



AGENDA AND REPORTS
OCTOBER 29, 2025
ZOOM - CONFERENCE CALL
SPECIAL MEETING
9:30 AM

ZOOM:

<https://permainc.zoom.us/j/96356501989>

Meeting ID: 963 5650 1989

One tap mobile

+19292056099,,96356501989# US (New York)

+13017158592,,96356501989# US (Washington DC)

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.

**METROPOLITIAN HEALTH INSURANCE FUND
AGENDA MEETING OCTOBER 29, 2025
SPECIAL MEETING - CONFERENCE CALL - ZOOM
9:30 AM**

MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ

PLEDGE OF ALLEGENCE

ROLL CALL OF 2025 EXECUTIVE COMMITTEE

<u>Fund Commissioner</u>	<u>Entity</u>
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

CORRESPONDENCE - None

REPORT - Executive Director

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

MEETING ADJOURNED

Metropolitan Health Insurance Fund
Executive Director's Report
October 29, 2025

FINANCIAL RECOMMENDATIONS

As discussed at the previous meetings, we have been reviewing the immediate financial challenges the Fund is facing. We will be prepared at the next meeting to present recommendations for near and long term financial viability. This will be separate from the 2026 Budget Adoption.

QUALIFIED PURCHASING AGENT (QPA) - PLAN YEAR 2025 & 2026

At the meeting of the Executive Committee on March 20, 2025, approval was given to PERMA to seek quotes for QPA services for the Metro HIF. The Canning Group, LLC, 2024 incumbent, was the only responder at an annual fee of \$3,000, duplicating the prior year's fee. We realized that The Canning Group, LLC's contract for 2025, was never officially adopted by the Committee.

We are recommending that Metro HIF accept the 2025 proposal via resolution 26-25.

The Canning Group, LLC has preemptively issued a quote for 2026, \$3,000 as well. The Fund has not formally sought quotes. The proposal is below the threshold and reasonable and could be considered for acceptance in the 2026 reorganization meeting.

Resolution assumes award for both Fund Years.

MEDICAL TPA CONTRACT 2026 - EMERGENCY PROCUREMENT

In the interest of time, it is imperative that the Funds secure a contract for 2026 for Medical TPA services. The Fund QPA and Attorney recommend declaring an emergency to procure the contract via resolution 27-25. PERMA will obtain quotes which will be brought to the Finance and Administration Committee for review. A zoom special meeting should be scheduled to award the contract before January 1.

NO SURPRISE BILLING AND TRANSPARENCY ACT: UPDATE- TRANSITION TO STATE ARBITRATION - JANUARY 1, 2026

Included in your agenda is a memo from the Executive Director's office outlining the transition of the HIFs from the Federal Legislation to the State's. As previously reported, the Federal No Surprises Act has resulted in the reprocessing of several Million dollars of claims for the HIFs statewide. While the State program does not remove the exposure to these types of claims reprocessing, it should allow for more predictability and less backlog surprise cash exposure going forward.

As a result of the transition, enrolled members will be receiving new ID cards from Aetna prior to January 1. ID numbers and group numbers will not be changing.

Fund Professionals will be in attendance to answer any questions the Commissioners may have.

RESOLUTION NO. 26-25

METROPOLITAN HEALTH INSURANCE FUND

**RESOLUTION APPOINTING A QUALIFIED PURCHASING AGENT FOR CONTRACT
PROCUREMENT FOR THE BALANCE OF FUND YEAR 2025 AND 2026**

WHEREAS, the Metropolitan Health Insurance Fund ("Fund") requires the services of a Qualified Purchasing Agent ("QPA") as a non-fair and open contract pursuant to the provisions of NJSA 19:44A-20.4-20.5; and

WHEREAS the QPA position will not exceed the bidding threshold of \$17,500; and

WHEREAS the anticipated term of this contract will terminate on December 31, 2026; and

WHEREAS, Sean P. Canning of The Canning Group, LLC has provided the Fund with a proposed Services Agreement to perform such QPA services at a total cost not to exceed \$3,000.00; and

WHEREAS, the Fund has determined that Sean P. Canning of the Canning Group possesses the required qualifications and experience necessary to perform the needed QPA services; and

WHEREAS, the Fund desires to approve a services contract with Sean P. Canning of The Canning Group to perform QPA services for the Fund in accordance with N.J.S.A. 40A:11-9; and

WHEREAS requests for quotes were sent to multiple known QPAs, and one response was received in accordance with N.J.S.A. 40A:11-6.11 and

WHEREAS the Fund Treasurer hereby certifies that funds are available in the amount of \$3,000.00 for the QPA services in the Fund's 2025 and 2026 Budget;

NOW THEREFORE BE IT RESOLVED that the Metropolitan Health Insurance Fund hereby appoints The Canning Group, 45 S Park Place 183 Morristown, NJ 07960 as Qualified Purchasing Agent for the balance of Fund Year 2025 in accordance with N.J.S.A. 40A:11-9; and

BE IT FURTHER RESOLVED that the Fund Administrator is hereby authorized to execute the Services Agreement; and

BE IT FURTHER RESOLVED that a copy of this Resolution, together with the executed Services Agreement, shall be forwarded to the Fund Administrator and The Canning Group, LLC

ADOPTED: October 29, 2025

BY: _____

CHAIRPERSON

ATTEST:

SECRETARY

MEMORANDUM

To: Metro Commissioners
From: PERMA
Date: October 8, 2025
Subject: One-Year Agreement - TPA

At the direction of the HIF Cooperative counsel, Mr. Ken Harris, and in light of the Office of the State Comptroller's (OSC) insistence that precluded running our usual RFP process this cycle, PERMA negotiated interim one-year agreements the third-party administrator (TPAs), Aetna for 2026. Our objective is protecting the Funds and maintain market leverage while addressing compliance sensitivities and timing constraints. The memorandum shall address the process and results that will technically apply to the Fund.

Process and Vendor Engagement

In lieu of a formal RFP, we conducted a structured review of current terms and performance. We issued each carrier a written set of questions and requirements, focusing on: (1) reductions in fixed administrative costs; (2) contractual improvements that strengthen protections for the Funds; and (3) operational commitments to improve service and accountability.

Results - Financial and Contractual Improvements

We insisted upon – and obtained – meaningful concessions designed to directly benefit the Funds for the one-year bridge period. This is summarized as follows:

- Fixed Cost Reductions: Reductions to the administrative / ASO fees and other non-claim expenses
- Out of Network Service Fees: Secured reductions to the out of network fees and caps to apply discounts
- Enrollment based sliding fee scale
- Embedded return on investment (ROI) guarantees for recommended Carrier sponsored cost containment programs
- Performance, financial accuracy, and operational guarantees worth up to 25% of administrative fee

Estimated Value ("Savings")

Conservatively, the negotiated concessions are projected to generate approximately \$4.25-\$4.75 million across all Funds (including your Fund and the other Funds that also participate with the MRHIF) in avoided costs over the one-year term, driven primarily by fixed-fee reductions and targeted

contractual caps. Estimated savings is based on existing enrollment as of October 2025 and does not contemplate additional savings as the result of new members.

Request for Approval and Immediate Next Steps

We will ask that the Fund pass a resolution at its next meeting officially accepting the 2026 terms as negotiated by this office. If you have any questions in the interim, please contact our office.

RESOLUTION NO. 27-25

**A RESOLUTION OF THE COMMISSIONERS OF THE METROPOLITAN HEALTH
INSURANCE FUND
AUTHORIZING THE AWARD OF AN EMERGENCY CONTRACT UNDER THE NEW
JERSEY LOCAL PUBLIC CONTRACTS LAW N.J.S.A. 40A:11-6**

WHEREAS, an emergency for the Metropolitan Health Insurance Fund (hereafter the “Fund”) has arisen with respect to the impending loss of Third-Party Administrator healthcare coverage for its members; and

WHEREAS, the Fund has been unable to obtain procurement of a Third-Party Administrator for healthcare services due to time delays relating to the Office of the State Comptroller ‘s review of its proposed procurement models; and

WHEREAS, New Jersey Local Publics Contract Law, N.J.S.A. 40A:11-1 et seq., specifically N.J.S.A. 40A:11-6, and the New Jersey Administrative Code at N.J.A.C 5:34-6 allows for emergency procurement for matters affecting the public safety, health and welfare; and

WHEREAS, the Executive Director for the Fund has advised the Qualified Purchasing Agent of the imminent loss of healthcare coverage for its members, which affects the health, safety and welfare of its members, an emergency; and

WHEREAS, the proposed emergency contract shall be for a term of one (1) calendar year; and

WHEREAS, after the conclusion of the contract, it is the intent to obtain Third-Party Administrator services in accordance with traditional procurement and in consultation and cooperation with the New Jersey Division of Local Government Services and in applicable procurements with the State of New Jersey agencies for 2027 and beyond.

NOW, THEREFORE BE IT RESOLVED by the Governing Body of the Metropolitan Health Insurance Fund, as follows:

1. The Recital paragraphs are incorporated as if fully set forth.
2. The Fund hereby authorizes emergency procurement for Third-Party Administrator Services by the Executive Director.
3. The Executive Director, Qualified Purchasing Agent and Fund Attorney are hereby authorized to take all action and execute all documents required to consummate this contract award.

ADOPTED: OCTOBER 29, 2025

BY:

CHAIRPERSON

ATTEST:

SECRETARY

JAMES RHODES

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MEMO

To: METRO Commissioners
From: James Rhodes
CC: Brandon Lodics
Tammy Brown
Executive Committee Members
Date: October 27, 2025
Subject: NJ Out-of-Network Consumer Protection, Transparency, Cost Containment, and Accountability Act

As we have discussed in our review of unforeseen claims resulting from the Federal No Surprises Act, PERMA has researched and discussed the State of New Jersey's Out-Of-Network Consumer Protection, Transparency, Cost Containment, and Accountability Act, P.L. 2019, c. 31, codified as N.J.S.A. 26:2SS-1 to -20 (the "Act"), with our carrier partners.

The Funds currently are subject to the Federal statute. But with the dramatic impact on HIF budgets throughout the State due to the Federal statute, **PERMA is directing Aetna and AmeriHealth to have the Funds opt-in to the State's no surprises program, which is permitted in the Act. The change will be effective January 1, 2026.**

The State's Act offers several advantages to plan sponsors:

- Plan members are still protected from surprise medical billing, but via the State process going forward.
- Under New Jersey's Act, there is only one Independent Dispute Resolution (IDR) vendor (at this time, Maximus), as opposed to the many available under the Federal law.
- The State's Act provides strict timelines for submitting claims, where we've seen the effect of surprise awards and fees many months or even years after the initial claim was paid under the Federal Law, which also requires fees to be paid to CMS and the IDR, and the IDR fees vary. The State's IDR fees are set and given its other requirements, the law provides for a much more predictable and manageable process.
- The Act also requires that any ID card issued by a self-funded plan must indicate whether the plan has opted in to the arbitration provisions under the Act. Thus, issuance of identification cards compliant with the Act must occur upon the earliest of the following: issuance of a new or renewal plan or the self-funded plan's opt-in to OON Arbitration.

Once subject to the State's Act, the Funds will no longer be subject to the Federal law, except in the case of air ambulance services which are not covered by the State's Act. The State Act applies when an out-of-network health care provider, who is licensed or certified in New Jersey, rendered a covered service to a covered person in New Jersey under the health benefits plan. Healthcare services incurred before January 1, 2026, are still subject to the Federal

law. We expect this change to bring a more predictable process for budgeting and managing NSA claims going forward. It should be noted that the New Jersey Act requires an annual opt-in, so certain protections exist should it be deemed necessary to opt out in the future.

We appreciate your advocacy for changes to the Federal NSA IDR process, but it is apparent changes are not likely. The State option provides Funds with the most protection while still providing members with protection from surprise medical bills.

Please let us know if you have any questions.