's office shot the idea down of the RFP last year but will be okay with this approach. Mr. Harris stated that he believes that the State Comptroller's office was misunderstanding how the JIF or HIF operates and what we were trying to do. Mr. Harris researched the Cooperative Pricing System and read the regulations which the HIFs can utilize. Mr. Lodics stated that Mr. Harris is the attorney for the SNJHIF as well as the MRHIF so this process will be under him from both levels. Mr. Lodics stated that the QPA will be working with the comptroller's office on behalf of the fund. He stated that he appreciates the collaborative effort of Ken Harris and the QPA Sean Canning.

Mr. Wolk stated that he approves and believes this will save the fund money with rates and competitive pricing. He stated that he has no objection. Mr. Hill and Mrs. Sacco stated that they have no objections and support this effort.

Mr. Lodics stated that the next steps are to bring this to the MRHIF meeting for approval. He stated that he does not see any roadblocks and believes this is the right move. He stated that between February and March, this will get approved at the local levels and get the filing and RFP out by May/June.

# APPENDIX II



## **Southern New Jersey Regional Health Insurance Fund 2023 Operations Review and Medical Claims Audit**

A health care claims audit is designed to assess whether claims are being adjudicated correctly, in accordance with the provisions of the plan of benefits, and paid only on behalf of eligible participants as determined by the provisions of the plan. Best practice is to look beyond just the claims and to identify operational or administrative issues that may lead to broader claims processing and service issues, allowing for real-world recommendations for resolution.

AIM will perform an Operations Review of Aetna, which is an in-depth evaluation of the controls employed by the administrator to ensure quality administration.

- In an Operations Review (OR), a comprehensive Request for Information (RFI) is prepared and sent to Aetna in advance of the scheduled OR meeting.
- During the OR, interviews are conducted with key management and operations personnel to review Aetna's responses, procedures and methodologies.
- The OR encompasses such areas as system capabilities, staffing levels and turnover, performance standards, quality assurance for claim processing and customer service, Aetna's actual performance vs. client-specific and/or industry standards for accuracy, timeliness of claims adjudication, reporting capabilities, coordination with other administrative areas/vendors, and cost-management activities such as overpayment recovery, pricing controls and TPL investigations.
- Findings are compared to industry best practices.
- An OR can identify weaknesses in administrative controls that lead to poor performance.

In conjunction with the Operations Review, a medical claims audit will also be conducted on the administration by Aetna for the HIF employee medical plan. The medical claims audit will be conducted on a sample of claims finalized during the identified audit period. The audit will assess whether claims are being adjudicated correctly, in accordance with the provisions of the HIF plan of benefits and paid on behalf of eligible participants as determined by the provisions of the plan.

The purpose of the audit is to provide an assessment of Aetna's overall claims processing and financial accuracy performance during the audit period versus industry standards and applicable contractual standards.

**Claim Audit Methodology** - The principal objective of the claims audit will be to determine Aetna's claim processing accuracy and financial accuracy on medical claims. The financial accuracy calculation will identify the financial impact (and potential recoveries) for payment errors. In addition, a critical component of the audit process will be to identify the causes of errors. AIM's audit findings and recommendations will specifically identify these causes and recommend solutions that can help Aetna improve its claims administration and eliminate the kinds of errors identified through the audit process.

# Southern New Jersey Regional Employee Benefit Fund Savings Report



Therapeutic Category	Adjudicated Amount	Participant Savings	Total Tertiary	Net Savings 75%	\$ Save per Claim	Claim Count	Participants	\$ Save PPM (DOS)
<b>Grand Total</b>	<b>\$832,598</b>	<b>\$9,612</b>	<b>\$271,865</b>	<b>\$413,340</b>	<b>\$1,033</b>	<b>400</b>	<b>71</b>	<b>\$485</b>
Inflammatory Conditions	\$442,768	\$3,837	\$186,695	\$189,177	\$970	195	38	\$415
Hepatitis C	\$21,598	\$114	\$2,908	\$13,932	\$4,644	3	1	\$1,161
Asthma & Allergy	\$139,328	\$3,116	\$32,445	\$77,826	\$701	111	17	\$381
Blood Cell Deficiency	\$13,632	\$152	\$0	\$10,110	\$2,528	4	2	\$421
Cancer	\$123,340	\$1,443	\$31,201	\$68,022	\$1,360	50	5	\$1,134
Idiopathic Pulmonary Fibrosis	\$21,932	\$228	\$311	\$16,045	\$2,674	6	1	\$1,337
Miscellaneous Diseases	\$19,308	\$342	\$4,509	\$10,843	\$834	13	2	\$452
Multiple Sclerosis	\$50,691	\$380	\$13,798	\$27,385	\$1,521	18	5	\$456

Participant Count vs. \$ Save Per Participant Per Month (PPPM)



\*PPPM – Per Participant Per Month

SaveOnSP | HIGHLY CONFIDENTIAL | January 30, 2024

# Net Save by Drug











Therapeutic Category	Drug Name	Net Savings 75%	Participants	
Inflammatory Conditions	Humira	\$38,532.11	13	■
	Stelara	\$34,486.36	6	■
	Skyrizi	\$24,660.32	4	■
	Enbrel	\$19,115.27	3	■
	Kineret	\$16,546.01	2	■
	Taltz	\$15,813.41	3	■
	Otezla	\$11,529.15	3	■
	Simponi	\$8,895.34	1	■
	Rinvoq	\$5,252.55	1	■
	Cimzia	\$4,624.98	1	■
	Tremfya	\$4,446.75	1	■
	Olumiant	\$2,873.10	1	■
	Orencia	\$2,401.67	1	■
	Benlysta	\$0.00	1	■
Multiple Sclerosis	Glatiramer Acetate	\$12,177.72	3	■
	Betaseron	\$10,818.00	1	■
	Copaxone	\$2,470.31	2	■
	Zeposia	\$1,918.88	1	■
Hepatitis C	Eplusa	\$13,932.00	1	■

Therapeutic Category	Drug Name	Net Savings 75%	Participants	
Cancer	Vitrakvi	\$18,664.50	1	■
	Nubeqa	\$18,550.50	1	■
	Revlimid	\$11,430.18	1	■
	Orgovyx	\$10,937.45	2	■
	Sprycel	\$8,439.69	1	■

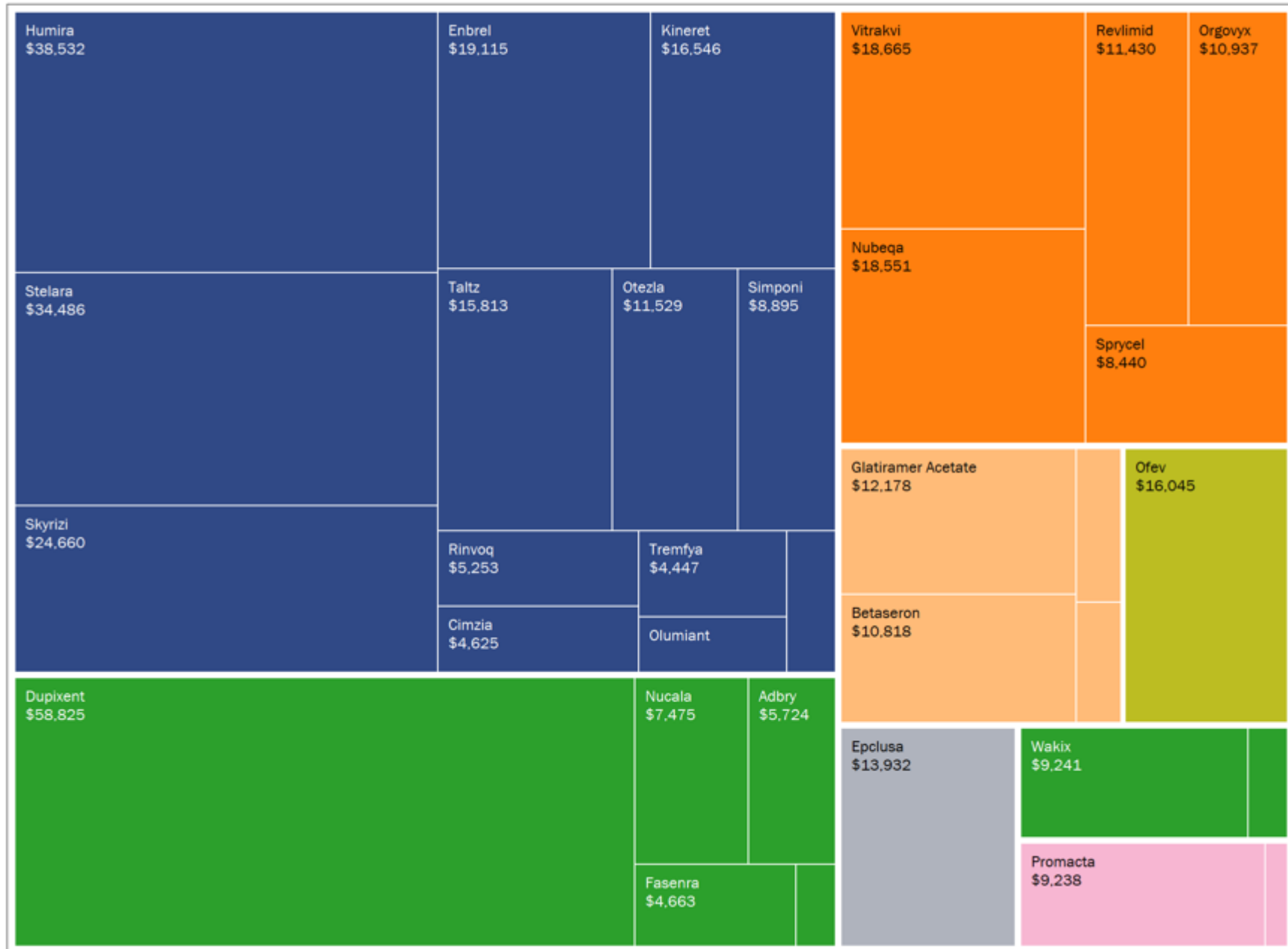
# Net Save by Drug



Therapeutic Category	Drug Name	Net Savings 75%	Participants	
Blood Cell Deficiency	Promacta	\$9,237.83	1	
	Ziextenzo	\$872.41	1	

Therapeutic Category	Drug Name	Net Savings 75%	Participants	
Asthma & Allergy	Dupixent	\$58,825.47	11	
	Nucala	\$7,474.95	2	
	Adbry	\$5,723.90	1	
	Fasenra	\$4,662.75	1	
	Xolair	\$1,138.68	2	
Idiopathic Pulmonary Fibrosis	Ofev	\$16,044.84	1	
Miscellaneous Diseases	Wakix	\$9,241.31	1	
	Vivitrol	\$1,601.78	1	

# Net Save by Drug



## **Savings Report: Definition of Terms**

(includes only claims invoiced through the SaveonSP program during the reporting period)

Adjudicated Amount: Total copay the prescription adjudicated for with Express Scripts, and therefore, amount billed to the manufacturer's copay assistance program.

Participant: Patient enrolled in SaveonSP program with a claim filled during the reporting time period

Participant Savings: Average member copay prior to SaveonSP program implementation

Total Tertiary: Used for residual member cost after copay assistance pays (\$5-\$50 generally), member's 13th fill in the year, or pass through copays

Gross Savings: Adjudicated Amount Minus Credit for Prior Copay Minus Tertiary remaining balance Minus Residual Tertiary

Net Savings: Gross Savings x 75%

Carrier Number: NJRA

# APPENDIX III

## **OATH OF OFFICE**

**State of New Jersey  
County of Camden**

I, \_\_\_\_\_, do solemnly swear (affirm) that I will support the Constitution of the United States and the Constitution of the State of New Jersey; that I will bear true faith and allegiance to the same and to the governments established in the United States and in this State, under the authority of the people and that I will faithfully, impartially, and justly perform all the duties of a member of the Executive Committee of the Southern New Jersey Regional Employee Benefits Fund, according to the best of my ability, so help me God.

\_\_\_\_\_  
Name: \_\_\_\_\_

**Sworn and subscribed to  
before me this 26th day of February 2024**

\_\_\_\_\_  
**J. Kenneth Harris, Esq.  
Attorney at Law State of New Jersey**



# APPENDIX IV

HEALTH INSURANCE COOPERATIVE PRICING SYSTEM

**JOINDER AGREEMENT**

THIS JOINDER AGREEMENT (this "Joinder"), is being executed by \_\_\_\_\_, (the "Fund") a joint health insurance fund formed pursuant to N.J. S.A. 40A:10-36 (18A:18B-1 et seq.) , having offices at 9 Campus Drive, Suite 216, Parsippany, NJ 07054, in order to become a member of the HEALTH INSURANCE COOPERATIVE PRICING SYSTEM formed on \_\_\_\_\_, 2024 (the "HICPS") in order to obtain third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers.

WHEREAS, Paragraph 1(c) of the HICPS Agreement requires any contracting unit desiring to become a member of the HICPS to adopt a resolution in accordance with applicable laws substantially in the same form attached to this Agreement as Exhibit A (the "Resolution") approving its membership in the HICPS and the execution of this Joinder; and

WHEREAS, the Fund has adopted the Resolution and transmitted a certified copy to the Lead Agency (as defined in the HICPS Agreement), for delivery to the State of New Jersey pursuant to applicable law; and

WHEREAS, the Fund has reviewed the terms of the HICPA Agreement and desires to be bound thereby;

NOW THEREFORE, for and in consideration of the promises herein contained and intending to be legally bound, the Fund, covenants and agrees as follows:

1. The Fund hereby acknowledges, consents to, joins in and agrees to be bound by the HICPS Agreement and all of the terms and conditions thereof all of which are incorporated herein by this reference, as if the Fund had been an original signatory thereto. A copy of the HICPS Agreement has been provided to the Fund, the receipt of which is hereby acknowledged.

**IN WITNESS WHEREOF**, the Fund has properly executed this Joinder as of the date noted below.

**ATTEST:**

**[FUND]**

By: \_\_\_\_\_ By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

**ACCEPTED AND AGREED:**

Health Insurance Cooperative Pricing System

By: \_\_\_\_\_  
Chairman of Executive Committee of the Lead Agency

Date: \_\_\_\_\_

**HEALTH INSURANCE COOPERATIVE PRICING SYSTEM AGREEMENT**  
**FOR A COOPERATIVE PRICING SYSTEM**

This Agreement made and entered into this \_\_\_\_ day \_\_\_, 2024, by and between the SOUTHERN NEW JERSEY REGIONAL EMPLOYEE BENEFITS FUND (“SNJ Fund”), and the BERGEN MUNICIPAL EMPLOYEE BENEFITS FUND (“BMED”), who desire to form a cooperative pricing system as authorized under applicable New Jersey law and regulations.

**W I T N E S S E T H**

WHEREAS, the Local Public Contracts Law, the Public School Contracts Law and applicable regulations (N.J. S. A. 40A:11-11(5), N.J.S.A. 18A:18A-11, and N.J.A.C. 5:34-7.3) authorize two or more contracting units to establish a Cooperative Pricing System for the provision and performance of goods and services and enter into a Cooperative Pricing System Agreement for its administration; and

WHEREAS, the SNJ FUND and BMED are forming a voluntary Cooperative Pricing System with other contracting units; and

WHEREAS, the purpose of this Cooperative Pricing System is to effect substantial economies in the provision and performance of third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers and such ancillary contracts for related goods and services; and

WHEREAS, the SNJ Fund and the BMED have approved the within Agreement by Resolution in accordance with the aforesaid statute and regulation; and

WHEREAS, it is the desire of all parties to enter into such Agreement for said purposes;

NOW, THEREFORE, IN CONSIDERATION OF the promises and of the covenants, terms and conditions hereinafter set forth, it is mutually agreed as follows:

1. Authorization and Name:

Pursuant to the authority granted to contracting units as set forth in N.J.S.A. 40A:11-11(5) and the applicable regulations found at N.J.A.C. 5:34-7.3 (hereinafter the “Cooperative Pricing System Requirements”), the SNJ FUND and BMED have agreed and do hereby form a cooperative pricing system for the purpose of providing third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers and such ancillary contracts for related goods and services to member contracting units of the cooperative pricing system.

- (a) The cooperative pricing system shall be known as the HEALTH INSURANCE COOPERATIVE PRICING SYSTEM (“HICPS”).
- (b) The SNJ FUND is hereby designated as the “Lead Agency” as defined in N.J.A.C. 5:34-7.2.
- (c) One or more other contracting units may become members of and participants in the HICPS by passing the appropriate resolution and signing a Joinder Agreement accepting the terms and conditions of this Agreement and stating the term of their membership.

2. Goods and Services to be purchased:

The goods or services to be priced cooperatively by the HICPS may include all goods and services which may be bid under the laws and regulations of the State of New Jersey and such other items as two or more participating contracting units agree can be purchased on a cooperative basis inclusive of, but not limited to, third party claim administration services for medical, dental and vision health benefits, prescription drug pharmacy benefit manager services and Medicare Advantage Plan providers and such ancillary contracts for related goods and services.

3. Advertising for Bids & Contract Award:

(a) The Lead Agency, when advertising for bids or soliciting informal quotations shall receive bids or quotations on behalf of all participating contracting units. Following the receipt of bids, the Lead Agency shall review said bids and on behalf of all participating contracting units, either reject all or certain of the bids or make an award to the lowest responsible bidder or to the successful bidders for each separate item. This award shall result in the Lead Agency entering into a Master Contract with the successful bidder(s) providing for two categories of purchases:

(i) The quantities ordered for the Lead Agency's own needs, and

(ii) The estimated aggregate quantities to be ordered by other participating contracting units by separate contracts, subject to the specifications and prices set forth in the Lead Agency's Master Contract

(b) When advertising for bids and making an award of one or more contracts the Lead Agency shall comply with the provisions and requirements of the Local Public Contracts Law ("LPCL") and the Public School Contracts Law ("PSCL") as applicable to the HICPS and its member contracting units. The Lead Agency shall include in the specifications the Lead Agency requirements, stated in definite quantities; and registered member requirements, stated as individual estimated needs. The specification shall list the registered members who have submitted estimates, their delivery address, their estimated maximum quantities, and other relevant information to permit the bidder to understand what is potentially involved.

(c) The Lead Agency shall supply the registered members of the cooperative pricing system who have submitted estimates, the name of the successful bidder, prices awarded and the contract identification number. A registered member may request a copy of the specifications. Each registered member who submitted estimates may then order directly from the vendor. If the cost of the order is under the bid threshold, and if the contracting agent is authorized to do so, then the contracting agent may issue a purchase order, pursuant to N.J.S.A. 40A:11-3a or N.J.S.A. 18A:18A-3a, as appropriate. If the cost of the order exceeds the bid threshold, then the contract must be awarded by resolution of the governing body in accordance with N.J.S.A. 40A:11-4a or N.J.S.A. 18A:18A-4a, as appropriate. The system identifier shall be affixed to each purchase order or contract and shown on all forms pertaining thereto.

(d) Registered members who submit estimates shall not issue orders and contractors shall not make deliveries that deviate from the specifications or price as set forth in the master contract.

4. Management and Responsibilities:

(a) All business and financial affairs shall be under the supervision and control of the Lead Agency. The Lead Agency shall provide all necessary supervision for the HICPS in compliance with all applicable laws, rules, regulations and policies governing the administration of a cooperative pricing system and the HICPS. The Lead Agency will act as the representative of the HICPS in all matters relating to such administration. The Lead Agency shall also advise the HICPS on cooperative pricing system matters, coordinate the activities of other contracting

units that are members of the HICPS and provide the necessary administrative and reporting requirements so that the HICPS shall be in compliance with the Cooperative Pricing System Requirements. The Lead Agency shall maintain records of all financial transactions in accordance with applicable laws and regulations under the LPCL and PSCL. The Lead Agency shall provide documentation to the member contracting units which reflect the programs, procedures and vendors utilized by the HICPS to implement and maintain the cooperative pricing system.

(b) The registered members of the HICPS shall be responsible for supplying the Lead Agency with the estimated quantities that each registered member proposes to contract for during the life of the master contract. A registered member may request a copy of the specifications.

(c) The Lead Agency when reviewing responses for advertised goods and services to be purchased by the HICPS shall be based solely on the Qualified Purchasing Agent's evaluation of the responsive information submitted and the specifications set forth in the applicable solicitation. The Lead Agency reserves the right to negotiate the terms and conditions of a contract with the successful firm or firms to obtain the most advantageous situation for the HICPS.

(d) The Lead Agency shall be responsible for registering the cooperative pricing system with the Division of Local Government Services ("DLGS") and shall ensure that the system identifier assigned by DLGS appears on all documentation related to purchases by the HICPS, including bidding documents, purchase orders, vouchers, contracts and records.

5. Costs and Purchase Prices:

Any administrative costs incurred by the Lead Agency shall be paid pro rata among the registered members, including the Lead Agency, in accordance with the quantities of the goods and services purchased by the individual registered member contracting unit as compared to the total quantities purchased by all registered member contracting units of the HICPS, inclusive of the Lead Agency. The items and classes of items which may be designated by the participating contracting units hereto may be purchased cooperatively for the period commencing with the execution of this Agreement and continuing until terminated as hereinafter provided.

6. Legal Notice:

The Lead Agency, on behalf of all participating contracting units, shall upon approval of the registration of the System and annually thereafter on the anniversary of the registration of the system publish a legal ad in such format as required by *N.J.A.C. 5:34-7.9(a)* in its official newspaper normally used for such purposes.

7. Financial Obligations:

No participating contracting unit in the Cooperative Pricing System shall be responsible for payment for any items ordered or for performance generally, by any other participating contracting unit. Each participating contracting unit shall accordingly be liable only for its own performance and for items ordered and received by it and no one assumes any additional responsibility or liability.

8. Required Notices to Bidders:

The provisions of Paragraphs 3, and 7 above shall be quoted or referred to and sufficiently described in all specifications so that each bidder shall be on notice as to the respective responsibilities and liabilities of the participating contracting units.

9. No Other Purchase Orders:

No participating contracting unit in the Cooperative Pricing System shall issue a purchase order or contract for a price which exceeds any other price available to it from any other such system in which it is authorized to participate or from bids or quotations which it has itself received.

10. Lead Agency Discretion:

The Lead Agency reserves the right to exclude from consideration any good or service if, in its opinion, the pooling of purchasing requirements or needs of the participating contracting units is either not beneficial or not workable.

11. Adequate Funding:

The Lead Agency shall appropriate sufficient funds to enable it to perform the administrative responsibilities assumed pursuant to this Agreement.

12. Effective Date:

This Agreement shall become effective on the date adopted on the resolution subject to the review and approval of the Director of the Division of Local Government Services and shall continue in effect for a period not to exceed five (5) years from said date unless any party to this Agreement shall give written notice of its intention to terminate its participation.

13. Term:

The HICPS shall, on behalf of all participating contracting units in the cooperative pricing system, renew the system every 5 years in perpetuity; unless all parties give written notice that there is no longer a desire or a need for participation in the system.

14. System Identifier:

All records and documents maintained or utilized pursuant to terms of this Agreement shall be identified by the System Identifier assigned by the Director, Division of Local Government Services, and such other numbers as are assigned by the Lead Agency for purposes of identifying each contract and item awarded.

15. Binding Effect:

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

**IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their authorized corporate officers and their respective seals to be hereto affixed the day and year above written.**

Southern New Jersey Regional  
Employee Benefits Fund

Bergen Municipal Employee Benefits Fund

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Attest: \_\_\_\_\_  
Name:  
Title:

Attest: \_\_\_\_\_  
Name:  
Title:

## Harris Law Offices

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February 15, 2024

TO: ATTORNEYS for: CJHIF, Gateway BMED Fund, Metro HIF, NJMEBF, Southern Coastal HIF  
SHIF Fund Contracts Committee

FROM: J. Kenneth Harris *J. Kenneth Harris*

CC: Brandon Lodics, Emily Koval, Diane Peterson

**Subject: TPA Contract Process – A New Approach**

**Executive Summary:** In July 2023 the Office of the State Comptroller prevented the MRHIF from doing a group/collective RFP for TPA services for all HIF members of the MRHIF. The OSC had three primary reasons for blocking the proposed RFP: (1) the MRHIF did not have authority to issue a procurement for TPA services for the member HIFs;

(2) the MRHIF could not issue a contract to more than one TPA; and (3) the proposal of a HIF wide TPA RFP was a type of pool or cooperative purchasing system which the MRHIF was not authorized to conduct.

The advantage of conducting the RFP at the MRHIF level was twofold:

- (1) We could aggregate all of the lives of covered members and thereby negotiate better rates; and
- (2) it significantly reduces the amount of paperwork that would otherwise be associated with each individual HIF conducting its own RFP process.

In December 2023, I did an extensive review of both the Local Public Contracts Law and the Public School Contracts Law, as well as the relevant regulations, to determine how it would be possible to remove the OSC objections to having an all-inclusive TPA RFP for all member HIFs of the MRHIF. A detailed Memorandum (see the below text) was circulated among the Executive Director and Program Manager personnel and, as a result, the concept of creating a cooperative pricing system, as authorized by NJAC 5:34-7.1, with the SNJ Fund as the Lead Agency was developed.

During the Executive Committee meeting of the MRHIF on February 15, 2024, following a briefing by the Executive Director and the MRHIF attorney (the author of this memo) the formation of a cooperative pricing system was approved. The purpose of this memo is to explain the process for forming the “Health Insurance Cooperative Pricing System” for all member HIFs of the MRHIF, to designate the SNJ Fund as the lead agency and to request the approval and membership of the HIFs represented by the attorneys receiving this memo. The Contracts Committee of the SHIF is also copied as their attorney is already aware of this proposal. Below you will find a more detailed discussion of the process. Should you recommend that the HIFs that you represent join the Health Insurance Cooperative Pricing System (“HICPS”), sample resolutions, HICPS Agreement and joinder agreement are attached.

**Summary of Recommendation:** Use the existing statute and regulations to have all of the regional HIFs enter into a cooperative purchasing system which allows the “lead agency” to act for any or all of the parties in

exercising the purchasing function. When this concept was first considered, the MRHIF was to be used as the “lead agency” issuing and evaluating the RFPs. Based on the language of the statute which talks in terms of the contract fulfilling the needs of the lead agency and the member entities, one of the regional HIFs should be the lead agency as compared to the MRHIF since it does not use TPA services. An issue to be considered is the requirement that all registered members of the joint purchasing group get the same pricing from the vendor (See NJAC 5:34-7.10 at page 6). It is my understanding that when, as an example, Aetna quotes their TPA services, the cost is consistent throughout their network service area although the provider reimbursement can vary based on location and other factors. If that is correct, then this should not be a hurdle.

A joint purchasing system is limited to a 5-year term but can be renewed for additional 5-year terms.

The lead agency will have significant administrative responsibilities along with financial accounting and reporting requirements. (See NJAC 5:34-7.9 page5; NJAC 5:34-7.11 page 8 and NJAC 5:34-7.14 page 8)

Background and Analysis: HIFs, whether composed of municipalities, fire districts, authorities or boards of education are subject to the Local Public Contracts Law (“LPCL”) or the Public School Contracts Law (“PSCL”). Both the LPCL and PSCL provide for local units to enter into joint purchasing agreements for goods and services (NJSA 40A:11-10 & NJSA 18A:18A-11).

There are administrative regulations, NJAC 5:34-7 et seq. which apply to all “contracting units” subject to both the LPCL and PSCL. A “contracting unit” means any county; municipality; board of education; units of local government as well as HIFs.

“Joint purchasing system” means a cooperative purchasing system in which the lead agency serves as the purchasing agent for the membership of the system with all of the duties and responsibilities attendant thereto. The lead agency advertises for bids and awards a single contract to a vendor providing for the payment to the contractor for its own needs and for the needs of the participating registered members of the system. The only contractual relationship is between the lead agency and the vendor. It is due to this definition that I am recommending that one of the regional HIFs, e.g. the SNJ Fund, be the lead agency. The MRHIF does not have any reason for a contract with a TPA, at least based on its current function/role with its member HIFs. The SNJ Fund utilizes all of the TPA networks, inclusive of Medicare Advantage Plans, so it fits the lead agency definition.

One potential issue is the phrase “awards a single contract to a vendor”. The OSC focused on “a vendor” to argue that the MRHIF could not contract with multiple TPAs. We sidestepped this issue by doing RFPs that said match a named demographic/network profile and awarding separate contracts based on the profile.

There are different forms for a joint purchasing system and I am recommending forming a cooperative pricing system as that form best suited the objectives we are trying to achieve.

#### Definitions:

“Cooperative pricing system” means a purchasing system in which a local contracting unit advertises for bids and awards a master contract to a successful vendor for its own quantities and the estimated quantities submitted by the individual registered members.

“Cooperative purchasing system” means a cooperative pricing system, joint purchasing system, commodity resale system, county cooperative contract purchasing system or regional cooperative pricing system which has been approved and registered pursuant to this subchapter.

“Lead agency” means the contracting unit which is responsible for the management of the cooperative purchasing system. Other than a commonality of interest in the subject matter of the contract, there is no required relationship between the lead agency and the members of the joint purchasing system other than the contractual relationship of entering into the joint purchasing system agreement and proper registration.

“Joint purchasing system” means a cooperative purchasing system in which the lead agency serves as the purchasing agent for the membership of the system with all of the duties and responsibilities attendant thereto. The lead agency advertises for bids and awards a single contract to a vendor providing for the payment to the contractor for its own needs and for the needs of the participating registered members of the system. The only contractual relationship is between the lead agency and the vendor.

“Registered member” means a contracting unit which has been approved by the Director (of the Division of Local Government Services) for participation in a cooperative purchasing system. The Director has 45 days



from receipt of the completed application to approve or reject the application. If no action is taken within 45 days, it is deemed to be approved.

In order to form a cooperative pricing system, the member entities must adopt a resolution to participate in the system and then the lead agency must file with the Division of Local Government Services for approval by filing "Form CP-2001" a Request For Registration Or Modification of a Cooperative Purchasing System which contains the following information: action requested; name of cooperative pricing system; name of contact, address, and phone number of lead agency; name of participating contracting units affected by request; and certification of compliance with N.J.S.A. 40A:11-1 et seq. and 18A:18A-1 et seq., as appropriate.

Once registered with the DLGS, the lead agency would be able to issue the RFP for TPA services for all the member HIFs.

The following are the steps necessary to form a joint purchasing system and the related tasks involved in its operation:

#### **5:34-7.3 Cooperative pricing system or joint purchasing system creation**

(a) Two or more contracting units may join together to form a cooperative pricing system or a joint purchasing system for the provision and performance of goods and services.

(b) The contracting unit designated as the lead agency shall authorize the creation of the system by resolution. The authorizing resolution shall identify the system established as either a joint purchasing system or a cooperative pricing system.

(c) Motions made, carried, and recorded in the written minutes of a business meeting of a board of education shall be considered to be the same as a resolution.

#### **5:34-7.4 Cooperative pricing system or joint purchasing system formal agreement**

(a) A cooperative pricing system or joint purchasing system shall be based on a formal agreement entered into between the lead agency and each contracting unit. Each agreement shall be authorized by resolution.

(b) At a minimum, the formal agreement shall include the following: 1. Reference to the authorizing statute;

2. Identification of the type of purchasing system;

3. Description of the items of the goods and services to be purchased;

4. The manner of advertising for bids and of awarding contracts

5. Clear and specific assignment of responsibilities, duties and rights of all contracting units;

6. Provision for any sharing of administrative costs and/or payment for goods and services purchased, together with any necessary standards of performance;

7. Length of the agreement not to exceed 5 years pursuant to N.J.A.C. 5:34-7.5(f);

8. The name of the lead agency for the system: i. As an option, the responsibility of serving as lead agency may rotate, at the most once a year, among the registered members. Provision for this rotation shall be included in the agreement;

ii. Rotation of lead agency responsibilities among registered members shall not invalidate contracts or purchase orders with contractors that are in effect at the time of rotation;

iii. The Director shall be notified in writing within 30 days of any change in the lead agency; and

9. A requirement that the system identifier shall appear on all documentation related to purchases made through the system, including bidding documents, purchase orders, vouchers, contracts and records.

#### **5:34-7.5 Cooperative pricing system or joint purchasing system registration**

(a) A cooperative pricing system or joint purchasing system shall be subject to registration with and approval by the Director.

(b) The lead agency of a proposed system shall apply to the Director on behalf of the system's participating contracting units.

(c) Applications shall be made on Form CP-2001.

(d) The Director shall act upon the application within the time provided for review pursuant to N.J.A.C. 5:34-7.28.

(e) In reviewing the application, the Director shall utilize the following criteria, as established by N.J.S.A. 40A:11-11: 1. Provision for maintaining adequate records and orderly procedures to facilitate audit and efficient administration;

2. Adequacy of public disclosure of such actions as are taken by the participants;

3. Adequacy of procedures to facilitate compliance with all provisions of the Local Public Contracts Law, Public School Contracts Law and corresponding rules; and

4. Clarity of provisions to assure that the responsibilities of the respective parties are understood.

(f) Approval shall be for a period not to exceed five years, and shall be limited to the terms, participants and scope of services presented for approval. Any subsequent changes shall be submitted to the Director on Form CP-2001.

(g) The lead agency shall notify the Director in writing of a decision to terminate the registration of the system prior to its approved expiration date.

#### **5:34-7.6 Cooperative pricing system or joint purchasing system membership registration**

(a) A contracting unit may apply for membership in an approved cooperative purchasing system by passage of a resolution and executing a formal agreement with the lead agency.

(b) The lead agency shall apply to the Director for approval on behalf of the proposed new member on Form CP-2001.

(c) The Director shall act upon the application within the time provided for review pursuant to N.J.A.C. 5:34-7.28.

(d) Participation in the system for all registered members terminates on the system expiration date assigned by the Director.

(e) The lead agency shall notify the Director in writing within five days of the withdrawal of any registered member from an approved cooperative purchasing system.

(f) A registered member which has formally terminated its participation in an approved cooperative purchasing system, may renew its membership by following the procedure defined in this section.

(g) A registered member of a cooperative purchasing system shall retain membership in a system until the member formally withdraws from participation or the system is dissolved.

#### **5:34-7.9 Cooperative pricing system or joint purchasing system administrative responsibilities**

(a) Upon approval of system registration and annually thereafter either on the anniversary of the registration of the system or in January of each succeeding year, the lead agency shall publish in its official newspaper a notice similar in content to the following:

##### **Notice of Cooperative Purchasing**

(Name of lead agency) acts as lead agency in a cooperative purchasing agreement in cooperation with (list number) registered members. Under this system, the (name of lead agency) solicits competitive bids for certain items purchased by registered members. This is a (specify, joint purchasing system or cooperative pricing system) as

defined and regulated by N.J.A.C. 5:34-7. Interested citizens or vendors may obtain information regarding the manner of operation of this system by contacting (name, address and phone number of lead agency). System Identifier \_\_\_\_\_, approved by the New Jersey Division of Local Government Services through (expiration date of the system).

(b) Prior to the advertisement for bids, a registered member may request a review copy of the bid specifications.

(c) Before seeking bids, the lead agency shall obtain from the registered members: 1. In the case of a joint purchasing system, the exact quantity of goods to be provided or services to be performed that the lead agency shall purchase for the registered members.

2. In the case of a cooperative pricing system, the estimated quantities that each registered member proposes to contract for during the life of the master contract.

(d) The lead agency of a joint purchasing system shall disclose in the specifications, the quantities and details of delivery required.

(e) The lead agency of a cooperative pricing system shall include in the specifications lead agency requirements, stated in definite quantities; and registered member requirements, stated as individual estimated needs. 1. The specification shall list the registered members who have submitted estimates, their delivery address, their estimated maximum quantities and other relevant information to permit the bidder to understand what is potentially involved.

(f) The lead agency in a joint purchasing system and the individual registered members in a cooperative pricing system shall be responsible for compliance with the change order requirements of N.J.A.C. 5:34-4.

(g) Each registered member may, by resolution, provide for and authorize payment in advance for estimated administrative costs to be paid to the lead agency for a joint purchasing or cooperative pricing system. Such administrative costs shall be budgeted by the lead agency as a Special Item of Revenue offset with appropriations.

(h) No contract shall be made by any registered member for a price which exceeds any other price available to the registered member.

#### **5:34-7.10 Cooperative purchasing system requirement for bids**

(a) Each request for bids shall contain the following:

1. Language requiring uniform bid price(s) for both the lead agency and registered members. A provision with respect to the registered members shall be included substantially as follows:

##### **REQUIREMENTS OF REGISTERED MEMBERS**

**[ ] Check here if willing to provide the goods or services herein bid upon to registered members of the (System Name and System Identifier) who have submitted estimates, without substitution or deviation from specifications, size, features, quality, price or availability as herein set forth. It is understood that orders will be placed directly by the registered members identified herein by separate contract, subject to the overall terms of the master contract to be awarded by the (name of the lead agency), and that no additional service or delivery charges will be allowed except as permitted by these specifications.**

**[ ] Check here if not willing to extend prices to registered members of the (System Name and System Identifier) who have submitted estimates as described above. It is understood that this will not adversely affect consideration of this bid with respect to the needs of (name of the lead agency).**

2. A statement as to the procedure to be followed in the event that the lowest responsible bidder, in the bid document, declines to extend prices to the registered members who submitted estimates. Examples of such procedures include:

- i. The contract for the stated needs of the lead agency will be awarded to the lowest responsible bidder, and new bids will be sought and a master contract subsequently awarded with respect to the needs of the registered members who have submitted estimates;
- ii. The contract for the needs of the lead agency will be awarded to the lowest responsible bidder, and a master contract for the registered members who have submitted estimates will be awarded to the next lowest bidder whose bid agrees to extend prices; or
- iii. The contract for the needs of the lead agency will be awarded, all other bids shall be rejected and no further bids will be sought by the lead agency on behalf of the registered members who have submitted estimates.

**(b) The master contract shall state that the bid prices may be extended to registered members who have not submitted estimates prior to the advertisement for bids with the written approval of the lead agency and the contractor.**

**(c) A statement as to whether or not insurance certificates and/or performance bonds are necessary.**

### **5:34-7.11 Cooperative pricing system financial and contractual details**

(a) The lead agency shall certify the funds available for its own needs.

(b) The master contract executed shall provide for the following: 1. The quantities ordered for the lead agency's own needs; and

2. The estimated aggregate quantities to be ordered by the registered members who submitted estimates, subject to the specifications and prices set forth in the master contract.

(c) The lead agency shall supply the registered members of the cooperative pricing system who have submitted estimates, the name of the successful bidder, prices awarded and the contract identification number. A registered member may request a copy of the specifications. Each registered member who submitted estimates may then order directly from the vendor. If the cost of the order is under the bid threshold, and if the contracting agent is authorized to do so, then the contracting agent may issue a purchase order, pursuant to N.J.S.A. 40A:11-3a or 18A:18A-3a, as appropriate. If the cost of the order exceeds the bid threshold, then the contract must be awarded by resolution of the governing body in accordance with N.J.S.A. 40A:11-4a or 18A:18A-4a, as appropriate. The system identifier shall be affixed to each purchase order or contract and shown on all forms pertaining thereto.

(d) Registered members who submit estimates shall not issue orders and contractors shall not make deliveries, that deviate from the specifications or price as set forth in the master contract.

### **§ 5:34-7.14 Joint purchasing systems financial and contractual details, exclusive of boards of education**

(a) The financial and contractual details set forth in this section shall apply only to contracting units subject to the requirements of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.). Boards of education shall be subject to the financial and contractual details set forth in the Public School Contracts Law (N.J.S.A. 18A:18A-1.1 et seq.) and the administrative requirements contained in N.J.A.C. 6A:23A. (b) In the case of a joint purchasing system, the lead agency shall comply with the certification of funds requirement of N.J.A.C. 5:30-5 with respect to the full amount of the contract and Division of Local Government Services' requirements for Encumbrance Accounting Systems. (c) The funds of the lead agency applicable to its own share of the contract to be awarded shall be charged to regular appropriations in its budget.

(d) Prior to handling the funds of the other registered members, the lead agency shall request approval of the Director for a Dedication by Rider pursuant to N.J.S.A. 40A:4-39, entitled "Receipts from Other Agencies participating in the (Name of System) joint purchasing system, System Identifier \_\_\_\_\_." In order to meet the statutory requirement that expenditures under a Rider may be made only in accordance with the availability of funds, the following steps shall be taken:

1. Prior to the award of contract, the chief financial officer of each registered member (other than the lead agency) shall issue a certificate of available funds, in accordance with N.J.A.C. 5:30-5.

2. The contracting agent of each registered member, with authorization by resolution of the governing body if over the statutory bid limit, shall issue a purchase order to the lead agency together with a copy of its certification of available funds.

3. The lead agency shall, in accordance with N.J.A.C. 5:30-5, issue its own certificate, covering the full amount of the proposed contract including both its own share and those of the registered members. The certificate shall be conditional with respect to the amounts due from the registered members so that the certificate shall read in part as in the following example:

\$ 5,000 From (Lead Agency) appropriation number 207, Road Department, Other Expenses. \$ 2,000 Due from (Name of registered member) pursuant to its purchase order number 70243 and Certification of Available Funds dated \_\_\_\_\_, (Lead Agency) Dedication by Rider Account Number 7. \$ 1,000 Due from (Name of registered member) per its purchase order Number A-402 and Certification of Available Funds dated \_\_\_\_\_, (Lead Agency) Dedication by Rider Account Number 7. \$ 8,000 Total Certified.

4. The lead agency shall then award the total contract to the successful bidder.

5. The lead agency shall not advance funds of its own to cover the purchase on behalf of the registered members but shall make payments only upon receipt of the funds. Payments to the lead agency shall be made promptly in accordance with an agreed-upon schedule, which may include making payment to the lead agency in advance of receipt of goods. The voucher providing for the advance payment shall indicate: "Transfer of funds to (name of lead agency) as cash advance to enable it to purchase the following on behalf of (name of registered member) as Lead Agency in (name of joint purchasing system), System Identifier \_\_\_\_\_. " "(Then list what is to be purchased.)"

6. Funds received by the lead agency as advances from registered members shall be:

i. Placed in a separate bank account established within the Rider and held in trust for the purpose of permitting the lead agency to serve as contracting agent for the awarding of joint purchasing contracts;

i ii. Used only for the payment of actual bills to the contractors pursuant to the overall joint purchasing agreement; and

iii. Returned immediately to the registered member upon any determination that the full amount is not needed for payments as initially expected.

#### **5:34-7.28 Time for review-all systems**

(a) The Director shall approve or reject all applications within 45 days.

(b) The 45 day review period shall commence only upon the determination by the Director that the application is complete.

(c) Failure of the Director to act upon an application within 45 days shall constitute a default approval of the application for a period of five years or in the case of new membership, until the date previously approved by the Director for the termination of system registration pursuant to N.J.A.C. 5:34-7.5(f).

# APPENDIX V



## AVAILABLE ONLINE AT NO COST TO MEMBERS

### SAVE THE DATES

## 14th Annual MEL, MRHIF & NJCE Educational Seminar

**FRIDAY, APRIL 19 ▶ 9:00 AM – NOON**

**FRIDAY, APRIL 26 ▶ 9:00 AM – NOON**

Designed specifically for elected officials, commissioners, municipal, county and authority personnel, risk managers and related professionals.

The seminar is expected to be eligible for the following continuing education credits:

- CFO/CMFO Public Works and Clerks
- Insurance Producers
- Accountants (CPA) and Lawyers (CLE)
- Water Supply and Wastewater Licensed Operators (Total Contract Hours)
- Registered Public Purchasing Officials (RPPO)
- Qualified Purchasing Agents (QPA)

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### AGENDA

#### FRIDAY, APRIL 19

- Keynote Address
- Ethics
- Benefits Issues

#### FRIDAY, APRIL 26

- JIF Governance
- Status of Insurance Markets
- Legislative Issues
- Coverage Overview
- Claims Concerns
- Risk Control Update
- Cyber Update

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