

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
MAY 14, 2015
SCOTCH PLAINS, NJ
8:00 AM**

Meeting of Fund Commissioners called to order by Acting Chair Bruce McArthur. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Acting Chair Bruce McArthur led Commissioners in the Pledge of Allegiance.

ROLL CALL OF FUND COMMISSIONERS:

Tom Atkins, Chair	Borough of Watchung	Absent
Bruce McArthur, Secretary	Township of Bernards	Present
James Gildea	Town of Westfield	Present
Gail McKane	Township of Harding	Present
Judy Sullivan	Township of Bedminster	Present
Megan Champney	City of Summit	Present
Alexander Mirabella	Township of Scotch Plains	Present

EXECUTIVE COMMITTEE ALTERNATES:

Janet Waite	Borough of Bernardsville	Present
James Debbie	Borough of Mountainside	Absent
Joseph Carty	Borough of Far Hills	Absent

ALTERNATE FUND COMMISSIONERS:

Sheila Tweedie	Borough of Far Hills	Present
Albert Ellis	Borough of Watchung	Absent
Terri Johnson	Township of Bernards	Absent
Sandra Jones	Borough of Bernardsville	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Admin	PERMA Risk Management Services Cathleen Kiernan, Joseph Hrubash Nancy A. Ghani
Attorney	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Lehrer Stephen Davis, Esq.
Claims Service	Qual-Lynx Robert Fox
Safety Director	J.A. Montgomery Dave McHale, John Zengel
JIF Underwriting Manager	Gallagher Bollinger Jack Dibble, Terri Giglio
Managed Care Provider	FMCO Thomas Mooney
Treasurer	Ralph Maresca

ALSO PRESENT:

Candyce Forster, James F. Hurley Agency
Hallee Weichler, James F. Hurley Agency
Craig Sutherland, James F. Hurley Agency
Louis Beckerman, Beckerman & Company
Ray Vaughn, Amalgamated General Agency

MINUTES: Open and Closed Minutes of April 9, 2015.

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR APRIL 9, 2015:

Moved:	Commissioner Tweedie
Second:	Commissioner Gildea
Vote:	Unanimous

CORRESPONDENCE:

PERMA STAFF ANNOUNCEMENT: Enclosed in the agenda was an announcement that after 30 years of service to the MEL and its affiliated JIFs Mary Lou Doner, Vice President of Claims, is retiring on July 1, 2015; PERMA is pleased to announce that Robyn Walcoff will join the operation as the Vice President of Claims.

Mr. Coddington said Ms. Doner and Ms. Janet Whitman, former Summit Mayor were essential in the formation of this JIF; Mr. Coddington said Ms. Doner is a terrific woman and would be missed. Executive Director said Ms. Forster can also be credited with the formation of this JIF as she also worked with Ms. Doner during that time.

EXECUTIVE DIRECTOR:

REPORT: Monthly report submitted to Fund Commissioners including monthly Fast-track Accident Frequency, Fast-track Financial report, Claim Activity Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage, MEL Loss Ratio Report and the Monthly and Annual Regulatory Checklist.

Executive Director reviewed the Financial Fast Track as of March 31, 2015 and said the fund has a statutory surplus of \$2 million. Executive Director said *Total Cash* was added as a new line item in the report; the fund currently has \$4.3 in Total Cash which is the sum of case reserves, Incurred But Not Reserved (IBNR) and surplus. Executive Director said all funds years are experiencing a surplus with the exception of 2011, which will be closed out and transferred to the Residual Claims Fund as of June 30, 2015.

Executive Director reviewed the Loss Ratio report as of March 31, 2015; with the exception of 2011 the fund's losses for all lines are less than actuary development targets.

Executive Director said the fund's Lost Time Accident Frequency as of March 31, 2015 is 2.43.

Executive Director reviewed the Employment Practices Compliance status report as of May 6, 2015 and said the report reflects each member's current EPL/POL deductibles and co-insurance. Executive Director said the EPL/POL policies are undergoing a final review and are anticipated for release shortly.

2014/2015 PUBLIC OFFICIALS/ELECTED OFFICIALS TRAINING SEMINARS: Executive Director said to supplement live presentations of this year's Elected Officials seminar, the MEL posted an online version on www.njmel.org; instructions to take the online course were enclosed in the agenda. The deadline to complete the training is June 1, 2015.

AUDITOR & ACTUARY YEAR-END REPORTS: Executive Director said the financial audit for the period ending December 31, 2014 will be ready for review and approval at the June meeting and will be filed with the Departments of Insurance and Community Affairs by the June 30th deadline.

2016 RENEWAL ONLINE UNDERWRITING DATABASE: Last year the MEL contracted with Exigis to develop an underwriting database for members and/or their risk managers to add/amend schedules online thereby eliminating the annual paper Renewal Application process. Executive Director said members will receive an email when the database is set up to begin the 2016 underwriting renewal – which is expected to begin on or near June 1, 2015.

Executive Director said members and/or risk managers can update the schedules throughout the summer given the flexibility of the online system before the system is locked for downloading renewal data. Executive Director said Exigis is in the process of making minor adjustments to assist users with data entry. Executive Director said users may experience compatibility issues if they access the Internet using Chrome Google or the latest version of Internet Explorer; however, there are instructions online on how to change settings for compatibility.

2015 FINANCIAL DISCLOSURE FORMS: Last year, the Division of Local Government Services introduced a new online program for financial disclosure filings. PERMA provided all Fund Commissioners & Fund Professionals with the login information to complete their filings for the fund. All Commissioners & Fund Professionals completed their filings by the April 30th deadline.

LEAGUE MAGAZINE: Enclosed in the agenda was the third of a series of MEL advertisements to appear in the League magazine. Each advertisement in the “Power of Collaboration” series will be different and will highlight activities of the MEL and JIFs as well as people who have rendered significant service.

NJ BRAIN INJURY ALLIANCE SPORTS RELATED CONCUSSIONS: Executive Director said last month’s agenda included a model resolution and policy concerning sports related concussions drafted by the MEL and the NJ Brain Injury Alliance. The model resolution and policy was offered to members to consider adopting; there was one policy item that raised concern and it was not distributed to Suburban JIF members until further clarification is made. Specifically, it was Item 5 which noted that should a sports organization sponsored by a member use facilities of any Board of Education then it would comply with the BOE’s sports concussion prevention program. Executive Director said the model resolution and policy is available on the MEL website for members to adopt. Executive Director said if adopted then it commits a member to follow the respective Board of Education procedures, which may entail more than just concussion training.

Executive Director’s Report Made Part of Minutes.

TREASURER:

VOUCHER LIST:

MAY 2015 VOUCHER PAYMENTS, RESOLUTION 12-15

Fund Year 2014:	\$269.46
Fund Year 2015:	\$66,870.35
Total:	\$67,139.81

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS'
TRANSFERS FOR MONTHS OF MARCH 2015:**

Fund Year 2015	35,230.07
Fund Year 2014	23,042.77
Fund Year 2013	33,899.75
Fund Year 2012	22,352.89
Fund Year 2011	61,276.74
TOTAL	\$175,802.22

MOTION TO ADOPT RESOLUTION 12-15 APPROVING MAY BILLS LISTS AND APPROVE CONFIRMATION & CERTIFICATION OF MARCH 2015 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Gildea
 Second: Commissioner Waite
 Roll Call Vote: 8 Ayes-0 Nays

Voucher List and Treasurer's Report Made Part of Minutes.

ATTORNEY:

REPORT: Included in the agenda was a report of appellate decisions impacting municipalities.

JIF UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED - List of Certificates issued for the April 2015 was included in the agenda for information.

Monthly Activity Report Made Part of Minutes.

MEL UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED - List of Certificates issued for the period of 3/24/15 to 4/22/15 were included in the agenda for information.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the April 2015 report submitted by FMCO. Managed Care Provider said the total provider billed amount for 2015 to date was \$306,556 and was re-priced to \$143,858 for a total savings of 53%.

Managed Care Provider said every month a report is submitted outlining the savings when comparing provided billed amount vs. FMCO re-priced amounts, but often what is contained in the savings are not measured.

Managed Care Provider distributed a report illustrating the path to medical savings, which begins with claim report/intake and a determination is made on whether it is a work-related injury.

Managed Care Provider said an important aspect of this first step is the physician interview with the patient; it is when the physician takes a critical look at the elements of the accident to confirm the injuries align. Managed Care Provider said between 2-3% of described injuries can be denied at this point.

Managed Care Provider said physicians are coordinating services and costs to become an Accountable Care Organization as prompted by the Affordable Healthcare Act; under this Act procedures are capped as opposed to being paid by CPT code billing.

Managed Care Provider cautioned that some orthopedic surgeons are claiming that injuries have occurred on the job in order to be paid by CPT code billing. Executive Director asked if this

practice is a recognized trend and Managed Care Provider said the financial motives are there and it's important to retain qualified physicians, especially orthopedic surgeons that are required by FMCO to complete a thorough questionnaire and any recommended surgeries.

Managed Care Provider said another step to savings is the selection of medical team in that the physician is matched up to the facility where the surgery will occur. Managed Care Provider said not all surgical procedures need to be done at a hospital where the total bill may include between 40-60% of facility fees and not medical care. Managed Care Provider said another aspect of savings is to select physicians that have proven track records of successfully returning employees back to work, as well as, a bill review and comparison of the provided services.

Managed Care Provider said claims are managed from both a medical and claims perspective by the Fund's Claims Administrator and the Managed Care Providers. Executive Director said the JIFs engaged Managed Care Providers as much for the nurse case management as bill re-pricing.

Managed Care Provider said New Jersey is one of two states in which the employer is allowed to direct the care to doctors for the life of a claim. Commissioner Waite asked if other states may follow New Jersey in this practice; Managed Care Provider said no and that many states still just have medical re-pricing of bills and do not have managed care programs.

Monthly Activity Report & Handout Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the April 2015 report noting the activities and trainings available, as well as announcements on the Fast Track to Safety courses throughout the year, Rutgers Crossing Guard Train-the Trainer Course on 6/10/15, Safety Director Bulletins and the online Camp Counselor Training Programs. Safety Director said Safety Coordinator training would be held on June 4th in Edison and notices will be distributed to members. Executive Director said the Rutgers Crossing Guard Train-the Trainer Course is being made available partially through a grant by the MEL to Rutgers; this is the second year the grant has been issued to fund this program.

Report Made Part of the Minutes.

CLAIMS:

REPORT: Claims Administrator said they have Payment Authority Requests to present during Closed Session.

**RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES:
PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION**

Moved:	Commissioner Gildea
Second:	Commissioner Tweedie
Roll Call Vote:	Unanimous

PAYMENT AUTHORIZATION REQUESTS: Executive Committee reviewed payment authorization requests presented by Claims Service in Executive Session.

MOTION TO RETURN TO OPEN SESSION:

Moved:	Commissioner Mirabella
Second:	Commissioner Champney
Roll Call Vote:	Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST
PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:**

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 8 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

RETIREMENT OF CANDYCE FORSTER: Commissioner Sullivan said the following events happened in which she sought out assistance from Candy Forster: 1) 1988 her young son accidentally burnt down her house with a box of strike anywhere matches; 2) 2004 while working in Bedminster the new municipal building was flooded due to 6 inches of water from a broken sprinkler and 3) 2009 newly appointed as Administrator and became the JIF Fund Commissioner with many questions. Commissioner Sullivan said she was notified of Ms. Forster's upcoming July retirement, said she may not be present for the next meeting, presented Ms. Forster with flowers and thanked her for all her help over the years.

Commissioner McArthur said he will also miss Ms. Forster, but will save his comments of recognition for the next meeting.

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

MEETING ADJOURNED: 8:30 am

NEXT MEETING: JUNE 11, 2015

SCOTCH PLAINS, 8:00 AM

Nancy A. Ghani, Account Manager
for
BRUCE MCARTHUR, SECRETARY

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 12-15

MAY 2015

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

BE IT RESOLVED that the Suburban Joint Insurance 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 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005449			
005449	J.A. MONTGOMERY RISK CONTROL	2014 SAFETY BREAKFAST - 4/6/15	269.46
			269.46
		Total Payments FY 2014	269.46

FUND YEAR 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005450			
005450	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 05/2015	6,210.45
			6,210.45
005451			
005451	QUAL-LYNX	CLAIMS ADMIN - 05/2015	16,375.00
			16,375.00
005452			
005452	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 05/2015	3,832.42
			3,832.42
005453			
005453	BOLLINGER INC.	UNDERWRITING MANAGEMENT - 05/2015	5,908.28
			5,908.28
005454			
005454	PERMA	POSTAGE FEE 04/2015	39.83
005454	PERMA	EXECUTIVE DIRECTOR - 05/2015	13,050.00
			13,089.83
005455			
005455	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 05/2015	2,477.50
			2,477.50
005456			
005456	RALPH A MARESCA, JR	TREASURER FEE 05/2015	1,445.95
			1,445.95
005457			
005457	NJ ADVANCE MEDIA	ACCT: XSUBU0555780 - 4/7/15 -- MTG	37.20
			37.20
005458			
005458	NEWTECH SERVICES INC.	MONTHLY WEBSITEMAITENANCE/HOSTING 4/15	75.00
			75.00

005459			
005459	ALLSTATE INFORMATION MANAGEMNT	ACCT: 416 - ACT & STOR 3/31/2015	19.88
			19.88
005460			
005460	CONNER STRONG & BUCKELEW	POSITION BOND - 05/2015	2,540.00
			2,540.00
005461			
005461	DiFRANCESCO,BATEMAN,COLEY,YOSP	ATTORNEY FEE 04/2015	3,102.34
			3,102.34
005462			
005462	BERNARDSVILLE BOROUGH	DEPOSIT ERROR - CHECK 615262	11,756.50
			11,756.50
		Total Payments FY 2015	66,870.35

TOTAL PAYMENTS ALL FUND YEARS \$ 67,139.81

Chairperson

Attest: _____ Dated: _____

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

Treasurer