



**AGENDA AND REPORTS**

**SEPTEMBER 18, 2025**

**ZOOM**

**CONFERENCE CALL**

**12:00 PM**

Zoom Meeting

<https://permainc.zoom.us/j/97527047193>

Meeting ID: 975 2704 7193

One tap mobile

+13126266799,,97527047193# US (Chicago)

+16469313860,,97527047193# US

**OPEN PUBLIC MEETINGS ACT** - In accordance with the Open Public Meetings Act, notice of this meeting was given by:

- I.** Sending sufficient notice to **The Record and The Star Ledger**
- II.** Filing advance written notice of this meeting with the Clerk/ Administrator of each member municipality and school boards,
- III.** Posting notice on the Public Bulletin Board of all member municipalities and school boards.
- IV.** During the business session portion of this Remote Public Meeting, the audio of all members of the public meeting will be muted. At the end of the business session of the meeting, a time for public comment will be available. Members of the public who desire to provide comment shall raise their virtual hand in the Zoom application and/or submit a written comment via the text message section of the application. The meeting moderator will queue the members of the public that wish to provide comment and the Chairperson will recognize them in order. Public comment shall be concise and to the point, and shall not contain abusive, defamatory, or obscene language.

**METROPOLITAN HEALTH INSURANCE FUND**

**AGENDA MEETING: SEPTEMBER 18, 2025**

**CONFERENCE CALL - ZOOM**

**12:00 PM**

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

**PLEDGE OF ALLEGEANCE**

**ROLL CALL OF 2025 EXECUTIVE COMMITTEE**

<b><u>Fund Commissioner</u></b>	<b><u>Entity</u></b>
Jenny Mundell, Chairwoman	Bloomfield Public Library
Kimberly Duva, Secretary	Bloomfield Township
Cameron Cox, Executive Committee Member	Plainfield Public Schools
Nikole Baltycki, Executive Committee Member	West Caldwell Township
Chris Hartwyk, Executive Committee Member	City of Orange
Margaret Heisey, Executive Committee Member	Scotch Plains Twp
Patrick Wherry, Executive Committee Member	Maplewood Township

**APPROVAL OF MINUTES**, September 8, 2025 - Finance Committee ..... Appendix I

**CORRESPONDENCE** - None

**EXECUTIVE DIRECTOR - PERMA** - Brandon Lodics

Executive Director's Report .....Page 3

Resolution 19-25: 2024 Annual Audit .....Page 8

**ATTORNEY** - Ramon Rivera

Resolution 23-25: Closed Session .....Page 11

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

*Motion to Open*

*Motion to Close*

**MEETING ADJOURNED**

**Metropolitan Health Insurance Fund  
Executive Director's Report  
September 18, 2025**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports** – As of June 30, 2025 (page 4)
  - **Historical Income Statement**
  - **Consolidated Balance Sheet**
  - **Indices and Ratios Report**

**BUDGET UPDATE**

Below is a timeline for the 2026 Budget Process:

Date	Phase
9/26/2025	Internal Review Complete; Draft Budget to Finance Committee
9/29/2025	Finance Committee Meets
10/1/2025	Draft Budget and Agenda to Executive Committee
10/3/2025	Executive Committee to Introduce Budget
10/13/2025	Draft Rates to Members
TBD (no earlier than 10/31/2025)	Public Hearing: Budget Adoption; Rates are Final
11/30/2025	Due Date for Budget Filing

**AUDIT**

The 2024 Audit had been reviewed at the last meeting but was not finalized. Since then, the Finance Committee met and reviewed the final version with the Fund Auditor. Additional comments were added regarding the No Surprises Act claims and management response. The final copy has been filed with the State.

Resolution 19-25 is included for ratification of the audit and affidavit which will be distributed electronically to all present Commissioners.

METRO MUNICIPAL EMPLOYEE BENEFITS FUND						
FINANCIAL FAST TRACK REPORT						
		AS OF	June 30, 2025			
		THIS MONTH	YTD CHANGE	PRIOR YEAR END		FUND BALANCE
1.	UNDERWRITING INCOME	7,253,191	43,149,867	207,950,683		251,100,550
2.	CLAIM EXPENSES					
	Paid Claims	6,355,228	40,205,696	180,131,885		220,337,581
	IBNR	50,871	835,466	6,202,000		7,037,466
	Less Specific Excess	(1,266,042)	(1,533,370)	(5,740,079)		(7,273,448)
	Less Aggregate Excess	-	-	-		-
	<b>TOTAL CLAIMS</b>	<b>5,140,057</b>	<b>39,507,792</b>	<b>180,593,806</b>		<b>220,101,599</b>
3.	EXPENSES					
	MA & HMO Premiums	1,018,185	6,024,594	15,510,298		21,534,892
	Excess Premiums	213,883	1,271,283	3,986,606		5,257,889
	Administrative	435,427	2,865,085	11,349,468		14,214,553
	<b>TOTAL EXPENSES</b>	<b>1,667,495</b>	<b>10,160,962</b>	<b>30,846,371</b>		<b>41,007,333</b>
4.	UNDERWRITING PROFIT/(LOSS) (1-2-3)	445,638	(6,518,888)	(3,489,494)		(10,008,382)
5.	INVESTMENT INCOME	14,439	130,372	603,103		733,474
6.	DIVIDEND INCOME	-	-	-		-
7.	STATUTORY PROFIT/(LOSS) (4+5+6)	<b>460,078</b>	<b>(6,388,516)</b>	<b>(2,886,391)</b>		<b>(9,274,908)</b>
8.	DIVIDEND	-	-	-		-
9.	Transferred Surplus IN	-	-	-		-
10.	Transferred Surplus OUT	-	-	-		-
	<b>STATUTORY SURPLUS (7-8+9)</b>	<b>460,078</b>	<b>(6,388,516)</b>	<b>(2,886,391)</b>		<b>(9,274,908)</b>
<b>SURPLUS (DEFICITS) BY FUND YEAR</b>						
	Closed	Surplus	1,745	(466,507)	(83,541)	(550,048)
		Cash	(34,300)	(571,909)	937,859	365,950
2024	Surplus	467,430	(3,607,909)	(2,802,851)		(6,410,760)
	Cash	(694,262)	(10,744,085)	2,904,238		(7,839,847)
2025	Surplus	(9,097)	(2,314,100)			(2,314,100)
	Cash	(1,980,362)	8,413,034			8,413,034
	<b>TOTAL SURPLUS (DEFICITS)</b>	<b>460,078</b>	<b>(6,388,516)</b>	<b>(2,886,392)</b>		<b>(9,274,908)</b>
	<b>TOTAL CASH</b>	<b>(2,708,924)</b>	<b>(2,902,960)</b>	<b>3,842,097</b>		<b>939,137</b>
<b>CLAIM ANALYSIS BY FUND YEAR</b>						
	<b>TOTAL CLOSED YEAR CLAIMS</b>	<b>4,721</b>	<b>505,126</b>	<b>114,524,196</b>		<b>115,029,322</b>
	<b>FUND YEAR 2024</b>					
	Paid Claims	645,258	10,501,780	60,757,659		71,259,439
	IBNR	(108,535)	(5,845,385)	6,202,000		356,615
	Less Specific Excess	(997,860)	(1,043,467)	(890,049)		(1,933,515)
	Less Aggregate Excess	-	-	-		-
	<b>TOTAL FY 2024 CLAIMS</b>	<b>(461,137)</b>	<b>3,612,928</b>	<b>66,069,610</b>		<b>69,682,539</b>
	<b>FUND YEAR 2025</b>					
	Paid Claims	5,669,158	28,940,977			28,940,977
	IBNR	159,406	6,680,851			6,680,851
	Less Specific Excess	(232,090)	(232,090)			(232,090)
	Less Aggregate Excess	-	-			-
	<b>TOTAL FY 2025 CLAIMS</b>	<b>5,596,473</b>	<b>35,389,737</b>			<b>35,389,737</b>
	<b>COMBINED TOTAL CLAIMS</b>	<b>5,140,057</b>	<b>39,507,792</b>	<b>180,593,806</b>		<b>220,101,598</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.

METRO HEALTH INSURANCE FUND								
RATIOS								
		FY2025						
INDICES	2024	JAN	FEB	MAR	APR	MAY	JUN	
Cash Position	3,842,097	\$ 6,460,472	\$ 7,124,681	\$ 7,213,488	\$ 4,709,181	\$ 3,648,060	\$ 939,137	
IBNR	6,202,000	\$ 6,379,664	\$ 6,567,209	\$ 6,793,798	\$ 6,917,052	\$ 6,986,595	\$ 7,037,466	
Assets	5,041,139	\$ 4,666,942	\$ 5,010,026	\$ 4,759,502	\$ 1,982,800	\$ (427,505)	\$ 126,652	
Liabilities	7,927,531	\$ 8,444,978	\$ 8,687,019	\$ 8,983,617	\$ 9,183,079	\$ 9,307,480	\$ 9,401,559	
Surplus	(2,886,392)	\$ (3,778,036)	\$ (3,676,994)	\$ (4,224,114)	\$ (7,200,279)	\$ (9,734,985)	\$ (9,274,908)	
Claims Paid -- Month	6,252,986	\$ 6,353,824	\$ 5,319,100	\$ 5,908,283	\$ 8,209,760	\$ 8,059,501	\$ 6,355,228	
Claims Budget -- Month	4,614,842	\$ 5,324,120	\$ 5,465,452	\$ 5,465,942	\$ 5,474,485	\$ 5,479,557	\$ 5,483,301	
Claims Paid -- YTD	72,784,814	\$ 6,353,824	\$ 11,672,924	\$ 17,581,207	\$ 25,790,967	\$ 33,850,468	\$ 40,205,696	
Claims Budget -- YTD	62,899,992	\$ 5,324,120	\$ 10,789,572	\$ 16,231,412	\$ 21,709,638	\$ 27,183,256	\$ 32,645,163	
RATIOS								
Cash Position to Claims Paid	0.61	1.02	1.34	1.22	0.57	0.45	0.15	
Claims Paid to Claims Budget -- Month	1.35	1.19	0.97	1.08	1.5	1.47	1.16	
Claims Paid to Claims Budget -- YTD	1.16	1.19	1.08	1.1	1.2	1.3	1.2	
Cash Position to IBNR	0.62	1.01	1.08	1.06	0.68	0.52	0.13	
Assets to Liabilities	0.64	0.55	0.58	0.53	0.22	-0.05	0.01	
Surplus as Months of Claims	(0.63)	(0.71)	(0.67)	-0.77	-1.32	-1.78	-1.69	
IBNR to Claims Budget -- Month	1.34	1.20	1.20	1.24	1.26	1.28	1.28	

**METRO Fund**  
**2025 Budget Report**  
as of June 30, 2025

	Cumulative	Annualized	Latest filed	Cumulative	\$ Variance	% Variance
<b>Expected Losses</b>				<b>Expensed</b>		
Medical Claims Aetna	30,518,282	62,230,780	53,539,937	33,285,570	(2,767,288)	-9%
Prescription Claims - Excl Bloomfield	1,990,770	3,997,635	1,961,095	1,632,534	(234,520)	-17%
Prescription Formulary Rebates	(637,045)	(1,279,241)	(627,550)	Included Above in Prescription Claims		
Prescription Claims - Bloomfield	44,289	89,291	87,552	Included Above in Prescription Claims		
Dental Claims	728,867	1,508,508	1,023,681	703,724	25,143	3%
Subtotal	32,645,163	66,546,973	55,984,715	35,621,828	(2,976,665)	-9%
HMO/DMO Premiums	17,584	33,096	27,646	30,682	(13,099)	-74%
Medicare Advantage / EGWP	5,994,011	12,066,885	9,304,294	5,993,912	99	0%
Reinsurance						
Specific	1,271,458	2,542,303	2,158,296	1,271,283	175	0%
Total Loss Fund	39,928,215	81,189,256	67,474,950	42,917,705	(2,989,490)	-7%
Surplus Retention Regeneration	400,000	800,000	800,000	0	400,000	0%
Expenses						
Legal	15,300	30,600	30,600	19,830	(4,530)	-30%
Treasurer	11,169	22,338	22,338	13,500	(2,331)	-21%
Administrator/Benefits Consultant	467,213	936,057	793,661	467,292	(79)	0%
Risk Management Consultants	918,325	1,850,225	1,553,293	908,325	10,000	1%
Fund Coordinator	465,350	934,543	748,272	464,921	429	0%
TPA - Claims Agent Aetna	573,290	1,146,304	1,021,816	573,211	79	0%
Dental TPA	38,280	78,961	48,737	37,822	458	1%
Actuary	8,925	17,850	17,850	8,920	5	0%
Auditor	11,220	22,440	22,440	11,220	-	0%
Benefits Consultant						
Board Advisor						
Claims Audit	20,000	40,000	40,000	16,665	3,335	17%
Medicare Advantage Implementation	0	0	0	0	-	
Subtotal Expenses	2,529,073	5,079,318	4,299,008	2,521,707	7,366	0%
Miscellaneous and Special Services						
Misc/Cont	9,024	18,048	18,048	4,821	4,203	47%
Wellness, Disease, Case Management	50,000	100,000	100,000	43,384	6,616	13%
Affordable Care Act Taxes	7,797	15,590	13,235	6,462	1,335	17%
A4 Surcharge	319,948	663,978	638,598	266,486	53,462	17%
Plan Documents	5,000	10,000	10,000	0	5,000	100%
Subtotal Misc/Sp Svcs	391,769	807,615	779,881	321,153	70,616	18%
Total Expenses	2,920,842	5,886,933	5,078,888	2,842,860	77,982	3%
Total Budget	43,249,057	87,876,190	73,353,839	45,760,565	(2,511,508)	-6%

**Metro Municipal Employee Benefits Fund**  
**CONSOLIDATED BALANCE SHEET**  
AS OF JUNE 30, 2025  
BY FUND YEAR

	METRO 2025	METRO 2024	METRO 2023	CLOSED YEAR	FUND BALANCE
<b>ASSETS</b>					
Cash & Cash Equivalents	8,413,034	(7,839,847)	-	365,950	939,137
Assesmtments Receivable (Prepaid)	(2,683,855)	(279,096)	-	171,527	(2,791,424)
Interest Receivable	-	-	(0)	2,258	2,258
Specific Excess Receivable	232,090	1,191,869	-	107,034	1,530,994
Aggregate Excess Receivable	-	-	-	-	-
Dividend Receivable	-	-	-	-	-
Prepaid Admin Fees	-	-	-	-	-
Other Assets	445,688	1,196,818	-	(1,196,818)	445,688
<b>Total Assets</b>	<b>6,406,957</b>	<b>(5,730,257)</b>	<b>(0)</b>	<b>(550,048)</b>	<b>126,652</b>
<b>LIABILITIES</b>					
Accounts Payable	468,090	0	-	-	468,090
IBNR Reserve	6,680,851	356,615	-	-	7,037,466
A4 Retiree Surcharge	266,486	301,888	-	-	568,374
Dividends Payable	-	-	-	-	-
Retained Dividends	-	-	-	-	-
Accrued/Other Liabilities	1,305,630	22,000	-	-	1,327,630
<b>Total Liabilities</b>	<b>8,721,056</b>	<b>680,503</b>	<b>-</b>	<b>-</b>	<b>9,401,559</b>
<b>EQUITY</b>					
Surplus / (Deficit)	(2,314,100)	(6,410,760)	(0)	(550,048)	(9,274,908)
<b>Total Equity</b>	<b>(2,314,100)</b>	<b>(6,410,760)</b>	<b>(0)</b>	<b>(550,048)</b>	<b>(9,274,908)</b>
<b>Total Liabilities &amp; Equity</b>	<b>6,406,957</b>	<b>(5,730,257)</b>	<b>(0)</b>	<b>(550,048)</b>	<b>126,652</b>
<b>BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</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.

**METROPOLITAN HEALTH INSURANCE FUND  
CERTIFICATION OF ANNUAL AUDIT REPORT FOR  
PERIOD ENDING DECEMBER 31, 2024**

**WHEREAS**, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

**WHEREAS**, the Annual Report of Audit for the year 2024 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each Fund Commissioner, and

**WHEREAS**, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

**WHEREAS**, the Local Finance Board has promulgated a regulation requiring that the Fund Commissioners of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all Fund Commissioners have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments  
and  
Recommendations

**WHEREAS**, the Fund Commissioners have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments  
and  
Recommendations

as evidenced by the group affidavit form of the Fund Commissioners.

**WHEREAS**, such resolution of certification shall be adopted by the Fund Commissioners no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

**WHEREAS**, all Fund Commissioners have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

**WHEREAS**, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the Fund Commissioners to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be



fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

**NOW, THEREFORE, BE IT RESOLVED**, that the Executive Committee hereby states that they have complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

**ADOPTED: September 18, 2025**

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

**ATTEST:** \_\_\_\_\_  
**SECRETARY**

**GROUP AFFIDAVIT FORM**  
**CERTIFICATION OF FUND COMMISSIONERS**  
**Of the**  
**METROPOLITAN HEALTH INSURANCE FUND**

We the Fund Commissioners of the Metropolitan Health Insurance Fund, of full age, being duly sworn according to law, upon our oath depose and say:

1. We are duly elected members Fund Commissioners of the Metropolitan Health Insurance Fund
2. In the performance of our duties, and pursuant to the Local Finance Board Regulation, we have familiarized ourselves with the contents of the Annual Fund Audit filed with the Secretary of the Fund pursuant to N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36 for the year 2024.
3. We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled:

**GENERAL COMMENTS - RECOMMENDATIONS**

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)

Attest:

\_\_\_\_\_  
Secretary to the Fund

The Secretary of the Fund shall set forth the reason for the absence of signature of any members of the Executive Committee.

Important: This certificate must be sent to the Division of Local Government Services, CN 803,  
Trenton, NJ 08625.

**Attorney's Report:**

**RESOLUTION NO. 23-25**

**METROPOLITAN HEALTH INSURANCE FUND  
(THE "FUND") RESOLUTION TO ENTER INTO CLOSED SESSION**

**BE IT RESOLVED** by the Executive Committee of the Metropolitan Health Insurance Fund, pursuant to the provisions of the Open Public Meetings Act, that it meet in closed session to discuss the following subject matter:

- Procurement
- Contracts

**AND BE IT FURTHER RESOLVED** that, as precisely as can be determined at this time, the discussion conducted in the said closed session can be disclosed to the public upon taking final action thereon, provided disclosure shall not violate the attorney-client privilege or constitute an undue invasion of privacy; and

**BE IT FURTHER RESOLVED** that, the Executive Committee will return to open session after this meeting and may take formal action.

**ADOPTED: September 18, 2025**

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

**ATTEST:**

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

# APPENDIX I

**METRO HIF**  
**Finance Committee Meeting**  
**Date:** 9/8/2025  
**Time:** 11:30am  
**Location:** ZOOM

**Attendees:**

Patrick Wherry  
Nikole Baltycki  
Mauricio Canto  
Erick Martinez  
Diane Romano  
Jennifer McHugh  
Emily Koval  
Jordyn Robinson

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**1. Review of Audit Report**

Mrs. Emily Koval opened the meeting by referencing the review of the audit report during the July meeting. At that time, the audit was not finalized, and the resolution was not included in the agenda. Mrs. Koval emphasized the importance of ensuring the committee's comfort with the final product before proceeding.

**Presentation by Mr. Mauricio Canto:**

- Mr. Canto, fund auditor, provided an overview of the audit report. He noted that while the majority of the report had been reviewed previously, some changes were made since the July presentation. These changes pertained to disclosure information rather than financial data.
- Mr. Canto highlighted the following key points:
  - The audit opinion on the financial statements is qualified due to the standard practice of not performing extensive testing on the actuary's Incurred But Not Reported (IB&R) calculations or actuarially determined liabilities.
  - The No Surprises Act (NSA) and its Independent Dispute Resolution (IDR) process introduced new contingencies that were not accounted for in the December 31, 2024, liability calculations.
  - Additional disclosures were added to the Manager's Discussion and Analysis (MDA) section and the financial statement notes to address these developments.

**Key Disclosures:**

- The fund has experienced unexpected claims arising from the NSA and IDR process.
- Actions have been taken in 2025 to mitigate out-of-network claim utilization, with plans to offset any additional deficits through supplemental assessments to participating members.
- The evolving interpretations and legal challenges surrounding the NSA create uncertainty regarding final claim liabilities.

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**2. Discussion on Supplemental Assessments**

Mr. Wherry inquired about the process for addressing deficits resulting from the NSA claims. Mrs. Koval clarified that any additional assessments would be levied on members who participated in the fund during the year 2024, consistent with the approach for distributing surpluses.

Mr. Wherry suggested that this clarification be explicitly noted in the audit report. Mrs. Koval agreed to add language specifying that supplemental assessments would apply to members from the year in which the deficit occurred.

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**3. Internal Controls and Compliance**

Mr. Canto commended the fund's third-party administrator, PERMA, for maintaining strong internal controls and compliance measures. He noted that there were no significant or material changes required and no specific recommendations to address.

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#### **4. Budget and Rates for 2026**

Mrs. Koval provided an update on the budget preparation process:

- The committee will meet soon to finalize the budget and discuss supplemental assessments if necessary.
- The budget is expected to be introduced in late September or early October. Once introduced, rates for 2026 will be released.
- Mrs. Koval assured the committee that they would receive the budget details well in advance of the public meeting scheduled for September 18th.

Mr. Wherry expressed concerns about potential rate increases, particularly in light of the state's high benchmark of 32.5%. Mrs. Koval acknowledged the challenge, noting that prescription costs and other factors could impact rates.

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#### **5. Closing Remarks**

Mrs. Koval concluded the meeting by outlining next steps:

- Finalizing the audit report with the additional language regarding supplemental assessments.
- Scheduling a meeting to review the 2026 Budget.
- Preparing for the public meeting on September 18th, with the possibility of rescheduling if more time is needed.