

SELF-INSURANCE FUND COMMISSION OF THE CITY OF HOBOKEN

City Hall, 94 Washington Street
Hoboken, New Jersey 07030
Tel: 201-420-2059 Fax: 201-420-2096

DAWN ZIMMER
Mayor



Stephen D. Marks, Chairman
Linda Landolfi, Commissioner
Michael Russo, Commissioner

MINUTES OF THE THURSDAY, MAY 4, 2017 SPECIAL MEETING

Meeting called to order at 7:02 p.m.

The Open Public Meeting Act statement read by the Chairman.

ROLL CALL: Linda Landolfi, Michael Russo and Stephen Marks all present.

ALSO PRESENT: Patrick Wherry, Assistant Business Administrator; Mike Atkinson and Ryan Graham of Fairview Insurance Agency; and Daisy Amado secretary for the commission.

THIRD PARTY ADMINISTRATOR PROPOSALS:

Detailed discussion ensued on four TPA options. Option 1: Meritain Health with Aetna as the network at \$36.87 administrative fee and the total annual administrative fee of \$496,410.72; Option 2: IAA out of Cherry Hill, New Jersey with Cigna as the network at \$23 administrative fee and the total annual administrative fee of \$575,802.00; Option 3 IDA out of Oakland, New Jersey with Cigna as the network at \$45 administrative fee and the total annual administrative fee of \$543,520.00; and Option 4 Leading Edge out of New York with their claims processed out of Tampa, Florida with Cigna as the network at \$22 administrative fee and the total annual administrative fee of \$530,556.00. UMR's current total annual administration fee is \$428,238.72.

As of the end of February we paid \$150,000 to multi-plan and \$345,000 to true savings. Mike Atkinson will email Commissioner Landolfi the spreadsheet with the multi-plan numbers.

Ryan Graham explained we are re-negotiating a contract issue and we are trying to change the practice of the TPA. Discussion ensued on flat fee per employee for secondary network and if it falls out of the secondary network then third tier which is out of network. Commissioner Russo asked why we are putting employees through a long tedious process of going through third tiers. Discussion on setting our own out of network fee schedule which would be a great savings but would have to be negotiated with unions.

Discussion on Multi-Plan Access \$1.5 million capped at \$60,000, \$5 per employee per month (including retirees). True out of network claims 27% of savings charged.

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Ryan Graham advised we should bring in all four TPA's for interviews. Ryan has been in discussions with Mr. Martin, CEO of UMR, and will talk further with him. Chairman asked if a refund is possible. Commissioner Landolfi stated our claims are running higher than actuary said. Ryan mentioned how UMR can only shut off PE/PM. UMR has not yet submitted proposal. Ryan Graham recommends Meritain and IAA. Question as to whether administrative fee is negotiable for IAA.

Commissioner Landolfi mentioned with the UMR contract, insureds were going to be reached out to if they frequent emergency rooms and how we did not select that option. Ryan Graham said UMR would put that in for free.

Next step: set date with 45 minute interviews and we aggressively negotiate. We are currently in a three year term with UMR. Disruption analysis and four month run out fee. August 1, 2017 is target date for switch over.

All members present unanimously agreed to adjourn the meeting.

Meeting was adjourned at 8:17 p.m.