



METROPOLITAN

HEALTH INSURANCE FUND

AGENDA AND REPORTS

DECEMBER 18, 2025

ZOOM

CONFERENCE CALL

12:00 PM

Join Zoom Meeting

<https://permainc.zoom.us/j/96452807831>

Meeting ID: 964 5280 7831

One tap mobile

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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: DECEMBER 18, 2025

CONFERENCE CALL - ZOOM

12:00 PM

MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ

PLEDGE OF ALLEGIANCE

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

APPROVAL OF MINUTES, November 10, 2025 Appendix I
November 12, 2025 Appendix II
November 24, 2025 Appendix III

CORRESPONDENCE - None

EXECUTIVE DIRECTOR - PERMA

Executive Director's ReportPage 4
Re-numbered Resolution 31-25: 2026 Budget AdoptionPage 11
Resolution 32-25: Corrective ResolutionPage 13
Resolution 33-25: Supplemental Assessment - IntroductionPage 14

PROGRAM MANAGER - PERMA - John Lajewski

Program Manager's ReportPage 17

FUND COORDINATOR - Eagle Rock Management Group - Joseph DiVincenzo

Fund Coordinator's Report..... Verbal

ATTORNEY - Ramon Rivera

TREASURER - Laracy Associates

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Resolution 34-25: Approval of the December 2025 Bills List.....Page 25

THIRD PARTY ADMINISTRATOR - Aetna - Jason Silverstein

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PRESCRIPTION PROVIDER - Express Scripts - Charles Yuk

Monthly Report.....Page 31

DENTAL ADMINISTRATOR - Delta Dental - Crista O'Donnell

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

Motion to Open

Motion to Close

MEETING ADJOURNED

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

PRO FORMA REPORTS

- **Fast Track Financial Reports** – As of August 31, 2025 (page 6)
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

CORRECTION OF RESOLUTION NUMBER ASSIGNMENT

It was recently discovered that Resolution No. 27-25 was inadvertently assigned to two separate actions - One in the Special October meeting and another in the November meeting. To maintain accurate records, it is recommended that the Budget Adoption resolution be renumbered as Resolution No. 31-25, which is the next available number. All references and official documents will be updated accordingly and are listed in Resolution 31-25 and 32-25 on page 11 &13.

SUPPLEMENTAL ASSESSMENT - INTRODUCTION

During the November 24th meeting of the Finance Committee, the committee is recommending a \$7M Supplemental Assessment, of which we believe is adequate and justified. We are recommending the Fund begin collection of the Supplemental Assessments following adoption in January 2026. The billing of required amounts would take effect no later than March 1, 2026. The 2026 budget is developed to be self-sustaining and further contribute to surplus regeneration. As this is the case, we would be comfortable with the collection period going as far as 36 months from the start date. If the Fund position improves to a level of adequacy and comfort prior to the end of the 36-month period the Executive Committee has the discretion to suspend the remaining payments/assessments.

Alternatively, if a group can satisfy 90% of their adopted supplemental assessment by June 30, 2026, the Fund will consider the liability satisfied. This assumes the following schedule of events:

- 1) *Introduction of Supplemental Assessment: December 18, 2026***
- 2) *Adoption and early collection of Supplemental Assessment: January 15, 2026***
- 3) *Initial installments begin: March 1, 2026***
- 4) *Final installments due no later than February 29, 2028***

METRO Supplemental Assessment					
\$7,000,000- All of 2024 Deficit and Portion of Closed Year (as of 7/31/25)					
	GRAND TOTAL				
	FY 2024 AND CLOSED YEAR				
	Member	Net surplus/ Cash Collection	Monthly payments		
12 months			24 months	36 months	
Bloomfield Township	\$ 1,693,493.65	\$ 141,124.47	\$ 70,562.24	\$ 47,041.49	
Bloomfield Library	\$ 40,883.14	\$ 3,406.93	\$ 1,703.46	\$ 1,135.64	
East Amwell	\$ 5,463.74	\$ 455.31	\$ 227.66	\$ 151.77	
Maplewood	\$ 304,436.45	\$ 25,369.70	\$ 12,684.85	\$ 8,456.57	
Orange	\$ 1,196,389.12	\$ 99,699.09	\$ 49,849.55	\$ 33,233.03	
Plainfield BOE	\$ 3,155,687.78	\$ 262,973.98	\$ 131,486.99	\$ 87,657.99	
Scotch Plains	\$ 328,562.77	\$ 27,380.23	\$ 13,690.12	\$ 9,126.74	
West Caldwell	\$ 275,083.76	\$ 22,923.65	\$ 11,461.82	\$ 7,641.22	
	\$ 7,000,000.41	\$ 583,333.37	\$ 291,666.68	\$ 194,444.46	

The Supplemental Assessment collection will be used to pay outstanding fees and premiums, including amounts owed to vendors, starting with payments to the Fund Executive Director and the Municipal Reinsurance Health Insurance Fund.

Resolution 33-25 is included for action, and a public hearing will be held on January 15, 2026.

POPULATION HEALTH RFP

At the direction of the Fund’s QPA, the previously issued RFP 25-03, for population health/wellness services, is no longer valid under the timeline rules of Competitive Contracting. The Wellness Committee will re-evaluate the matter in the new year. The 2026 budget included an allotment for wellness, which could be considered for a future procurement.

QUALIFIED PURCHASING AGENT (QPA) - 2026 QUOTES

As authorized by the Executive Committee, PERMA will be preparing a solicitation for quotes for QPA services for an award to be considered at the January Reorganization meeting. Commissioners are encouraged to submit any recommendations for professionals to be included in the solicitation process.

METRO MUNICIPAL EMPLOYEE BENEFITS FUND

FINANCIAL FAST TRACK REPORT

		AS OF	September 30, 2025			
		THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE	
1.	UNDERWRITING INCOME	7,536,375	65,765,748	207,950,683	273,716,431	
2.	CLAIM EXPENSES					
	Paid Claims	6,922,602	61,045,001	180,131,885	241,176,886	
	IBNR	2,141	1,035,496	6,202,000	7,237,496	
	Less Specific Excess	(731,966)	(3,014,332)	(5,740,079)	(8,754,411)	
	Less Aggregate Excess	-	-	-	-	
	TOTAL CLAIMS	6,192,778	59,066,166	180,593,806	239,659,972	
3.	EXPENSES					
	MA & HMO Premiums	1,013,545	9,078,630	15,510,298	24,588,928	
	Excess Premiums	213,269	1,911,703	3,986,606	5,898,309	
	Administrative	461,968	4,291,388	11,349,468	15,640,855	
	TOTAL EXPENSES	1,688,782	15,281,721	30,846,371	46,128,092	
4.	UNDERWRITING PROFIT/(LOSS) (1-2-3)	(345,185)	(8,582,139)	(3,489,494)	(12,071,633)	
5.	INVESTMENT INCOME	8,408	160,088	603,103	763,190	
6.	DIVIDEND INCOME	-	57,191	-	57,191	
7.	STATUTORY PROFIT/(LOSS) (4+5+6)	(336,777)	(8,364,860)	(2,886,391)	(11,251,252)	
8.	DIVIDEND	-	-	-	-	
9.	Transferred Surplus IN	-	-	-	-	
10.	Transferred Surplus OUT	-	-	-	-	
	STATUTORY SURPLUS (7-8+9)	(336,777)	(8,364,860)	(2,886,391)	(11,251,252)	
SURPLUS (DEFICITS) BY FUND YEAR						
	Closed	Surplus (34,152)	(443,468)	(83,541)	(527,010)	
		Cash 72,882	(499,026)	937,859	438,833	
	2024	Surplus (88,960)	(4,737,343)	(2,802,851)	(7,540,194)	
		Cash 864,944	(11,534,366)	2,904,238	(8,630,128)	
	2025	Surplus (213,666)	(3,184,049)		(3,184,049)	
		Cash 393,944	11,310,594		11,310,594	
	TOTAL SURPLUS (DEFICITS)	(336,777)	(8,364,860)	(2,886,392)	(11,251,252)	
	TOTAL CASH	1,331,770	(722,799)	3,842,097	3,119,298	
CLAIM ANALYSIS BY FUND YEAR						
	TOTAL CLOSED YEAR CLAIMS	34,411	539,538	114,524,196	115,063,733	
	FUND YEAR 2024					
	Paid Claims	456,729	12,460,501	60,757,659	73,218,160	
	IBNR	(62,020)	(6,068,657)	6,202,000	133,343	
	Less Specific Excess	(305,556)	(1,587,632)	(890,049)	(2,477,681)	
	Less Aggregate Excess	-	-	-	-	
	TOTAL FY 2024 CLAIMS	89,153	4,804,212	66,069,610	70,873,822	
	FUND YEAR 2025					
	Paid Claims	6,465,874	47,821,560		47,821,560	
	IBNR	64,161	7,104,153		7,104,153	
	Less Specific Excess	(460,821)	(1,203,298)		(1,203,298)	
	Less Aggregate Excess	-	-		-	
	TOTAL FY 2025 CLAIMS	6,069,214	53,722,416		53,722,416	
	COMBINED TOTAL CLAIMS	6,192,778	59,066,166	180,593,806	239,659,971	

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											
INDICES	2024	FY2025									
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Cash Position	3,842,097	\$ 6,460,472	\$ 7,124,681	\$ 7,213,488	\$ 4,709,181	\$ 3,648,060	\$ 939,137	\$ 3,616,771	\$ 1,787,528	\$ 3,119,298	
IBNR	6,202,000	\$ 6,379,664	\$ 6,567,209	\$ 6,793,798	\$ 6,917,052	\$ 6,986,595	\$ 7,037,466	\$ 7,195,526	\$ 7,235,355	\$ 7,237,496	
Assets	5,041,139	\$ 4,666,942	\$ 5,010,026	\$ 4,759,502	\$ 1,982,800	\$ (427,505)	\$ 126,652	\$ 61,026	\$ (1,166,235)	\$ (1,174,024)	
Liabilities	7,927,531	\$ 8,444,978	\$ 8,687,019	\$ 8,983,617	\$ 9,183,079	\$ 9,307,480	\$ 9,401,559	\$ 9,442,603	\$ 9,748,239	\$ 10,077,228	
Surplus	(2,886,392)	\$ (3,778,036)	\$ (3,676,994)	\$ (4,224,114)	\$ (7,200,279)	\$ (9,734,985)	\$ (9,274,908)	\$ (9,381,577)	\$ (10,914,474)	\$ (11,251,252)	
Claims Paid -- Month	6,252,986	\$ 6,353,824	\$ 5,319,100	\$ 5,908,283	\$ 8,209,760	\$ 8,059,501	\$ 6,355,228	\$ 6,315,245	\$ 7,601,458	\$ 6,922,602	
Claims Budget -- Month	4,614,842	\$ 5,324,120	\$ 5,465,452	\$ 5,465,942	\$ 5,474,485	\$ 5,479,557	\$ 5,483,301	\$ 5,698,303	\$ 5,690,979	\$ 5,652,727	
Claims Paid -- YTD	72,784,814	\$ 6,353,824	\$ 11,672,924	\$ 17,581,207	\$ 25,790,967	\$ 33,850,468	\$ 40,205,696	\$ 46,520,941	\$ 54,122,399	\$ 61,045,001	
Claims Budget -- YTD	62,899,992	\$ 5,324,120	\$ 10,789,572	\$ 16,231,412	\$ 21,709,638	\$ 27,183,256	\$ 32,645,163	\$ 38,340,877	\$ 44,031,856	\$ 50,009,328	
RATIOS											
Cash Position to Claims Paid	0.61	1.02	1.34	1.22	0.57	0.45	0.15	0.57	0.24	0.45	
Claims Paid to Claims Budget -- Month	1.35	1.19	0.97	1.08	1.5	1.47	1.16	1.11	1.34	1.22	
Claims Paid to Claims Budget -- YTD	1.16	1.19	1.08	1.1	1.2	1.3	1.2	1.21	1.23	1.22	
Cash Position to IBNR	0.62	1.01	1.08	1.06	0.68	0.52	0.13	0.50	0.25	0.43	
Assets to Liabilities	0.64	0.55	0.58	0.53	0.22	-0.05	0.01	0.01	-0.12	-0.12	
Surplus as Months of Claims	(0.63)	(0.71)	(0.67)	-0.77	-1.32	-1.78	-1.69	(1.65)	-1.92	-1.99	
IBNR to Claims Budget -- Month	1.34	1.20	1.20	1.24	1.26	1.28	1.28	1.26	1.27	1.28	

METRO Fund
2025 Budget Report
as of September 30, 2025

	Cumulative	Annualized	Latest filed	Cumulative Expensed	\$ Variance	% Variance
Expected Losses						
Medical Claims Aetna	46,788,746	62,971,711	53,539,937	50,321,755	(3,533,009)	-8%
Prescription Claims - Excl Bloomfield	2,991,242	3,982,602	1,961,095	2,310,770	(210,094)	-10%
Prescription Formulary Rebates	(957,199)	(1,274,433)	(627,550)	Included Above in Prescription Claims		
Prescription Claims - Bloomfield	66,633	89,519	87,552	Included Above in Prescription Claims		
Dental Claims	1,119,906	1,514,625	1,023,681	1,089,891	30,015	3%
Subtotal	50,009,328	67,284,023	55,984,715	53,722,416	(3,713,088)	-7%
HMO/DMO Premiums	25,416	34,217	27,646	46,245	(20,829)	-82%
Medicare Advantage / EGWP	8,225,363	11,021,302	9,304,294	9,032,385	(807,022)	-10%
Reinsurance						
Specific	1,908,196	2,552,913	2,158,296	1,911,703	(3,508)	0%
Total Loss Fund	60,168,302	80,892,457	67,474,950	64,712,749	(4,544,447)	-8%
Surplus Retention Regeneration	600,000	800,000	800,000	0	600,000	0%
Expenses						
Legal	22,950	30,600	30,600	57,345	(34,395)	-150%
Treasurer	16,754	22,338	22,338	20,250	(3,497)	-21%
Administrator/Benefits Consultant	679,680	909,488	793,661	702,933	(23,253)	-3%
Risk Management Consultants	1,386,835	1,848,695	1,553,293	1,376,835	10,000	1%
Fund Coordinator	678,059	908,259	748,272	701,366	(23,307)	-3%
TPA - Claims Agent Aetna	860,390	1,151,088	1,021,816	861,972	(1,582)	0%
Dental TPA	58,687	79,298	48,737	58,884	(197)	0%
Actuary	13,388	17,850	17,850	13,380	8	0%
Auditor	16,830	22,440	22,440	16,830	-	0%
Benefits Consultant						
Board Advisor						
Claims Audit	30,000	40,000	40,000	0	30,000	100%
Medicare Advantage Implementation	0	0	0	0	-	
Subtotal Expenses	3,763,573	5,030,056	4,299,008	3,809,796	(46,223)	-1%
Miscellaneous and Special Services						
Misc/Cont	13,536	18,048	18,048	6,066	7,470	55%
Wellness, Disease, Case Management	75,000	100,000	100,000	50,460	24,540	33%
Affordable Care Act Taxes	11,701	15,655	13,235	24,270	(12,569)	-107%
A4 Surcharge	492,880	670,222	638,598	439,418	53,462	11%
Plan Documents	7,500	10,000	10,000	0	7,500	100%
Subtotal Misc/Sp Svcs	600,617	813,924	779,881	520,214	80,403	13%
Total Expenses	4,364,190	5,843,981	5,078,888	4,330,009	34,180	1%
Total Budget	65,132,492	87,536,438	73,353,839	69,042,759	(3,910,266)	-6%

Metro Municipal Employee Benefits Fund

CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2025

BY FUND YEAR

	METRO 2025	METRO 2024	CLOSED YEAR	FUND BALANCE
ASSETS				
Cash & Cash Equivalents	11,310,594	(8,630,128)	438,833	3,119,298
Assessments Receivable (Prepaid)	(5,547,062)	(279,096)	171,527	(5,654,631)
Interest Receivable	-	-	2,258	2,258
Specific Excess Receivable	460,821	305,556	-	766,377
Aggregate Excess Receivable	-	-	-	-
Dividend Receivable	-	-	-	-
Prepaid Admin Fees	-	-	57,191	57,191
Other Assets	535,483	1,196,818	(1,196,818)	535,483
Total Assets	6,759,837	(7,406,851)	(527,010)	(1,174,024)
LIABILITIES				
Accounts Payable	2,615,895	0	-	2,615,895
IBNR Reserve	7,104,153	133,343	-	7,237,496
A4 Retiree Surcharge	200,545	-	-	200,545
Dividends Payable	-	-	-	-
Retained Dividends	-	-	-	-
Accrued/Other Liabilities	23,292	-	-	23,292
Total Liabilities	9,943,885	133,343	-	10,077,228
EQUITY				
Surplus / (Deficit)	(3,184,049)	(7,540,194)	(527,010)	(11,251,252)
Total Equity	(3,184,049)	(7,540,194)	(527,010)	(11,251,252)
Total Liabilities & Equity	6,666,928	(7,406,851)	(527,010)	(1,266,932)
BALANCE	-	-	-	

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.

Type	January	February	March	April	May	June	July	August	September
Med Budget	5,007,248.00	5,134,921.00	5,147,395.00	5,151,488.00	5,159,179.00	5,157,526.00	5,374,331.00	5,367,186.00	5,289,472.00
Med Claims	2,058,323.41	2,883,296.41	4,475,189.88	5,910,823.61	6,191,927.06	5,287,535.33	5,301,415.37	6,390,590.79	6,131,923.56
Med IBNR	3,172,386.10	1,600,723.56	908,663.43	429,379.75	220,032.23	147,289.03	238,955.44	113,080.91	63,516.88
Spec Reim						(232,090.31)	(273,897.93)	(236,488.65)	(460,821.17)
	(223,461.51)	650,901.03	(236,458.31)	(1,188,715.36)	(1,252,780.29)	(45,208.05)	107,858.12	(899,997.05)	(445,147.27)
% Variance	-4.46%	12.68%	-4.59%	-23.08%	-24.28%	-0.88%	2.01%	-16.77%	-8.42%
Type	January	February	March	April	May	June	July	August	September
Rx Budget	319,793.25	343,702.95	343,350.00	342,558.15	342,127.80	342,515.25	341,433.75	341,438.10	340,955.85
RX Rebates	(99,972.00)	(107,614.00)	(107,510.00)	(107,266.00)	(107,119.00)	(107,243.00)	(106,897.00)	(106,889.00)	(106,689.00)
Rx Claims	189,912.92	360,420.20	332,713.10	403,118.15	394,488.80	368,511.03	396,856.64	267,347.07	374,711.76
Rx IBNR	110,765.83	8,704.30	(4,396.63)	(850.50)	(170.50)	3,767.50	(518.50)	90.00	(258.00)
Accrual RX F	(56,973.88)	(108,126.06)	(99,813.93)	(76,811.52)	(90,732.42)	(101,992.11)	(91,277.03)	(89,623.74)	(179,092.27)
	(23,883.62)	(24,909.49)	7,337.46	(90,163.98)	(68,577.08)	(35,014.17)	(70,524.36)	56,735.77	38,905.36
% Variance	-10.87%	-10.55%	3.11%	-38.32%	-29.18%	-14.88%	-30.07%	24.19%	16.61%
Type	January	February	March	April	May	June	July	August	September
Dental Budget	119,670.78	119,797.02	120,263.42	120,219.89	120,515.46	128,400.11	131,626.21	130,424.69	128,987.92
Dental Claims	48,788.91	107,844.42	134,017.10	98,917.94	114,494.90	115,103.36	115,673.96	123,726.91	138,330.61
Dental IBNR	57,531.60	4,577.49	4,542.47	4,824.32	4,731.45	8,349.61	6,451.03	1,082.00	902.52
	13,350.27	7,375.11	(18,296.15)	16,477.63	1,289.11	4,947.14	9,501.22	5,615.78	(10,245.21)
% Variance	11.16%	6.16%	-15.21%	13.71%	1.07%	3.85%	7.22%	4.31%	-7.94%
Type	January	February	March	April	May	June	July	August	September
Budget	5,346,740.03	5,490,806.97	5,503,498.42	5,507,000.04	5,514,703.26	5,521,198.36	5,740,493.96	5,732,159.79	5,652,726.77
Claims	2,297,025.24	3,351,561.03	4,941,920.08	6,412,859.70	6,700,910.76	5,771,149.72	5,813,945.97	6,781,664.77	6,644,965.93
IBNRs	3,340,683.53	1,614,005.35	908,809.27	433,353.57	224,593.18	159,406.14	244,887.97	114,252.91	64,161.40
Spec Reim	-	-	-	-	-	(232,090.31)	(273,897.93)	(236,488.65)	(460,821.17)
RX Rebate	(56,973.88)	(108,126.06)	(99,813.93)	(76,811.52)	(90,732.42)	(101,992.11)	(91,277.03)	(89,623.74)	(179,092.27)
	(233,994.86)	633,366.65	(247,417.00)	(1,262,401.71)	(1,320,068.26)	(75,275.08)	46,834.98	(837,645.50)	(416,487.12)

RESOLUTION NO. 31-25

**METROPOLITAN HEALTH INSURANCE FUND
ADOPTION OF THE 2026 BUDGET**

WHEREAS, the Metropolitan Health Insurance Fund is required under State regulation to adopt an annual budget in accordance with the Fiscal Affairs Law; and

WHEREAS, a quorum of the Executive Committee met on October 3, 2025 in Public Session to introduce the proposed budget for the 2026 Fund Year; and

WHEREAS, the Executive Committee met on November 10, 2025 in Public Session to adopt the proposed budget for the 2026 Fund Year; and

WHEREAS, a public hearing to adopt the 2026 budget was held on November 10, 2025 at 11:00 a.m.; and

WHEREAS, Resolution No. 27-25 was originally assigned to this action; however, it was inadvertently assigned the wrong resolution number in error, requiring the resolution to be renumbered for accuracy of the official record; and

NOW, THEREFORE, BE IT RESOLVED that the Executive Committee of the Metropolitan Health Insurance Fund hereby adopts the 2026 budget in the amount of **\$106,640,018**; and

BE IT FURTHER RESOLVED that Resolution No. **27-25** is hereby **renumbered** as Resolution No. **31-25** to correct this clerical numbering error, with no change to the substance or effect of the action taken on November 10, 2025; and

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to each Commissioner, Risk Manager, Governing Body, the New Jersey Department of Banking and Insurance, and the New Jersey Department of Community Affairs.

ADOPTED: November 10, 2025

RENUMBERED: December 18, 2025

ADOPTED: December 18, 2025

BY: _____

CHAIRPERSON

ATTEST:

SECRETARY

**METROPOLITAN HEALTH INSURANCE FUND
CORRECTIVE RESOLUTION
RENAMING RESOLUTION NO. 27-25 TO RESOLUTION NO. 31-25**

WHEREAS, the Metropolitan Health Insurance Fund (the "Fund") adopted Resolution No. 27-25 on November 10, 2025, titled "*Adoption of the 2026 Proposed Budget*"; and

WHEREAS, it was subsequently determined that Resolution No. 27-25 was inadvertently assigned in error, as that number had already been used, resulting in a duplicate numbering conflict; and

WHEREAS, the Fund desires to correct this clerical error to ensure the accuracy and integrity of the official records;

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Metropolitan Health Insurance Fund that Resolution No. 27-25, adopted November 10, 2025, is hereby renumbered and shall be officially recorded as Resolution No. 31-25; and

BE IT FURTHER RESOLVED that this correction is administrative in nature and does not amend, modify, or alter the action taken in the original resolution, which remains unchanged and in full force and effect; and

BE IT FURTHER RESOLVED that the Secretary is directed to update all official records, including the prior meeting's minutes, to reflect this correction.

ADOPTED: December 18, 2025

BY: _____

CHAIRPERSON

ATTEST:

SECRETARY

RESOLUTION NO. 33-25

METROPOLITAN HEALTH INSURANCE FUND

RESOLUTION ESTABLISHING SUPPLEMENTAL ASSESSMENTS FOR THE 2024 FUND YEAR

WHEREAS, supplemental assessments are needed to assure the timely and complete payment of claims that have resulted from the higher than budgeted claims expenses; and

WHEREAS, a hearing on this supplemental assessment will be held at the Fund's regularly scheduled and advertised meeting of January 15, 2026 via the Zoom electronic meeting application at 12:00PM.

NOW, THEREFORE, BE IT RESOLVED that the following supplemental assessment and financial plan be and is hereby introduced:

1. Supplemental assessments for the 2024 and closed fund years for the Fund be and are hereby declared in an amount of \$7,000,000 to reduce projected deficiencies in the claims account.
2. The allocation of supplemental assessments by member shall be pro rata as contained in Appendix 1 and is based upon proportional and cumulative assessments by member for the years with the deficits.
3. Member entities with balances in the Closed Year Account are authorized to apply those balances against the supplemental assessment.
4. This supplemental assessment may be amended depending upon maturation of claims incurred in 2024 and the closed years and paid in subsequent periods, reinsurance recoveries, and the financial need of the Fund. Amendments to this supplemental assessment may occur after completion of the public hearing, after close out of the 2024 fund year, or upon material reappraisal of the status of the 2024 fund year and closed years by the Fund. All amendments shall be made with appropriate notice to Fund members and opportunity for a public hearing.
5. Supplemental assessments shall be due and payable in accordance with the following provisions:
 - a. For entities (if any) that terminate membership in the Fund or terminate coverage in the medical line of coverage prior to full payment of their supplemental assessment: The remaining unpaid balance of the supplemental assessment and the unpaid balance, if any, in the Closed Year Account and in any open Fund Years, shall be paid, either upon termination or over a period not to exceed three years starting with the first month of the date of termination of membership or medical coverage. In order to qualify to pay the supplemental assessment over two years, the entity shall adopt a resolution agreeing to pay the unpaid balance, along with any administrative or interest charges, by resolution. The resolution shall be the form approved by the Fund. Failure to pay the balance or any term payments in full shall cause the Fund to

assess a late payment interest charge and to withhold payment of claims.

The Supplemental Assessment collection will be used to pay outstanding fees and premiums, including amounts owed to vendors, starting with payments to the Fund Executive Director and the Municipal Reinsurance Health Insurance Fund.

- b. For members that continue to maintain membership in the Fund and in the medical line of coverage, the total net supplemental assessment such members shall be payable in equal monthly installments over a three-year period beginning on March 1, 2026 and ending on February 29, 2028. However, payment may be expedited by the Fund when and if the cash balance falls below a half a month's claims exposure.
- c. Members may qualify for a 10% discount of the supplemental assessment if a payment is made in the amount no less than 3 months owed by June 30, 2026
- d. The rate of interest on a late supplemental assessment installment is 10% as directed in the Cash Management Plan.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to each Fund Commissioner, each Governing Body or School Board, the New Jersey Department of Banking and Insurance, and the New Jersey Department of Community Affairs.

INTRODUCED: December 18, 2025

SCHEDULED PUBLIC HEARING AND ADOPTION: January 15, 2026

BY: _____

CHAIRPERSON

ATTEST:

SECRETARY

Metropolitan Health Insurance Fund Program Manager Report

December 2025

Program Manager: PERMA

Operational Updates:

Eligibility/Enrollment:

Please direct any eligibility, enrollment, or system related questions to our dedicated Client Services Team:

- Alexander Koch, akoch@permainc.com, 856-552-4478
- Victoria Friday: vfriday@permainc.com, 856-552-4748

System training (new and refresher) is provided to all contacts with WEX access **every 3rd Wednesday at 10AM**.

Please contact HIFtraining@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 invitation can be sent.

Coverage Updates:

Express Scripts Updates:

2026 National Preferred Formulary (NPF) – Effective 1/1/2026 (Previously Reported)

- Brokers will be sent the updated 2026 Formulary and Exclusions lists effective January 1, 2026.

NPF Exclusions list– Effective 1/1/2026 (Previously Reported)

- Preferred to Not Covered - 10 members impacted
- Non-Preferred to Not Covered – 2 members impacted

SaveOn List – Effective 1/1/2026 (Previously Reported)

- Drugs highlighted in green (39) have been added effective 1/1/26
- Drugs highlighted in red (14) will be removed effective 1/1/26
- Impacted members will continue to receive the drugs through Accredo Specialty pharmacy but will be required to pay their applicable copay starting 1/1/26

All impacted members were sent communications from ESI letting them know about the upcoming change(s) to their medications. The communications also include preferred alternatives medication(s). We recommend impacted members share the communication with their provider to discuss next steps. Those that are unable to take the preferred alternative medication(s) will need an approved PA to continue to take their current medication(s).

Encircle Program (GLP-1 Weight Loss) (Previously Reported)

Effective September 1, 2024:

- Members with new prescriptions, including renewal prescriptions for expired prior authorizations (PA), will need to meet the following criteria to be approved for a GLP-1 weight loss medication:
 - BMI \geq 32 OR
 - BMI between $27 \leq$ 32 WITH 2 or more documented comorbidities
- Members with an active approved PA prior to 9/1/2024 will be grandfathered
 - Upon renewal of their PA, members will need to meet the above BMI requirements to be considered

for approval

- PA renewals will need to include documentation to support the above BMI requirements for all members, regardless of members have been approved in the past.

Effective January 1, 2025:

Members who have an approved PA (active and new) will need to meet the following guidelines:

- Members will receive a welcome kit from Omada free of charge. The kit includes a digital scale and information on downloading the mobile app and/or using the web browser. The scale is programmed to the member's ESI active account prior to delivery. The scale will record each weigh-in and will update the member's file automatically. Members must weigh-in a minimum of 4 times a month
- Members must engage with an assigned online Omada coach via a mobile application or web browser a minimum of 4 times a month

If members do not adhere to both of the requirements outlined above, the following month in which they are non-compliant, they will not be able to refill their weight loss prescription. Members will be required to complete the missing weigh-ins and/or online coaching engagement in order to refill their prescription.

2025 LEGISLATIVE REVIEW:

Medical and Rx Reporting: None

No Surprise Billing and Transparency Act: UPDATE- Transition to State Arbitration (Previously Reported)

Effective January 1, 2026:

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 and surprise cash exposure going forward. As a result of the transition, enrolled members will be receiving new ID cards from Aetna prior to January 1st. subscriber ID numbers and Fund member group numbers will not be changing.

Appeals:

Carrier Appeals:

Submission Date	Appeal Type	Appeal Number	Reason	Determination	Determination Date
11/04/2025	Medical/Aetna	METRO 2025 11 01	Injection	Upheld	11/21/2025
11/06/2025	Medical/Aetna	METRO 2025 11 02	Anesthesia	Upheld	11/23/2025
11/11/2025	Medical/Aetna	METRO 2025 11 03	Inpatient Stay	Upheld	12/05/2025

12/01/2025	Medical/Aetna	METRO 2025 12 01	In-Home Nursing	Upheld	12/10/2025
12/03/2025	Medical/Aetna	METRO 2025 12 02	Anesthesia	Upheld	12/10/2025

IRO Submissions:

Submission Date	Appeal Type	Appeal Number	Reason	Determination	Determination Date
12/05/2025	Medical/Aetna	METRO 2025 11 03	Inpatient Stay	Under Review	
12/10/2025	Medical/Aetna	METRO 2025 12 01	In-Home Nursing	Under Review	

Metro Small Claims Committee Appeals: None

METROPOLITAN HEALTH INSURANCE FUND BILLS LIST

DECEMBER 2025

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

BE IT RESOLVED that the Metropolitan Health 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 2024

<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
CAMERON COX	VOID AND REISSUE	-450.00
		-450.00
CAMERON COX	VOID AND REISSUE	-600.00
		-600.00
CAMERON COX	MEETING ATTENDANCE Q1 2024	450.00
CAMERON COX	Q4 24 & MAY MEETING ATTENDANCE 03/25	600.00
		1,050.00
	Total Payments FY 2024	0.00

FUND YEAR 2025

<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
HQSI, INC	INV 251031-MRHIF-2 CASE# 4700362 10/25	900.00
		900.00
THE CANNING GROUP LLC	QPA METRO 2025-12	250.00
		250.00
SOUTHERN NEW JERSEY EBF	REIMB OSC REVIEW 12/25	2,499.93
		2,499.93
DEREK MACCHIA	DEPUTY TREASURER FEE 12/25	3,250.00
		3,250.00
TOWNSHIP OF WEST CALDWELL	2025 MEETING EXPENSE 12/25	1,200.00
		1,200.00
BLOOMFIELD LIBRARY	2025 MEETING EXPENSE 12/25	1,350.00
		1,350.00
TOWNSHIP OF BLOOMFIELD	2025 MEETING EXPENSE 12/25	1,200.00
		1,200.00
CAMERON E. COX	2025 MEETING EXPENSE 12/25	1,200.00
		1,200.00

CHRISTOPHER HARTWYK	2025 MEETING EXPENSE 12/25	750.00 750.00
MARGARET HEISEY	2025 MEETING EXPENSE 12/25	1,350.00 1,350.00
TOWNSHIP OF MAPLEWOOD	2025 MEETING EXPENSE 12/25	1,200.00 1,200.00
GANNETT NEW YORK NJ LOCALIQ	A# 1488194 ORDER # 11757216 10/17/25	57.28 57.28
NJ ADVANCE MEDIA	AD# 0011030608 9/24/25	16.91 16.91
WELLNESS COACHES USA LLC	WELLNESS COACHES INV 39648 11/25	6,119.00
WELLNESS COACHES USA LLC	WELLNESS COACHES INV 39531 10/25	10,063.00
		16,182.00
ACRISURE NJ PARTNERS INS. SERVICES, LLC	BROKER FEES 12/25	58,088.02 58,088.02
BROWN & BROWN METRO, LLC	BROKER FEES 12/25	14,653.22 14,653.22
	CHECK TOTALS	104,147.36
AETNA	DECEMBER HOLIDAY CREDIT 12/25	-99,798.96
AETNA	MEDICAL TPA FEES 12/25	99,798.96
		0.00
AETNA HEALTH MANAGEMENT, LLC	MEDICARE ADVANTAGE 12/25	932,956.73 932,956.73
UNITED HEALTHCARE INS COMPANY	MEDICARE ADVANTAGE 12/25	84,132.20 84,132.20
DELTA DENTAL INSURANCE COMPANY	DENTAL- BE006836628 F1-7871900000 12/25	6,617.33 6,617.33
FAIRVIEW INSURANCE AGENCY ASSOCIATES	BROKER FEES 12/25	34,953.57 34,953.57
ACRISURE NJ PARTNERS INS. SERVICES, LLC	BROKER FEES 12/25	49,994.39 49,994.39
EAGLE ROCK MANAGEMENT GROUP, LLC	FUND COORDINATOR 12/25	80,758.00 80,758.00
DELTA DENTAL OF NEW JERSEY INC.	DENTAL TPA FEES 12/25	7,097.50 7,097.50
INSURANCE SOLUTIONS, INC	BROKER FEES 12/25	610.00 610.00
POINT ACCOUNTING GROUP	TREASURER FEES 12/25	2,250.00 2,250.00
	ACH/WIRE TOTALS	1,199,369.72
	Total Payments FY 2025	1,303,517.08
	TOTAL PAYMENTS ALL FUND YEARS	1,303,517.08

Chairperson

Attest:

Dated: _____

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

Treasurer

Metro Employee Benefits Fund

SUMMARY OF CASH TRANSACTIONS - ALL FUND YEARS COMBINED

Current Fund Year: 2025											
Month Ending: September											
	Medical	Dental	Rx	Vision	Run-In	Reinsurance	RSR	Admin	Dividend Reserve	BMED Interfund	TOTAL
OPEN BALANCE	(1,587,369.21)	174,037.51	(625,326.86)	0.00	0.00	1,857,860.15	805,247.28	1,163,082.27	0.00	0.00	1,787,531.14
RECEIPTS											
Assessments	6,410,671.87	128,961.43	242,111.46	0.00	0.00	216,589.46	69,388.00	513,873.68	0.00	0.00	7,581,595.90
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invest Pymnts	5,572.79	123.14	0.00	0.00	0.00	1,314.46	569.73	827.63	0.00	0.00	8,407.75
Invest Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Invest	5,572.79	123.14	0.00	0.00	0.00	1,314.46	569.73	827.63	0.00	0.00	8,407.75
Other *	2,205,395.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,205,395.58
TOTAL	8,621,640.24	129,084.57	242,111.46	0.00	0.00	217,903.92	69,957.73	514,701.31	0.00	0.00	9,795,399.23
EXPENSES											
Claims Transfers	6,588,652.23	138,330.61	374,711.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,101,694.60
Expenses	1,008,356.68	5,188.76	0.00	0.00	0.00	0.00	0.00	348,389.31	0.00	0.00	1,361,934.75
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	7,597,008.91	143,519.37	374,711.76	0.00	0.00	0.00	0.00	348,389.31	0.00	0.00	8,463,629.35
END BALANCE	(562,737.88)	159,602.71	(757,927.16)	0.00	0.00	2,075,764.07	875,205.01	1,329,394.27	0.00	0.00	3,119,301.02

SUMMARY OF CASH AND INVESTMENT INSTRUMENTS		
Metro Employee Benefits Fund		
ALL FUND YEARS COMBINED		
CURRENT MONTH	September	
CURRENT FUND YEAR	2025	
	Description:	CHECKING
	ID Number:	
	Maturity (Yrs)	
	Purchase Yield:	
	TOTAL for All	
	Accts & instruments	
Opening Cash & Investment Balance	\$1,787,531.15	1,787,531.15
Opening Interest Accrual Balance	\$0.00	-
1 Interest Accrued and/or Interest Cost	\$0.00	\$0.00
2 Interest Accrued - discounted Instr.s	\$0.00	\$0.00
3 (Amortization and/or Interest Cost)	\$0.00	\$0.00
4 Accretion	\$0.00	\$0.00
5 Interest Paid - Cash Instr.s	\$8,407.73	\$8,407.73
6 Interest Paid - Term Instr.s	\$0.00	\$0.00
7 Realized Gain (Loss)	\$0.00	\$0.00
8 Net Investment Income	\$8,407.73	\$8,407.73
9 Deposits - Purchases	\$9,786,991.48	\$9,786,991.48
10 (Withdrawals - Sales)	-\$8,463,629.35	-\$8,463,629.35
Ending Interest Accrual Balance	\$0.00	\$0.00
Plus Outstanding Checks	\$0.00	\$0.00
(Less Deposits in Transit)	\$0.00	\$0.00
Balance per Bank	\$3,119,301.01	\$3,119,301.01

CERTIFICATION AND RECONCILIATION OF CLAIMS PAYMENTS AND RECOVERIES

Metro Employee Benefits Fund

Month		September							
Current Fund Year		2025							
		1.	2.	3.	4.	5.	6.	7.	8.
Policy	Coverage	Calc. Net Paid Thru Last Month	Monthly Net Paid September	Monthly Recoveries September	Calc. Net Paid Thru September	TPA Net Paid Thru September	Variance To Be Reconciled	Delinquent Unreconciled Variance From	Change This Month
2025	Medical	38,499,101.96	6,131,923.56	0.00	44,631,025.52	0.00	44,631,025.52	38,499,101.96	6,131,923.56
	Dental	858,567.50	138,330.61	0.00	996,898.11	0.00	996,898.11	858,567.50	138,330.61
	Rx	2,713,367.91	374,711.76	0.00	3,088,079.67	0.00	3,088,079.67	2,713,367.91	374,711.76
	Vision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	42,071,037.37	6,644,965.93	0.00	48,716,003.30	0.00	48,716,003.30	42,071,037.37	6,644,965.93

RESOLUTION NO. 34-25

**METROPOLITAN HEALTH INSURANCE FUND
APPROVAL OF THE DECEMBER 2025 BILLS LIST**

WHEREAS, the **Metropolitan Health Insurance Fund** held a Public Meeting on **December 18, 2025** 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 month of December 2025 for consideration and approval of the Executive Committee and

WHEREAS, a quorum of the Commissioners was present thereby conforming with the Policies and Procedures of the Fund to conduct official business of the Fund,

NOW THEREFORE BE IT RESOLVED that the Metropolitan Health Insurance Fund hereby approve the Bills List for December 2025 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 Insurance Funds.

ADOPTED: December 18, 2025

BY: _____
CHAIRPERSON

ATTEST:

SECRETARY



METRO CLAIMS

Monthly Claim Activity Report

December 18, 2025



METRO

	MEDICAL CLAIMS PAID 2024	# OF EES	PER EE	MEDICAL CLAIMS PAID 2025	# OF EES	PER EE
JANUARY	\$724,016	2,682	\$ 270	\$4,688,076	2,369	\$ 1,979
FEBRUARY	\$3,974,566	2,658	\$ 1,495	\$4,919,355	2,436	\$ 2,019
MARCH	\$5,419,303	2,666	\$ 2,033	\$5,699,838	2,426	\$ 2,349
APRIL	\$6,007,197	2,624	\$ 2,289	\$7,407,692	2,431	\$ 3,047
MAY	\$4,346,049	2,630	\$ 1,652	\$7,222,409	2,434	\$ 2,967
JUNE	\$5,971,793	2,627	\$ 2,273	\$6,588,676	2,433	\$ 2,708
JULY	\$6,220,272	2,649	\$ 2,348	\$4,979,246	2,440	\$ 2,041
AUGUST	\$4,753,326	2,643	\$ 1,798	\$6,844,995	2,438	\$ 2,808
SEPTEMBER	\$4,750,184	2,627	\$ 1,808	\$6,588,652	2,405	\$ 2,740
OCTOBER	\$5,943,377	2,713	\$ 2,191	\$5,868,857	2,451	\$ 2,394
NOVEMBER	\$5,722,476	2,719	\$ 2,105			
DECEMBER	\$6,521,762	2,118	\$ 3,079			
TOTALS	\$60,354,319			\$60,807,796		
				2025 Average	2,426	\$ 2,505
				2024 Average	2,613	\$ 1,945



RUN OUT

	MEDICAL CLAIMS PAID 2025	# OF EES	PER EE			
JANUARY	\$194,623	2,369	\$ 82			
FEBRUARY	\$106,504	2,436	\$ 44			
MARCH	\$67,081	2,426	\$ 28			
APRIL	\$75,116	2,431	\$ 31			
MAY	\$278,804	2,434	\$ 115			
JUNE	\$40,812	2,433	\$ 17			
JULY	-\$9,448	2,440	\$ (4)			
AUGUST	\$5,435	2,438	\$ 2			
SEPTEMBER	\$2,085	2,405	\$ 1			
OCTOBER	-\$1,954	2,451	\$ (1)			
NOVEMBER						
DECEMBER						
TOTALS	\$759,057					

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

Plan Sponsor Unique ID : All
Customer: METRO
Group / Control: 00232370,00232371 - METRO FUND

Paid Dates: 10/01/2025 - 10/31/2025
Service Dates: 01/01/2011 - 10/31/2025
Line of Business: All

	Paid Amt	Diagnosis/Treatment
	\$279,550.69	BRACHIAL PLEXUS DISORDERS
	\$230,974.88	PECTUS EXCAVATUM
	\$208,857.68	PLASMA CELL LEUKEMIA NOT HAVING ACHIEVED
	\$156,299.06	SPINAL STENOSIS, THORACIC REGION
	\$134,153.25	STENOSIS OF OTHER CARDIAC PROSTHETIC
Total:	\$1,009,835.56	



Medical Claims Paid:
January 2025 thru October 2025
Total Medical Paid per EE: **\$2,505**

** Claims Run-Out under old BMED control*

Network Discounts

Inpatient:	66.0%
Ambulatory:	65.7%
Physician/Other:	64.0%
TOTAL:	65.1%

Provider Network

% Admissions In-Network:	94.6%
% Physician Office:	91.3%

Aetna Book of Business:
Admissions 97.5%; Physician 91.8%

Top Facilities Utilized
(by total Medical Spend)

- JFK University Medical Center
- Overlook Medical Center
- Cooperman Barnabas Medical Ctr
- Morristown Medical Center
- RWJUH New Brunswick

Catastrophic Claim Impact
January 2025 – October 2025

Number of Claims Over \$50,000: **197**
Claimants per 1000 members: **35.0**
Avg. Paid per Claimant: **\$154,135**
Percent of Total Paid: **52.0%**
• Aetna BOB- HCC account for an average of **46.0%** of total Medical Cost

Aetna One Flex Care Mgmt
Member Outreach:

Total Members Identified: **1,932** (26.4%)
Members Targeted for 1:1 Nurse Support : **399** (**19.4%** engaged)
Members identified for Digital Activity: **1,533** (**80.4%**)
Members receiving Aetna Advice: **885** (**14.4%**)
Average Aetna Advice outreaches per member: **1.2**

CVS Health. CVS Virtual Care
January 2025 – October 2025

Completed Visits: **13**
Unique Patients : **11**
Completed Visits in 2025 : **160**
Unique Patients in 2025: **96**
Total Scheduled Visits in 2025: **215**
Average visit duration: **10** Minutes
BoB: Average First Available: **31** minutes
BoB: Average First Available (6am-6pm) **25** Minutes

Service Center Performance Goal
Metrics YTD 2024

Customer Service Performance

1 st Call Resolution:	93.75%
Abandonment Rate:	0.48%
Avg. Speed of Answer:	13.2 sec

Claims Performance

Financial Accuracy:	98.23%*
<small>*Q2 2025</small>	
-	
90% processed w/in:	7.6 days
95% processed w/in:	15.6 days

Claims Performance (Monthly)
(October 2025)

90% processed w/in:	6.6 days
95% processed w/in:	17.1 days
<small>(Note: This is not a PG metric)</small>	

Performance Goals

1 st 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



EXPRESS SCRIPTS®

Metropolitan Health Insurance Fund

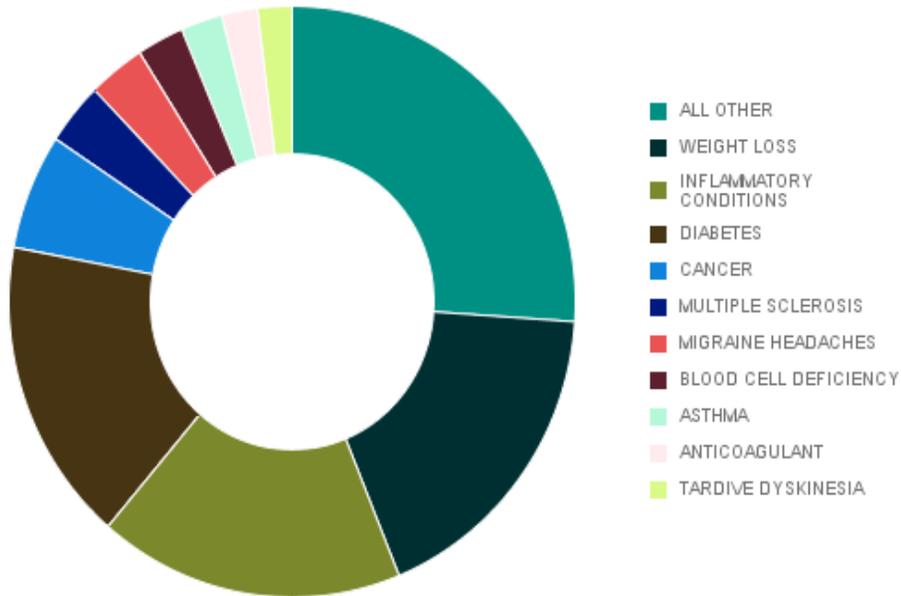
Total Component/Date of Service (Month)	2024 01	2024 02	2024 03	2024 Q1	2024 04	2024 05	2024 06	2024 Q2	2024 07	2024 08	2024 09	2024 Q3	2024 10	2024 11	2024 12	2024 Q4
Membership	972	963	960	965	970	965	957	964	946	947	952	948	968	990	984	981
Total Days	24,314	27,528	27,455	79,297	29,053	32,052	27,820	88,925	30,797	29,467	30,030	90,294	34,030	32,808	35,417	102,255
Total Patients	284	292	308	465	318	308	301	485	303	307	315	469	357	353	362	539
Total Plan Cost	\$153,801	\$106,316	\$117,731	\$377,849	\$138,031	\$171,454	\$156,213	\$465,697	\$205,353	\$187,823	\$167,234	\$560,409	\$274,108	\$179,016	\$214,628	\$667,752
Generic Fill Rate (GFR) - Total	86.2%	85.8%	86.1%	86.0%	86.5%	84.1%	84.0%	84.9%	83.7%	80.2%	80.4%	81.5%	81.2%	84.4%	81.9%	82.5%
Plan Cost PMPM	\$158.23	\$110.40	\$122.64	\$130.52	\$142.30	\$177.67	\$163.23	\$161.03	\$217.07	\$198.33	\$175.67	\$196.98	\$283.17	\$180.82	\$218.12	\$226.97
Total Specialty Plan Cost	\$80,389	\$23,717	\$27,003	\$131,108	\$54,301	\$37,700	\$48,055	\$140,057	\$76,068	\$71,220	\$48,563	\$195,851	\$161,184	\$53,548	\$70,817	\$285,549
Specialty % of Total Specialty Plan Cost	52.3%	22.3%	22.9%	34.7%	39.3%	22.0%	30.8%	30.1%	37.0%	37.9%	29.0%	34.9%	58.8%	29.9%	33.0%	42.8%

Total Component/Date of Service (Month)	2025 01	2025 02	2025 03	2025 Q1	2025 04	2025 05	2025 06	2025 Q2	2025 07	2025 08	2025 09	2025 Q3	2025 10	2025 11	2025 12	2025 Q4
Membership	1,583	1,745	1,738	1,689	1,736	1,735	1,736	1,736	1,736	1,739	1,737	1,737	1,730			
Total Days	59,833	60,345	70,456	190,634	65,736	61,053	61,382	188,171	58,914	60,428	60,555	179,897	59,136			
Total Patients	550	598	602	927	596	543	555	895	540	544	557	866	568			
Total Plan Cost	\$360,333	\$263,585	\$400,194	\$1,024,112	\$369,565	\$337,451	\$414,442	\$1,121,458	\$415,010	\$369,278	\$335,711	\$1,119,999	\$438,857			
Generic Fill Rate (GFR) - Total	85.1%	84.0%	82.7%	83.9%	84.6%	84.0%	84.2%	84.3%	83.7%	83.5%	79.5%	82.2%	78.1%			
Plan Cost PMPM	\$227.63	\$151.05	\$230.26	\$202.15	\$212.88	\$194.50	\$238.73	\$215.38	\$239.06	\$212.35	\$193.27	\$214.89	\$253.67			
% Change Plan Cost PMPM	43.9%	36.8%	87.8%	54.9%	49.6%	9.5%	46.3%	33.7%	10.1%	7.1%	10.0%	9.1%	-10.4%			
Total Specialty Plan Cost	\$144,724	\$50,528	\$138,310	\$333,561	\$144,054	\$107,491	\$196,191	\$447,736	\$165,644	\$132,113	\$111,477	\$409,234	\$197,300			
Specialty % of Total Specialty Plan Cost	40.2%	19.2%	34.6%	32.6%	39.0%	31.9%	47.3%	39.9%	39.9%	35.8%	33.2%	36.5%	45.0%			

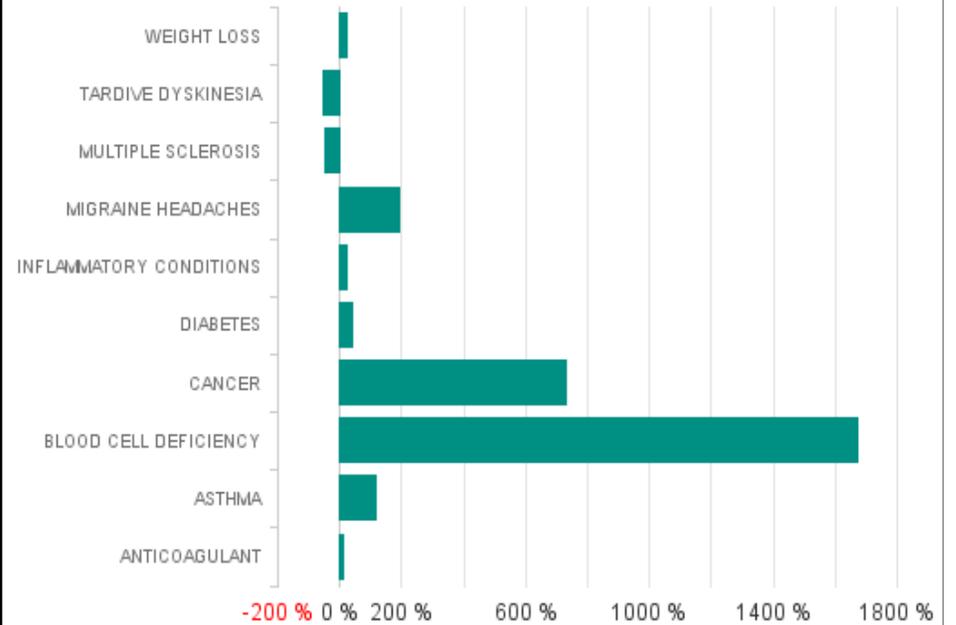
Top Indications

Metropolitan Health Insurance (Current Period 01/2025 - 10/2025 vs. Previous Period 01/2024 - 10/2024) Peer = Government - National Preferred Formulary

Top Indications by Plan Cost



Plan Cost PMPM 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	4	WEIGHT LOSS	24.0 %	608	\$658,047	\$38.23	1.6 %	3.9 %	25.9 %	277	\$303,117	\$31.57	0.4 %	5.2 %	21.1 %
2	2	INFLAMMATORY CONDITIONS	23.6 %	260	\$645,228	\$37.48	55.4 %	29.0 %	24.7 %	109	\$288,630	\$30.07	49.5 %	32.8 %	24.7 %
3	1	DIABETES	22.6 %	1,852	\$618,137	\$35.91	32.5 %	23.4 %	21.2 %	795	\$248,386	\$25.87	36.6 %	25.5 %	38.8 %
4	3	CANCER	8.6 %	71	\$234,391	\$13.62	84.5 %	75.3 %	1.4 %	39	\$15,797	\$1.65	100.0 %	75.8 %	727.4 %
5	7	MULTIPLE SCLEROSIS	4.6 %	19	\$126,986	\$7.38	47.4 %	47.3 %	12.0 %	23	\$139,942	\$14.58	47.8 %	48.2 %	-49.4 %
6	5	MIGRAINE HEADACHES	4.4 %	170	\$119,940	\$6.97	36.5 %	51.0 %	2.0 %	44	\$22,880	\$2.38	61.4 %	52.6 %	192.3 %
7	9	BLOOD CELL DEFICIENCY	3.6 %	11	\$99,255	\$5.77	45.5 %	15.2 %	0.3 %	1	\$3,127	\$0.33	0.0 %	0.8 %	1670.2 %
8	6	ASTHMA	3.2 %	784	\$87,662	\$5.09	86.0 %	88.0 %	1.9 %	373	\$22,419	\$2.34	89.3 %	88.0 %	118.0 %
9	8	ANTICOAGULANT	2.8 %	156	\$75,692	\$4.40	9.0 %	18.3 %	3.3 %	107	\$39,083	\$4.07	6.5 %	18.8 %	8.0 %
10	10	TARDIVE DYSKINESIA	2.7 %	11	\$73,023	\$4.24	0.0 %	6.4 %	7.4 %	13	\$86,159	\$8.97	0.0 %	6.9 %	-52.7 %
Total Top 10				3,942	\$2,738,361	\$159.07	40.1 %	38.3 %		1,781	\$1,169,540	\$121.83	42.8 %	41.4 %	30.6 %

Top Drugs

Metropolitan Health Insurance (Current Period 01/2025 - 10/2025 vs. Previous Period 01/2024 - 10/2024) Peer = Government - National Preferred Formulary

					Current Period				Previous Period				Trend
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	6	ZEPBOUND	WEIGHT LOSS	N	379	53	\$385,835	\$22.41	127	21	\$124,792	\$13.00	72.4 %
2	11	WEGOVY	WEIGHT LOSS	N	215	33	\$270,919	\$15.74	143	24	\$177,445	\$18.48	-14.9 %
3	198	SCEMBLIX	CANCER	Y	11	1	\$234,002	\$13.59	NA	NA	NA	NA	NA
4	1	MOUNJARO	DIABETES	N	157	22	\$158,829	\$9.23	38	7	\$37,370	\$3.89	137.0 %
5	4	OZEMPIC	DIABETES	N	148	19	\$134,288	\$7.80	98	14	\$85,913	\$8.95	-12.8 %
6	25	SKYRIZI ON-BODY	INFLAMMATORY CONDITIONS	Y	12	1	\$127,337	\$7.40	8	1	\$70,530	\$7.35	0.7 %
7	9	SKYRIZI PEN	INFLAMMATORY CONDITIONS	Y	16	2	\$115,069	\$6.68	4	1	\$29,042	\$3.03	121.0 %
8	126	VUMERITY	MULTIPLE SCLEROSIS	Y	10	1	\$92,255	\$5.36	12	1	\$81,125	\$8.45	-36.6 %
9	10	JARDIANCE	DIABETES	N	150	19	\$86,216	\$5.01	54	7	\$29,954	\$3.12	60.5 %
10	187	INGREZZA	TARDIVE DYSKINESIA	Y	11	1	\$73,023	\$4.24	13	1	\$86,159	\$8.97	-52.7 %
11	173	ACTEMRA ACTPEN	INFLAMMATORY CONDITIONS	Y	13	1	\$60,603	\$3.52	11	1	\$40,401	\$4.21	-16.3 %
12	177	SOTYKTU	INFLAMMATORY CONDITIONS	Y	9	1	\$54,037	\$3.14	NA	NA	NA	NA	NA
13	262	HUMIRA(CF)	INFLAMMATORY CONDITIONS	Y	9	1	\$52,954	\$3.08	NA	NA	NA	NA	NA
14	240	ELTROMBOPAG OLAMINE	BLOOD CELL DEFICIENCY	Y	5	1	\$49,658	\$2.88	NA	NA	NA	NA	NA
15	130	PROMACTA	BLOOD CELL DEFICIENCY	Y	5	1	\$48,957	\$2.84	NA	NA	NA	NA	NA
16	16	ENBREL SURECLICK	INFLAMMATORY CONDITIONS	Y	7	1	\$47,477	\$2.76	NA	NA	NA	NA	NA
17	21	ELIQUIS	ANTICOAGULANT	N	93	13	\$46,250	\$2.69	70	9	\$23,612	\$2.46	9.2 %
18	31	NURTEC ODT	MIGRAINE HEADACHES	N	29	7	\$45,056	\$2.62	9	3	\$15,768	\$1.64	59.3 %
19	23	FARXIGA	DIABETES	N	78	11	\$41,163	\$2.39	16	3	\$8,297	\$0.86	176.7 %
20	40	QULIPTA	MIGRAINE HEADACHES	N	33	5	\$35,078	\$2.04	2	1	\$1,872	\$0.20	944.9 %
21	160	DIMETHYL FUMARATE	MULTIPLE SCLEROSIS	Y	9	1	\$34,730	\$2.02	11	1	\$58,817	\$6.13	-67.1 %
22	35	HUMIRA(CF) PEN	INFLAMMATORY CONDITIONS	Y	6	1	\$33,999	\$1.97	13	1	\$74,665	\$7.78	-74.6 %
23	32	TRULICITY	DIABETES	N	35	6	\$32,385	\$1.88	19	3	\$17,304	\$1.80	4.4 %
24	46	XOLAIR	ASTHMA	Y	13	2	\$31,313	\$1.82	NA	NA	NA	NA	NA
25	304	BIMZELX	INFLAMMATORY CONDITIONS	Y	5	1	\$28,518	\$1.66	NA	NA	NA	NA	NA
Total Top 25					1,458		\$2,319,951	\$134.76	648		\$963,067	\$100.32	34.3 %

APPENDIX I

METROPOLITIAN HEALTH INSURANCE FUND

MINUTES

OPEN MEETING: November 10, 2025

CONFERENCE CALL - ZOOM

12:00 P.M.

Meeting called to order by Chair Mundell. The Open Public Meeting Notice was read into the record.

PLEDGE OF ALLEGENCE

ROLL CALL OF 2025 EXECUTIVE COMMITTEE

Jenny Mundell, Chairwoman	Bloomfield Public Library	Present
Kimberly Duva, Secretary	Bloomfield Township	Present
Cameron Cox, Executive Committee Member	Plainfield Public Schools	Absent
Nicole Baltycki, Executive Committee Member	West Caldwell Township	Present
Chris Hartwyk, Executive Committee Member	City of Orange	Absent
Margaret Heisey, Executive Committee Member	Scotch Plains Twp	Present
Patrick Wherry, Executive Committee Member	Maplewood Township	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	PERMA Risk Management Services	Brandon Lodics Emily Koval John Lajewski
Fund Coordinator	Eagle Rock Management Group	Joseph DiVincenzo Jennifer McHugh Thomas Kelly
Attorney	Antonelli Kantor Rivera	Asia Hartgrove Ramon Rivera
Treasurer	Point Accounting Group (Formerly Laracy Associates)	Matt Laracy
Third Party Administrator	Aetna	Jason Silverstein
Dental Claims Administrator	Delta Dental of NJ, Inc.	Crista O'Donnell
Auditor	Donohue, Gironda, Doria & Tomkins	Absent
Actuary	John Vataha	Absent
RX Administrator	Express Scripts	Charles Yuk

Others Present:

Jim Rhodes
Jordyn Robinson
Matt Rudman
Imelda Mora

Tom Fletcher
Lisa Narcise
Susan Sandelli
Nile Clements

Julie Servidio
Crystal Bailey
Alysa Sauchelli
Jacob Krakower

Elizabeth Dash
K Capriglione
Carrie Specht

Lindsay Klein - Acrisure
Katherine Polanco
Joe Graham

Jackie Ortiz

CORRESPONDENCE - None

APPROVAL OF MINUTES: September 18, 2025, October 3, 2025 and October 29, 2025

Motion: Commissioner Wherry
Second: Commissioner Baltycki
Vote: All In Favor

EXECUTIVE DIRECTOR'S REPORT

FAST TRACK FINANCAL REPORT - Mrs. Koval presented the financial fast track report, noting that the Finance Committee would meet later in the week to discuss ongoing financial challenges, particularly losses stemming from the 2024 fund year. She highlighted a significant claim related to the No Surprises Act, which amounted to over \$500,000 and continued to impact the fund's results. The committee is working with Aetna to analyze these claims further before making recommendations. Mrs. Koval explained that corrective actions are being considered, including options to address deficits from both the 2024 and closed years. The proposed 2026 budget includes provisions for surplus regeneration, and the Finance Committee will finalize decisions after Thanksgiving, with information to be distributed to commissioners in advance.

Mrs. Koval also shared positive news regarding the BMED Fund, which had implemented similar out-of-network benefit changes earlier than the Metro Fund. Early data indicates improved in-network utilization and financial performance, and it is hoped that similar trends will emerge for the Metro Fund. Updates will be provided as more data becomes available.

BUDGET ADPOTION - Mrs. Koval introduced the public hearing for the 2026 budget, noting minor changes to the expense line to accommodate increased workload for the fund treasurer due to new members. These adjustments did not affect the bottom line, and the rates issued to brokers and commissioners can be considered final if the budget is approved.

Chair Mundell asked for questions from commissioners prior to opening the hearing. Commissioner Duva inquired whether the pricing for the Wellness Committee's RFPs was included in the budget, specifically referencing the Guardian Nurses program. Mrs. Koval confirmed that sufficient funds were allocated for the first year, but additional costs for an extra nurse would only arise if membership increased significantly. Commissioner Duva expressed concern about transparency, noting that the number of covered lives was expected to double, potentially requiring an additional nurse and doubling the cost. Mrs. Koval clarified that the current budget only covers one nurse, and any decision to expand would require further discussion and possible budget amendment.

Fund Coordinator asked whether the contract could be terminated after one year if surplus regeneration became a higher priority. Mrs. Koval confirmed that all contracts include a 90-day termination clause. Further discussion ensued regarding the projected increase in covered lives and the associated costs, with input from Commisisoner Wherry and Mr. Lodics. Mr. Lodics explained

that the budget is based on the population at the time of adoption, and future growth would be absorbed through underwriting and expense load adjustments. He also noted that budgets can be amended within a 5% margin.

Chair Mundell summarized the discussion, confirming that the budget reflects current membership and that any additional costs due to growth would be shared among new members. Commissioner Duva agreed, emphasizing the importance of transparency for commissioners voting on the budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2026 BUDGET

Motion: Commissioner Wherry
Second: Commissioner Baltycki
Vote: 5 Ayes, 0 Nays

MOTION TO CLOSE THE PUBLIC HEARING ON THE 2026 BUDGET

Motion: Commissioner Wherry
Second: Commissioner Baltycki
Vote: 5 Ayes, 0 Nays

MOTION TO ADOPT RESOLUTION 27-25 APPROVING THE 2026 METROPOLITAN HEALTH INSURANCE FUND BUDGET IN THE AMOUNT OF \$106,640,018

Motion: Commissioner Wherry
Second: Commissioner Heisey
Vote: 5 Ayes, 0 Nays

Mrs. Koval stated that the budget would be filed with the state and that rates would be sent to WEX for benefit administration. She reminded members to make invoice payments on time and confirmed that January bills would be issued on the usual schedule.

EMERGENCY PROCURMENT RESULTS - TPA - Mrs. Koval reported that, following authorization at the previous meeting, the fund administrator, QPA, and attorney completed the emergency procurement process for medical TPA services. Aetna submitted a proposal matching the adopted budget, and all compliance documentation was received. Mrs. Koval confirmed that contract amendments would be prepared for signature.

MOTION TO APPROVE RESOLUTION 28-25 TO AWARD THE AETNA CONTRACT FOR 2026

Motion: Commissioner Wherry
Second: Commissioner Heisey
Vote: 5 Ayes, 0 Nays

2026 MEETING DATES AND EXECUTIVE COMMITTEE - Mrs. Koval initiated discussion regarding the 2026 meeting schedule and the composition of the Executive Committee, suggesting the possibility of in-person or hybrid meetings and the addition of new alternates. She referenced

conversations with Commissioner Wherry, who advocated periodic in-person meetings to foster collaboration among commissioners and professionals, especially given the fund's growth. Fund Coordinator supported the idea, proposing four in-person meetings throughout the year, with Maplewood offering to host. The committee agreed to explore suitable dates and locations, with technology available for remote participation as needed. Mrs. Koval stated that nominations for new executive committee members and alternates would be solicited prior to the January reorganization meeting.

PROGRAM MANAGERS REPORT - Mr. Lajewski began his report by reminding members that open enrollment for the 2026 program year had ended, and all changes should be completed in the WEX system by November 21 to ensure timely delivery of identification cards. He provided updates on coverage changes, including the implementation of a new out-of-network fee schedule and the development of a monthly report to monitor its impact. The initial data is immature, but ongoing tracking will provide insight into utilization trends.

Mr. Lajewski discussed the 2026 National Preferred Formulary, noting that brokers would receive updated formulary and exclusion lists for distribution. He highlighted that ten members would be impacted by drugs moving from preferred to non-covered status, and two by non-preferred drugs becoming non-covered. All affected members will receive advance notification and alternative medication options.

He also reviewed the Save-On program, reporting \$69,134 in savings for the first half of 2025, primarily in inflammatory conditions, asthma/allergy, and cancer. The Encircle program for GLP-1 weight loss medications is being closely monitored in partnership with Express Scripts, with reporting to validate outcomes forthcoming.

From a legislative perspective, Mr. Lajewski noted the transition of the No Surprises Act administration from federal to state oversight, which will result in new identification cards for all members. He concluded with an update on appeals, reporting two carrier appeals upheld and one IRO submission overturned. No questions were raised by commissioners.

FUND COODINATOR - Fund Coordinator reported on new membership activity, announcing the addition of Secaucus Township and Montclair Medicare Advantage effective January 1, 2026, with Patterson City and Passaic City Medicare Advantage joining in February or March. Old Bridge and Hillsdale Board of Education are pending for early 2026, along with North Hudson Regional Medicare Advantage. In total, approximately 1,800 new contracts are expected for 2026, reflecting strong growth for the fund. No questions were raised by commissioners.

MOTION TO APPROVE RESOLUTION 29-25 TO APPROVE NEW MEMBERSHIP FOR THE FOLLOWING ENTITIES: TOWN OF SECAUCUS, GUTTENBERG TOWNSHIP, NORTH HUDSON REGIONAL FIRE AND RESCUE AND MONTCLAIR TOWNSHIP.

Motion: Commissioner Wherry
Second: Commissioner Heisey
Vote: 5 Ayes, 0 Nays

ATTORNEY – Mrs. Hartgrove provided an update on the internal audit following the OSC’s report, stating that her office is in contact with Mr. Harris, who represents the other named HIFs. The caps are expected to be submitted to the OSC on time, and further updates regarding the lawsuit against the OSC will be provided at the next meeting.

TREASURER – Mr. Laracy presented the October and November bill lists, each totaling over \$1.3 million. He raised the issue of late payment interest, noting that while the fund currently does not enforce interest on late payments, the management committee may wish to consider this policy due to the increasing administrative burden as the fund grows.

APPROVAL OF RESOLUTION 30-25 OCTOBER AND NOVEMBER 2025 BILLS LIST

Motion: Commissioner Wherry
Second: Commissioner Duva
Vote: 5 Ayes, 0 Nays

AETNA – Mr. Silverstein reviewed the September claims, reporting \$6,588,652 in total claims for 2,405 employees, equating to \$2,740 per employee per month. Six high-cost claims exceeded \$100,000, totaling \$760,136.99. Dashboard metrics indicated strong performance across all service goals.

EXPRESS SCRIPTS – Mr. Yuk presented the pharmacy report, noting a plan cost per member per month of \$193.20 for September, representing a 10% increase from the previous year. Specialty drug costs accounted for 33.2% of total spend, with a notable increase in cancer-related expenses due to a new leukemia patient. Weight loss drug utilization remains high, with Wegovy usage declining and Zepbound increasing. Reporting on the Encircle program will be available at the next meeting.

DELTA DENTAL – No report.

OLD BUSINESS - None

NEW BUSINESS – Commissioner Wherry raised a question regarding the establishment of an appeal review panel for out-of-network claims. He requested clarification on the process to ensure commissioners can guide employees appropriately. Mr. Rhodes responded that discussions are underway with two firms, including the current medical appeal firm, to handle administrative appeals. One appeal has been processed and granted, and a formal process is expected to be in place by January. Commissioner Wherry asked how the recent appeal was approved without a formal process, and Mr. Rhodes explained that it was a straightforward case involving a child and a small dollar amount. The fund aims to balance providing benefits with cost control and will finalize arrangements for the panel soon.

PUBLIC COMMENT - None

MOTION TO ADJOURN THE MEETING:

Motion: Commissioner Heisey
Second: Commissioner Wherry
Vote: All in Favor

MEETING ADJOURNED

NEXT MEETING: December 18, 2025 12:00PM

Zoom

Jordyn Robinson, Assisting Secretary

for

KIMBERLY DUVA, SECRETARY

APPENDIX II

Metropolitan Health Insurance Fund Finance Committee Meeting Minutes

Date: November 12, 2025 - TEAMS

Participants:

Cameron Cox, Committee Chair
Nikole Baltycki, Committee Member
Patrick Wherry, Committee Member
Matt Laracy, Fund Treasurer
Joseph DiBella, CSB
Tammy Brown, PERMA
James Rhodes, PERMA
Brandon Lodics, PERMA
Emily Koval, PERMA
Jordyn Robinson, PERMA

Fund Deficit and Cash Position Review

The Finance Committee meeting began with a comprehensive review of the Metropolitan Health Insurance Fund's current financial status, led by Mr. DiBella, Mr. Rhodes, Mr. Lodics, Mr. Laracy, and Mr. Cox. The committee discussed the fund's deficit of approximately \$9 million as of July 31, 2025, with only \$3.6 million in cash on hand – an amount sufficient to cover roughly one month of claims. Mr. DiBella explained that this precarious position was due to a surge in healthcare costs, large claims, and the impact of the No Surprises Act, which had resulted in several unexpected, high-value payments, including an \$800,000 claim in August. Mr. Laracy described the manual weekly payment process to Aetna, implemented to manage limited cash resources, and noted that the apparent cash balance could be misleading due to early payments from certain entities. Mr. Lodics and Mr. DiBella emphasized that best practice for a fund of this size is to maintain at least one to one and a half months of claims in surplus, or about \$6–7 million, highlighting that the current situation was extremely tight and required immediate action.

Supplemental Assessment Options and Recommendations

Mr. DiBella, Mr. Lodics, and Mr. Rhodes presented three scenarios for a supplemental assessment designed to replenish the fund's surplus and ensure reliable payment of claims. The committee reviewed options to collect \$6.1 million, \$7 million, or \$8.9 million over a 48-month period, ultimately recommending the \$6.1 million scenario as the preferred approach. This option was deemed sufficient to restore the fund's surplus to a safe level without placing undue burden on member entities. Mr. Lodics explained that the assessment would be allocated based on each entity's participation during the deficit period, ensuring fairness and that new members would not be responsible for prior deficits. The committee agreed to offer flexible payment plans, allowing entities to pay their share in a lump sum or over a shorter period if desired, and discussed the possibility of a cash discount for early payment, pending regulatory review. Mr. Wherry and other members stressed the importance of clear communication regarding how the assessment is calculated, which years are included, and the fact that only participating entities are responsible for their share, to prevent confusion among members.

Future Financial Planning and Monitoring

Ms. Brown, Mr. DiBella, and Mr. Rhodes outlined ongoing and new measures to monitor claims and financial performance more closely, aiming to prevent future deficits and promote long-term fund stability. Mrs. Brown described the implementation of a data warehouse and regular claims utilization reviews, which will enable

the team to track emerging trends and compare actuals to budgeted figures, thereby reducing the likelihood of future surprises. The committee is also working with internal actuaries to enhance predictive modeling, leveraging new data tools to better forecast claims and proactively adjust budgets. Mr. DiBella and Mr. Rhodes emphasized the need for frequent Finance Committee meetings and vigilant oversight in the coming years, given the volatility in healthcare costs and the potential for large, unexpected claims.

Implementation Timeline and Next Steps

The committee, led by Mr. DiBella and Mr. Cox, agreed to develop and circulate revised supplemental assessment options and payment schedules by the following Monday, providing members with time to review and offer feedback before the next meeting. Mrs. Brown and Mr. Rhodes committed to delivering these updated materials promptly. The group scheduled a follow-up Finance Committee meeting for November 24th to finalize recommendations and prepare a memorandum for the full board of commissioners.

Member Questions and Concerns

During the meeting, Mr. Wherry, Mr. Cox, and Mrs. Baltycki raised questions regarding the timing of the supplemental assessment, its impact on municipal budgets and employee premiums, and the need for clear documentation. Mr. Wherry expressed concern about the timing of the assessment relative to open enrollment and the inability to adjust employee premiums, to which Mr. DiBella responded that the rapid emergence of large claims had made earlier notice impossible. Mr. Wherry also requested that the memo and supporting documents clearly state that only entities participating during deficit years are assessed, and that closed years do not affect new members. Mr. Lodics and Mr. DiBella agreed to clarify these points in the documentation. The committee further discussed how future surpluses or dividends would be shared and how any remaining assessment balances would be handled if the fund's financial position improves.

APPENDIX III

Metropolitan Health Insurance Fund Finance Committee Meeting Minutes

Date: November 24, 2025 - TEAMS

Participants:

Cameron Cox, Committee Chair
Nikole Baltycki, Committee Member
Patrick Wherry, Committee Member
Joseph DiBella, CSB
James Rhodes, PERMA
Brandon Lodics, PERMA
Emily Koval, PERMA
Jordyn Robinson, PERMA

Fund Deficits and Financial Position

The committee began by reviewing the current financial position of the Metropolitan Health Insurance Fund, as outlined in the agenda. The Fund is experiencing a significant deficit, with a position of \$9.4M as of July 31, 2025, and cash on hand of \$3.6M, which is less than half of one month's estimated claims. The breakdown of deficits by fund year was discussed, including closed years at \$492,857, 2024 at \$6.6M, and 2025 through July at \$2.2M. Mr. Lodics referenced these figures during the meeting, noting that the assessment options under consideration were designed to address these shortfalls. The committee acknowledged the key drivers of the deficits, including out-of-network utilization, market challenges such as the No Surprises Act, high claimant increases, inpatient stays, and the impact of GLP-1 weight loss medications. The City of Orange's claims experience was highlighted as a major contributor to the deficit, with claims far exceeding budgeted expectations until their exit from the Fund in late 2024.

Out-of-Network Utilization and Associated Fees

Discussion focused on the persistent challenge of out-of-network utilization, which has historically accounted for approximately 30% of Metro's medical claims cost – double the average for comparable funds. The committee reviewed the impact of providers marketing directly to public sector employees and the resulting high claims, particularly in April 2025. Mr. Lodics explained that the Fund had taken corrective action by capping certain out-of-network procedures at the in-network level and implementing a new fee schedule effective August 31, 2025. This adjustment, setting payment allowances at 150% of Medicare for facilities and 175% for professionals, was expected to reduce out-of-network spend and associated fees. The committee agreed that these measures should help stabilize future claims costs and improve the Fund's financial position.

Market Challenges: No Surprises Act, High Claimants, Inpatient Stays, and GLP-1 Medications

The committee discussed the impact of the No Surprises Act, which has led to substantial unintended consequences for self-funded health plans due to the flawed Independent Dispute Resolution process. Mr. Rhodes elaborated on the backlog in federal arbitration and the significant reversals and repayments required for claims dating back to 2022, which were not anticipated in budget projections. The committee noted that Aetna had invested in additional claims processors to manage the increased volume, resulting in higher paid claims in 2025. Other market challenges included an increase in high claimants over \$100,000, rising inpatient stays contributing to 30% of medical spend, and the growing use of GLP-1 medications, which accounted for about half of the prescription increase. The Omada program, adopted in Q3 2024, was mentioned as a mitigating factor for some of these trends, though costs remained material.

City of Orange Claims Experience

The committee reviewed the claims experience of the City of Orange, which was the second largest member of the Fund in 2023 and 2024. Mr. Lodics presented data showing a dramatic increase in claims beginning mid-2023, with monthly averages nearly doubling and one month reaching \$1.7M. The partnership with Orange

ended in November 2024, and the Fund provided mature rates to cover runout/IBNR, leaving no liability at exit. As of September 2025, Orange's claims were mostly run out, with minimal additional exposure expected for the Fund.

Corrective Measures for Stabilization

The committee discussed several corrective measures implemented to stabilize the Fund, including the out-of-network fee schedule adjustment, transition to New Jersey's No Surprises Act arbitration process effective January 1, 2026, and conservative development of the 2026 budget. Mr. Lodics explained that the new state arbitration process would reduce financial exposure by imposing strict timelines, reducing administrative fees, and providing more predictable rulings. The 2026 budget was developed using conservative trend assumptions and did not factor in expected savings from recent initiatives, with the intent to build surplus and fund appeals. The Level Pharmacy Coalition contract improvement was also expected to reduce pharmacy spending by approximately 5%, though no savings were included in the budget. The budget included a \$1.5 million surplus regeneration line to further strengthen the Fund's position.

Cash Flow and Financial Relief

The committee reviewed the Fund's cash flow, noting that it was operating on a cash basis with no surplus reserves and unfunded IBNR liability. Claims had run higher than budget month over month, particularly in early 2025 due to NSA catchup and out-of-network billing. PERMA and MRHIF had delayed collecting their fees for 2025 to support the Fund's cash position, with liabilities expected to reach \$2.5M to MRHIF and \$936,000 to PERMA by year-end. Mr. Lodics emphasized the importance of timely payment by members to sustain claims and maintain financial stability.

Supplemental Assessments: Rationale and Options

The committee discussed the rationale for supplemental assessments, as permitted by the Fund's bylaws, to steady cash flow, close out liabilities, and contribute to surplus generation. Mr. Lodics clarified that supplemental assessments were needed to relinquish unfunded liabilities, including IBNR and amounts owed to MRHIF and PERMA. The additional cash influx would protect monthly claims performance while plan initiatives took effect. All supplemental assessments would be allocated to participating members based on applicable fund year deficits, with new members exempt from prior year assessments.

Three scenarios for supplemental assessments were presented:

1. \$6.1M – Majority of 2024 deficit
2. \$7M – All of 2024 deficit and a portion of closed year deficits
3. \$8.9M – Full 2024 and closed year deficits

Mr. Lodics explained that collection would begin in January 2026, with billing taking effect no later than March 1, 2026. The collection period could extend up to 36 months, with payments apportioned in 12, 24, or 36 equal increments. Alternatively, entities could satisfy 90% of their assessment within the first three months to have their liability considered settled. The committee discussed the merits of each option, with consensus forming around option two (\$7M) as the most balanced approach.

Payment Plan Structure and Member Questions

Committee members raised questions regarding the practicality of the 36-month payment plan, the impact of early lump sum payments, and the mechanism for refunds if claims performance improved. Mrs. Koval explained that entities paying upfront could receive prorated refunds or retain excess as surplus for future use. Mr. DiBella confirmed that surplus would be kept on the Fund's books for access as needed. Mr. Cox requested that the memo to the executive committee clearly outline payment options with specific calendar dates, including the timeline for presenting to the full Board of Commissioners, the 30-day cooling-off period, and the window for qualifying for the 10% discount. Mr. Lodics agreed to work backwards from the executive committee meeting date to establish the schedule.

Consensus and Next Steps

The committee reached consensus in favor of option two (\$7M) for supplemental assessments, with Mr. Wherry and Mrs. Baltycki expressing preference for this option. Mr. Cox supported the recommendation, noting its importance for improving the Fund's financial health. Mr. Lodics commended the committee for its prudent approach and confirmed that the recommendation would be presented to the executive committee, eliminating options one and three. The committee agreed to update assessment tables and exhibits for clarity and continue monitoring claims performance and stop loss reimbursements to refine deficit projections.

APPENDIX IV



METROPOLITAN HEALTH INSURANCE FUND

To: Metropolitan HIF Commissioners and Risk Managers
From: PERMA Risk Management Services
Date: December 18, 2025
Subject: **Metropolitan Health Insurance Fund Financial Position as of July 31, 2025**

The Metropolitan Health Insurance Fund (Metro) has continued to experience large unanticipated claims payments and associated fees that have resulted in the need for an influx of cash from the member entities to sustain the 2026 plan year and alleviate liabilities from prior plan years. We reviewed the suggested actions necessary to correct these issues with the Finance Committee on November 12th and November 24th and the ideas, suggestions and recommendations from the committee have been added to this memorandum.

Provided for your reference is an overview of the current state of the Fund and required actions associated with the current financial state of Metro. This is consistent with what was discussed with the Finance Committee.

Fund Deficits – As of July 31, 2025, the Metro’s deficit position is (\$9.4M) and cash on hand is \$3.6M, which is less than half of 1 month of estimated claims.

Deficit by Fund Year:

Closed Years – (\$492,857)

2024- (\$6.6M)

2025 (Through July) – (\$2.2M)

The Fund Actuary developed the initial 2025 medical claims budget utilizing claims through July 2024; with the removal of the City of Orange who has significantly contributed to the deficits above. For discussion with the Fund the following are key drivers to the deficits and challenges facing the Metro.

- 1) **Out of Network Utilization and Associated Fees**
- 2) **2024 & 2025 Market Challenges**
 - a. **No Surprises Act**
 - b. **High Level Claimant Increase**
 - c. **Inpatient Stay**
 - d. **GLP1 - Weight Loss Medications**
- 3) **City of Orange**

Utilization and Claims Drivers

1. **Out of Network Utilization**

In the beginning of 2024, the Fund took action to cap certain out of network procedures at the in-network level. For Metro HIF these procedures resulted in \$3M+ of unanticipated paid claims for very few patients. As we saw from other Funds, Metro and its members were targeted by out-of-net network providers who understand the rich level of benefits. Providers such as these are marketing directly to public sector employees and their families and not requiring collection of out-of-pocket expenses. Often creating a benefit richer than the in-network equivalent.

The challenges of out of network spend and utilization continue to impact the Metro. On average out of network spend makes up roughly 15% of claims for our comparable northern New Jersey Funds. Metro's out-of-net network utilization has historically been around 30% of medical claims cost with roughly \$1M in out of network paid claims in April 2025. Out of network utilization and the rise of out of network utilization creates real budget challenges as the year over year trend is immensely larger than industry trend.

The most common utilized out of network providers in the Metro are chiropractors, physical therapists, outpatient surgeons/surgery centers and acupuncture, all of which Aetna has a robust network of available in network providers within the Metro footprint.

Associated with out of network utilization is Aetna's National Advantage Program (NAP), which works on the Fund and its members' behalf to negotiate discounted costs off billed charges, Aetna receives 40% of the delta in the negotiated rate and billed charges.

2. **2024 & 2025 Market Challenges**

- a. **No Surprises Act (NSA)** The NSA took effect on January 1, 2022, aiming to protect patients from surprise medical bills – especially in emergency or out-of-network (OON) situations. While it has successfully reduced balance billing for consumers, the law's implementation has caused substantial unintended consequences for self-funded health plans, particularly due to the flawed Independent Dispute Resolution (IDR) process. Originally, the Qualified Payment Amount (QPA), the median in-network rate, was intended to serve as the benchmark in payment disputes. However, court rulings have weakened their role, allowing arbitrators to prioritize subjective factors like provider experience or case complexity. The result: rising award levels far above market norms.

Due to the complexities of the administration of the legislation there was a significant backlog in the Federal Arbitration system. In recent months all the HIFs have experienced a significant number of claims dating as far back as 2022 being reversed and repaid for significant multiples often more than 5-10Xs the initial processing in recent 2025 months. Aetna confirmed that to keep up with the significant recent Arbitration rulings, they invested in claims processors, which resulted in significant paid increases in plan year 2025.

For example, as part of the May 2025 medical claims payment the Metro had an NSA claim for a service rendered in 2022, which initially processed and paid for \$12,000 reprocess and pay for \$180,000.

Due to the long tail of these and the significance of the reversals, they are not anticipated in the budget projections. As of June 10, 2025, Metro HIF had roughly \$3M in NSA Arbitration ruling additional payments.

- b. **The number of high claimants** over \$100,000 but under specific retention at the MRHIF level was greater than what had been observed in prior years. These claims' costs are borne solely by the Fund with no reimbursement from the MRHIF.
- c. **Inpatient Stays** have increased and contributed 30% of the medical spend last year.
- d. **GLP-1 Utilization** has increased significantly over the past year, contributing approximately 50% of the prescription increase. These drugs are expected to be approved for additional indications, which will likely continue to drive increased prescription fills. Although the Omada program was adopted in Q3 2024 has helped reduce some of the trends associated with these medications, the cost associated are material.

3. City of Orange

In Plan Years 2023 and 2024, the City of Orange was the 2nd largest member of the Metro. Due to unprecedented rises in utilization, out of network shift and a predatory out of network provider City of Orange saw their claims deteriorate significantly.

A three-year summary of Orange's performance reveals increases in claims utilization emerging Mid-Year 2023. The average claims cost from **January 2023 through May 2023** was **\$1.1 Million per month**. The team identified an immediate claims spike beginning June 2023 and continuing through December 2023 where claims have essentially doubled resulting in a monthly average claim of **\$1.935 Million or a 76 % increase** during the 2023 performance year. In the last 12 months, July 2023 through June 30, 2024, Orange's paid claims were on average \$784K above their claims budget. One month was as high as \$1.7M. This unexpected and aberrant claims utilization significantly exceeds anticipated claims fluctuations.

<u>Incurred Year</u>	<u>Loss Ratio</u>	<u>Over Budget</u>
Plan Year 2023 (As of 5/31/2025):	151%	\$5.85M
Jan 1- Nov 30, 2024 (As of 5/31/2025)	136%	\$3.8M

In a partnership with Metro, Orange found an alternative solution to benefit delivery and removed their medical coverage as November 30, 2024. As a part of the HIF value proposition, entities are provided “mature,” rates in which any runout/IBNR is considered leaving no liability at exit. Consistent with their performance, the Orange runs out of \$1.9M or 1.75 months of budgeted claims, which has additionally impacted on the cash position of the Metro. As of September 30, 2025, Orange’s claims are mostly run out with little to no expected additional exposure for the Fund.

Corrective Measures for Stabilization

1. **Out of Network Fee Schedule Adjustment** - Effective August 31, 2025, the Metro HIF through resolution mandated the out of network fee schedule for payment allowance be updated to 150% of Medicare for facilities and 175% of Medicare for professionals. This has had an immediate impact on the NAP fees from Aetna with August and September fees averaging (-\$3.32) per employee per month. As claims incurred for August and later begin to process the Metro will see the out of network impact reducing as the base payment level is decreased and more members transition in network.
2. **No Surprises Act (NSA) Transition-** Effective January 1, 2026, the HIFs will be transitioning to New Jersey’s NSA arbitration process, reducing the exposure to the Federal. The State’s version of the legislation lessens the financial exposure to the HIFs:
 - a. Only one Independent Dispute Resolution (IDR) vendor.
 - b. Impose strict timelines for arbitration filing.
 - c. Reduces administrative fees.
 - d. Provides more predictability in arbitration ruling with fee schedule-based approach.
3. **2026 Budget Development-** Understanding the challenges Metro HIF and the public sector market is faced with, Metro HIF developed their budget conservatively with the intent of producing surplus. Claims through June 30, 2025, were utilized for budget and certain expected performance improvements were not considered for the purpose of stabilizing the claims account.
 - a. **Trend Assumptions** - Medical 11% and prescription 13.5% were the trends utilized by the Actuary to develop 2026 claims budgets. These are appropriate and reflect Metro’s experience since inception.
 - b. **Out of Network Fee Schedule-** The claims experience used by the Actuary were for claims incurred prior to the reduction in the fee schedule. No savings assumptions were considered in the development of the 2026 budget, with the intent to build surplus and fund the appeals process.
 - c. **Level Pharmacy Contract Improvement-** Annually, the Level Pharmacy Coalition, which the MRHIF entities are a member of undergoes a market check in which the Coalition produces improved pricing. The 2026 improvements are expected to reduce pharmacy spending by ~5%. No savings assumptions were considered in the pharmacy budget development.
 - d. **Surplus Regeneration** - 2026 Budget includes a \$1.5 million surplus regeneration line.
4. **New Member Addition and Underwriting** - With the challenges faced by the State Health Benefits Plan (SHBP) and the health insurance market, the HIF has become an attractive option for public entities seeking options. Metro HIF has had a healthy and steady flow of inquiries and has received

commitments to join. The market has allowed our Underwriters, Actuaries and Business Development professionals to be selective and conservative in proposal development. The Fund has been able to deliver attractive proposals with margin and conservatism intended to support the financial position of Metro HIF.

5. **Cash Flow (Exhibit B)** – As of September 30, 2025, the Fund is operating on a cash basis with no surplus reserves and unfunded incurred and not reported (IBNR) liability and because of market challenges claims have run higher than budget month over month, particularly in the early part of 2025 with the NSA catchup and egregious out of network billing and fees.

Financial Relief- PERMA and MRHIF have delayed collecting their fees for 2025 to support the cash position of the Fund. The estimated liability at the end of 2025 will be \$2.5M to MRHIF and \$936,000 to PERMA. PERMA in effect has worked for no pay this past year to help the Fund. The amount suggested to be re-paid to the Fund's balance sheet will allow the Fund to PERMA amounts owed without interest.

Our Fund Treasurer has done an excellent job of staying on top of the cash flow of the Funds and working with our entities to ensure timely payment. *It is important that our members continue to pay their invoices timely to continue to sustain claims.*

Supplemental Assessments

The Bylaws of Metro HIF allow for the Executive Committee by majority vote to levy on the participating local units additional assessments, whenever needed to supplement the Fund's Claim Loss Retention or Administrative Accounts to assure payment of the Fund's Obligations. As of July 31, 2025, the closed years, plan year 2024 and 2025 are operating at losses.

In concert with the Finance Committee, we are recommending the Fund declare a supplemental assessment to reduce the losses experienced in 2024 and prior plan (closed) years to support the 2026 budget initiative of generating surplus. The Fund may consider in the future evaluating the 2025 plan year and taking additional action if deemed appropriate at that time.

1. **Surplus** – The Fund's current position is unstable. The recommended best practice is to hold at least 1 month of claims liability as a backstop in aberrant times. Reducing the lost revenue from prior Fund Years by applying supplemental assessments to extinguish past liabilities is an imperative step. The Fund currently is operating on a cash basis with no surplus.
2. **Liabilities** – The Fund has unfunded liabilities in which Supplemental Assessments are needed to relinquish.
 - a. **Incurred But Not Reported (IBNR)** – Annually, the Fund Actuary develops an expected IBNR liability, which the Fund books and accrues throughout the year as claims runout materializes. Metro HIF's IBNR is not currently supported by cash.
 - b. **MRHIF and PERMA** – the MRHIF and PERMA have delayed the collection of their fees in 2025; the combined amount is expected to be \$3.4M at the end of the year.
3. **Cash** – As the Fund continues to work towards improved claims performance, contracts, and budget stability the additional cash influx generated from Supplemental Assessments will further protect the monthly claims performance of the Fund, while plan initiatives, such as the out of network fee schedule materialize.

All Supplemental Assessments shall be allocated to the participating member local units by participation in applicable Fund year deficits and shall be apportioned by the year's assessments. For those entities that joined the Fund in 2024, they would not share any assessment declared in prior years.

The Finance Committee is recommending a \$7M Supplemental Assessment, of which we believe is adequate and justified. We are recommending the Fund begin collection of the Supplemental Assessments following adoption in January 2026. The billing of required amounts would take effect no later than March 1, 2026. The 2026 budget is developed to be self-sustaining and further contribute to surplus regeneration. As this is the case, we would be comfortable with the collection period going as far as 36 months from the start date. If the Fund position improves to a level of adequacy and comfort prior to the end of the 36-month period the Executive Committee has the discretion to suspend the remaining payments/assessments.

Alternatively, if a group can satisfy 90% of their adopted supplemental assessment by June 30, 2026, the Fund will consider the liability satisfied. This assumes the following schedule of events:

- 5) Introduction of Supplemental Assessment: December 18, 2026*
- 6) Adoption and early collection of Supplemental Assessment: January 15, 2026*
- 7) Initial installments begin: March 1, 2026*
- 8) Final installments due no later than February 29, 2028*

For illustrative and budgeting purposes, the assessments are provided in 12, 24 and 36 equal increments by entity.

As we are expecting the market to return to some level of normalcy and surplus position to improve outside of this initiative, if the Fund finds itself in a more favorable financial position the collection of Supplemental Assessment liability can be suspended at the discretion of the Executive Committee.

We thank the Fund Commissioners and their Risk Managers for their continued support. The Fund Professionals are continuing to monitor the cash position on a regular basis and will update the Finance Committee. Should they consider altered or new recommendations, the Fund membership will be notified.

Please do not hesitate to contact the Executive Director's team with any questions

Sincerely,

PERMA Risk Management Services

**Metropolitan Health Insurance Fund
 Illustrative Exhibit
 \$7M Supplemental Assessment
 2024 Plan Year and Closed**

METRO Supplemental Assessment					
\$7,000,000- All of 2024 Deficit and Portion of Closed Year (as of 7/31/25)					
	GRAND TOTAL				
	FY 2024 AND CLOSED YEAR				
	Net surplus/ Cash Collection	Monthly payments			
Member		12 months	24 months	36 months	
Bloomfield Township	\$ 1,693,493.65	\$ 141,124.47	\$ 70,562.24	\$ 47,041.49	
Bloomfield Library	\$ 40,883.14	\$ 3,406.93	\$ 1,703.46	\$ 1,135.64	
East Amwell	\$ 5,463.74	\$ 455.31	\$ 227.66	\$ 151.77	
Maplewood	\$ 304,436.45	\$ 25,369.70	\$ 12,684.85	\$ 8,456.57	
Orange	\$ 1,196,389.12	\$ 99,699.09	\$ 49,849.55	\$ 33,233.03	
Plainfield BOE	\$ 3,155,687.78	\$ 262,973.98	\$ 131,486.99	\$ 87,657.99	
Scotch Plains	\$ 328,562.77	\$ 27,380.23	\$ 13,690.12	\$ 9,126.74	
West Caldwell	\$ 275,083.76	\$ 22,923.65	\$ 11,461.82	\$ 7,641.22	
	\$ 7,000,000.41	\$ 583,333.37	\$ 291,666.68	\$ 194,444.46	

Exhibit A

July 31, 2025 Financial Fast Track

METRO MUNICIPAL EMPLOYEE BENEFITS FUND

FINANCIAL FAST TRACK REPORT

		AS OF			July 31, 2025	
		THIS	YTD	PRIOR	FUND	
		MONTH	CHANGE	YEAR END	BALANCE	
UNDERWRITING INCOME		7,503,761	50,653,628	207,950,683	258,604,312	
CLAIM EXPENSES						
Paid Claims		6,315,245	46,520,941	180,131,885	226,652,826	
IBNR		158,060	993,526	6,202,000	7,195,526	
Less Specific Excess		(561,319)	(2,094,689)	(5,740,079)	(7,834,768)	
Less Aggregate Excess		-	-	-	-	
TOTAL CLAIMS		5,911,985	45,419,778	180,593,806	226,013,584	
EXPENSES						
MA & HMO Premiums		1,021,901	7,046,495	15,510,298	22,556,793	
Excess Premiums		214,497	1,485,779	3,986,606	5,472,385	
Administrative		528,768	3,393,853	11,349,468	14,743,321	
TOTAL EXPENSES		1,765,166	11,926,128	30,846,371	42,772,499	
UNDERWRITING PROFIT/(LOSS) (1-2-3)		(173,390)	(6,692,277)	(3,489,494)	(10,181,771)	
INVESTMENT INCOME		9,530	139,901	603,103	743,004	
DIVIDEND INCOME		57,191	57,191	-	57,191	
STATUTORY PROFIT/(LOSS) (4+5+6)		(106,669)	(6,495,185)	(2,886,391)	(9,381,577)	
DIVIDEND		-	-	-	-	
Transferred Surplus IN		-	-	-	-	
Transferred Surplus OUT		-	-	-	-	
STATUTORY SURPLUS (7-8+9)		(106,669)	(6,495,185)	(2,886,391)	(9,381,577)	
SURPLUS (DEFICITS) BY FUND YEAR						
Closed	Surplus	57,191	(409,316)	(83,541)	(492,857)	
	Cash	-	(571,909)	937,859	365,950	
2024	Surplus	(223,538)	(3,831,447)	(2,802,851)	(6,634,298)	
	Cash	(724,080)	(11,468,165)	2,904,238	(8,563,927)	
2025	Surplus	59,678	(2,254,422)		(2,254,422)	
	Cash	3,401,714	11,814,748		11,814,748	
TOTAL SURPLUS (DEFICITS)		(106,669)	(6,495,185)	(2,886,392)	(9,381,577)	
TOTAL CASH		2,677,635	(225,325)	3,842,097	3,616,771	
CLAIM ANALYSIS BY FUND YEAR						
TOTAL CLOSED YEAR CLAIMS		-	505,126	114,524,196	115,029,322	
FUND YEAR 2024						
Paid Claims		592,576	11,094,356	60,757,659	71,852,014	
IBNR		(86,828)	(5,932,213)	6,202,000	269,787	
Less Specific Excess		(287,422)	(1,330,888)	(890,049)	(2,220,937)	
Less Aggregate Excess		-	-	-	-	
TOTAL FY 2024 CLAIMS		218,326	3,831,255	66,069,610	69,900,864	
FUND YEAR 2025						
Paid Claims		5,722,669	34,663,646		34,663,646	
IBNR		244,888	6,925,739		6,925,739	
Less Specific Excess		(273,898)	(505,988)		(505,988)	
Less Aggregate Excess		-	-		-	
TOTAL FY 2025 CLAIMS		5,693,659	41,083,396		41,083,396	
MBINED TOTAL CLAIMS		5,911,985	45,419,778	180,593,806	226,013,583	

Exhibit B

Cash Flow Projection - 2025

2025 METROPOLITAIN												
	Jan, 2025	Feb, 2025	March, 2025	April, 2025	May, 2025	June, 2025	July, 2025	Aug, 2025	Sept, 2025	Oct, 2025	Nov, 2025	Dec, 2025
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected
Beginning Cash Balance	\$ 2,904,241	\$ 5,591,655.29	\$ 6,307,947.54	\$ 6,458,399.72	\$ 3,834,657.99	\$ 3,247,812.76	\$ 573,189.17	\$ 3,250,823.91	\$ 4,117,119.15	\$ 5,448,889.01	\$ 3,892,802.51	\$ 2,698,400.41
Claim Payments - Actual	\$ (6,216,176)	\$ (5,320,722)	\$ (5,941,016)	\$ (8,211,456)	\$ (7,871,429)	\$ (6,416,408)	\$ (6,406,522)	\$ (7,691,082)	\$ (7,101,695)			
Claim Payments Projected										\$ (7,066,433)	\$ (7,396,388)	\$ (7,101,695)
NAP CREDIT ADJ								\$ 2,329,588	\$ -	\$ 266,610		
Assessments Collected Actual	\$ 9,852,457	\$ 7,555,143	\$ 7,776,644	\$ 1,932,979	\$ 2,835,856	\$ 2,354,459	\$ 4,605,090	\$ 1,212,325	\$ 1,473,712			
Assessments Billings - Estimated per Budget										\$ 1,236,730	\$ 2,260,248	\$ 2,349,962
Prepayments/ Prepaidpaid expected to come in				\$ 4,792,937	\$ 5,874,643	\$ 2,683,870	\$ 6,066,338	\$ 5,611,437	\$ 6,065,116	\$ 5,124,830	\$ 5,124,830	\$ 3,289,171
Collection of Delinquent Assessments								\$ 213,155	\$ 42,768			
Collection of Stop Loss/Other Receipts - COBRA	\$ 252,143	\$ 90,888	\$ 71,979	\$ 421,147	\$ 96,585	\$ 265,107	\$ 169,431	\$ 486,281	\$ 2,205,396	\$ 93,282	\$ 30,000	\$ 30,000
ESI Rx Rebates - Estimated				\$ 49,572	\$ 96,019	\$ 53,176	\$ 115,951	\$ 93,815		\$ 203,624	\$ 214,257	\$ 184,469
Interest Earned	\$ 16,821	\$ 15,894	\$ 20,246	\$ 16,520	\$ 14,298	\$ 7,973	\$ 9,530	\$ 11,779	\$ 8,408	\$ 15,000	\$ 8,000	\$ 8,000
Expenses -Paid (does not include PERMA & MRHIF)	\$ (1,217,831)	\$ (1,624,911)	\$ (1,777,401)	\$ (1,625,442)	\$ (1,632,816)	\$ (1,622,801)	\$ (1,882,183)	\$ (1,401,003)				
Expenses Projected -Excluding PERMA & MRHIF										\$ (1,361,935)	\$ (1,429,730)	\$ (1,435,348)
Ending Cash Balance - Excluding PERMA & MRHIF Paymer	\$ 5,591,655	\$ 6,307,948	\$ 6,458,400	\$ 3,834,658	\$ 3,247,813	\$ 573,189	\$ 3,250,824	\$ 4,117,119	\$ 5,448,889	\$ 3,892,803	\$ 2,698,400	\$ 21,631

Claims assume 3-month average (July, August, September)

2025 METROPOLITAIN												
	Jan, 2025	Feb, 2025	March, 2025	April, 2025	May, 2025	June, 2025	July, 2025	Aug, 2025	Sept, 2025	Oct, 2025	Nov, 2025	Dec, 2025
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected
Beginning Cash Balance	\$ 2,904,241	\$ 5,591,655.29	\$ 6,307,947.54	\$ 6,458,399.72	\$ 3,834,657.99	\$ 3,247,812.76	\$ 573,189.17	\$ 3,250,823.91	\$ 4,117,119.15	\$ 5,448,889.01	\$ 4,161,845.78	\$ 3,566,442.40
Claim Payments - Actual	\$ (6,216,176)	\$ (5,320,722)	\$ (5,941,016)	\$ (8,211,456)	\$ (7,871,429)	\$ (6,416,408)	\$ (6,406,522)	\$ (7,691,082)	\$ (7,101,695)			
Claim Payments Projected										\$ (6,797,389)	\$ (6,797,389)	\$ (6,797,389)
NAP CREDIT ADJ								\$ 2,329,588	\$ -	\$ 266,610		
Assessments Collected Actual	\$ 9,852,457	\$ 7,555,143	\$ 7,776,644	\$ 1,932,979	\$ 2,835,856	\$ 2,354,459	\$ 4,605,090	\$ 1,212,325	\$ 1,473,712			
Assessments Billings - Estimated per Budget										\$ 1,236,730	\$ 2,260,248	\$ 2,349,962
Prepayments/ Prepaidpaid expected to come in				\$ 4,792,937	\$ 5,874,643	\$ 2,683,870	\$ 6,066,338	\$ 5,611,437	\$ 6,065,116	\$ 5,124,830	\$ 5,124,830	\$ 3,289,171
Collection of Delinquent Assessments								\$ 213,155	\$ 42,768			
Collection of Stop Loss/Other Receipts - COBRA	\$ 252,143	\$ 90,888	\$ 71,979	\$ 421,147	\$ 96,585	\$ 265,107	\$ 169,431	\$ 486,281	\$ 2,205,396	\$ 93,282	\$ 30,000	\$ 30,000
ESI Rx Rebates - Estimated				\$ 49,572	\$ 96,019	\$ 53,176	\$ 115,951	\$ 93,815		\$ 203,624	\$ 214,257	\$ 184,469
Interest Earned	\$ 16,821	\$ 15,894	\$ 20,246	\$ 16,520	\$ 14,298	\$ 7,973	\$ 9,530	\$ 11,779	\$ 8,408	\$ 15,000	\$ 8,000	\$ 8,000
Expenses -Paid (does not include PERMA & MRHIF)	\$ (1,217,831)	\$ (1,624,911)	\$ (1,777,401)	\$ (1,625,442)	\$ (1,632,816)	\$ (1,622,801)	\$ (1,882,183)	\$ (1,401,003)				
Expenses Projected -Excluding PERMA & MRHIF										\$ (1,361,935)	\$ (1,429,730)	\$ (1,435,348)
Ending Cash Balance - Excluding PERMA & MRHIF Paymer	\$ 5,591,655	\$ 6,307,948	\$ 6,458,400	\$ 3,834,658	\$ 3,247,813	\$ 573,189	\$ 3,250,824	\$ 4,117,119	\$ 5,448,889	\$ 4,161,846	\$ 3,566,442	\$ 1,193,978

Claims assume CY 2025 Average

2025 METROPOLITAIN												
	Jan, 2025	Feb, 2025	March, 2025	April, 2025	May, 2025	June, 2025	July, 2025	Aug, 2025	Sept, 2025	Oct, 2025	Nov, 2025	Dec, 2025
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected
Beginning Cash Balance	\$ 2,904,241	\$ 5,591,655.29	\$ 6,307,947.54	\$ 6,458,399.72	\$ 3,834,657.99	\$ 3,247,812.76	\$ 573,189.17	\$ 3,250,823.91	\$ 4,117,119.15	\$ 5,448,889.01	\$ 3,857,540.58	\$ 2,957,832.01
Claim Payments - Actual	\$ (6,216,176)	\$ (5,320,722)	\$ (5,941,016)	\$ (8,211,456)	\$ (7,871,429)	\$ (6,416,408)	\$ (6,406,522)	\$ (7,691,082)	\$ (7,101,695)			
Claim Payments Projected										\$ (7,101,695)	\$ (7,101,695)	\$ (7,101,695)
NAP CREDIT ADJ								\$ 2,329,588	\$ -	\$ 266,610		
Assessments Collected Actual	\$ 9,852,457	\$ 7,555,143	\$ 7,776,644	\$ 1,932,979	\$ 2,835,856	\$ 2,354,459	\$ 4,605,090	\$ 1,212,325	\$ 1,473,712			
Assessments Billings - Estimated per Budget										\$ 1,236,730	\$ 2,260,248	\$ 2,349,962
Prepayments/ Prepaidpaid expected to come in				\$ 4,792,937	\$ 5,874,643	\$ 2,683,870	\$ 6,066,338	\$ 5,611,437	\$ 6,065,116	\$ 5,124,830	\$ 5,124,830	\$ 3,289,171
Collection of Delinquent Assessments								\$ 213,155	\$ 42,768			
Collection of Stop Loss/Other Receipts - COBRA	\$ 252,143	\$ 90,888	\$ 71,979	\$ 421,147	\$ 96,585	\$ 265,107	\$ 169,431	\$ 486,281	\$ 2,205,396	\$ 93,282	\$ 30,000	\$ 30,000
ESI Rx Rebates - Estimated				\$ 49,572	\$ 96,019	\$ 53,176	\$ 115,951	\$ 93,815		\$ 203,624	\$ 214,257	\$ 184,469
Interest Earned	\$ 16,821	\$ 15,894	\$ 20,246	\$ 16,520	\$ 14,298	\$ 7,973	\$ 9,530	\$ 11,779	\$ 8,408	\$ 15,000	\$ 8,000	\$ 8,000
Expenses -Paid (does not include PERMA & MRHIF)	\$ (1,217,831)	\$ (1,624,911)	\$ (1,777,401)	\$ (1,625,442)	\$ (1,632,816)	\$ (1,622,801)	\$ (1,882,183)	\$ (1,401,003)				
Expenses Projected -Excluding PERMA & MRHIF										\$ (1,361,935)	\$ (1,429,730)	\$ (1,435,348)
Ending Cash Balance - Excluding PERMA & MRHIF Paymer	\$ 5,591,655	\$ 6,307,948	\$ 6,458,400	\$ 3,834,658	\$ 3,247,813	\$ 573,189	\$ 3,250,824	\$ 4,117,119	\$ 5,448,889	\$ 3,857,541	\$ 2,957,832	\$ 281,063

Claims assume consistent with September

Notes:

- Cash flow projections are illustrative. Ending cash position will be reliant on actual claims spend
Cash flow projections reflect the collection of \$2.3M in NAP reimbursements from Aetna in July offsetting the total claims amount.