METROPOLITAN
HEALTH INSURANCE FUND

AGENDA AND REPORTS
OCTOBER 29, 2026
ZOOM
12:00 PM

Zoom Meeting
https://permainc.zoom.us/j/96124087940

Meeting ID: 961 2408 7940

One tap mobile
+16469313860,,96124087940# US
+19292056099,,96124087940# US (New York)

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

I. Posting the Annual Meeting Notice on the Fund's official website where all legal notices are maintained;
II. Filing advance written notice with the Clerk/Administrator of each member municipality and school district; and
III. Publication of notice in the Fund's designated newspaper directing the public to the website where legal notices are available.

This meeting is being conducted by electronic means. Members of the public that wish to provide public comment shall state their name and affiliation for the record. Comments shall be concise and limited to matters relevant to the Fund. The Chair reserves the right to limit repetitive comments and to maintain order. Comments containing abusive, defamatory, or obscene language will not be permitted.

METROPOLITAN HEALTH INSURANCE FUND
AGENDA MEETING: OCTOBER 29, 2026
CONFERENCE CALL
12:00 PM

MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2026 EXECUTIVE COMMITTEE

Fund Commissioner	**Entity**
Jenny Mundell, Chairwoman	Bloomfield Public Library
Patrick Wherry, Secretary	Maplewood Township
Cameron Cox, Executive Committee Member	Plainfield Public Schools
Nikole Baltycki, Executive Committee Member	West Caldwell Township
Margaret Heisey, Executive Committee Member	Scotch Plains Twp
Alexander McDonald, Executive Committee Member	Millburn Township
Cosmo Cirillo, Executive Committee Member	Township of Guttenberg

APPROVAL OF MINUTES September 24, 2026, Open ..... Appendix I

CORRESPONDENCE - None

MONTHLY COMMITTEE REPORTS

FINANCE/CONTRACTS COMMITTEE – Cameron Cox, Chair

WELLNESS COMMITTEE – Patrick Wherry, Chair

OPERATIONS/NOMINATION COMMITTEE – Margaret Heisey, Chair

FUND EXECUTIVE DIRECTOR – PERMA

Finance Report ..... **Page 4**
Administration Report ..... **Page 9**
Resolution 33-26: 2027 Budget Adoption ..... **Page 11**
Benefits Report ..... **Page 12**

FUND COORDINATOR – Eagle Rock Management Group

Fund Coordinator's Report ..... **Page 21**

FUND ATTORNEY – Antonelli Kantor Rivera PC

FUND TREASURER – Laracy Associates

Voucher List October 2026 ..... **Page 22**

THIRD PARTY ADMINISTRATOR – Aetna
Monthly Report.....**Page 26**

PRESCRIPTION PROVIDER – Express Scripts
Monthly Report .....**Page 30**

DENTAL ADMINISTRATOR – Delta Dental
Monthly Report ..... **No Report**

CONSENT AGENDA .....**Page 34**
Resolution 34-26: New Member Approval .....**Page 35**
Resolution 35-26: October 2026 Bills List.....**Page 36**

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

MEETING ADJOURNED

PERMA | Risk Management Services

Executive Director's Report

FINANCIALS

FAST TRACK FINANCIAL REPORTS – *As of August 2026*

- **Monthly Surplus**: This month there was a net surplus of $500,690.
- **Year-to-Date surplus:** The Fund has a cumulative since inception surplus of $1,512,627.
- **Cash Balance:** The current cash balance as of Aug stands at $37,635,627 book balance, and $10,169,229.95 bank balance.
- **Income:** Total income for the month was $14.5 million.
- **Paid Claims:** Claims paid totaled $10.2 million, this is NET of RX rebates estimated at 23% of paid claims
- **Administrative Expenses**: Combined paid and accrued administrative expenses (including MRHIF premiums in arrears) amounted to $866K.
- **Interest Earned**: $16,000 in interest income was recognized.

METRO MUNICIPAL EMPLOYEE BENEFITS FUND

FINANCIAL FAST TRACK REPORT

AS OF August 31, 2026

			THIS MONTH	YTD CHANGE	PRIOR YEAR END	FUND BALANCE
1.	**UNDERWRITING INCOME**		**14,560,041**	**96,151,967**	**303,306,555**	**399,458,522**
2.	**CLAIM EXPENSES**					
	Paid Claims		10,269,529	63,320,382	259,880,086	**323,200,468**
	IBNR		470,913	2,254,091	11,157,921	**13,412,012**
	Less Specific Excess		-	(1,400,583)	(10,177,484)	**(11,578,067)**
	Less Aggregate Excess		-	-	-	**-**
	TOTAL CLAIMS		**10,740,442**	**64,173,889**	**260,860,524**	**325,034,413**
3.	**EXPENSES**					
	MA & HMO Premiums		1,911,993	14,198,683	27,643,792	**41,842,476**
	Excess Premiums		556,552	3,030,333	6,539,519	**9,569,852**
	Administrative		866,197	5,306,342	17,134,786	**22,441,128**
	TOTAL EXPENSES		**3,334,743**	**22,535,358**	**51,318,097**	**73,853,456**
4.	**UNDERWRITING PROFIT/(LOSS) (1-2-3)**		484,857	9,442,719	(8,872,066)	**570,653**
5.	**INVESTMENT INCOME**		15,833	89,527	797,798	**887,326**
6.	**DIVIDEND INCOME**		-	-	57,191	**57,191**
7.	**STATUTORY PROFIT/(LOSS) (4+5+6)**		**500,690**	**9,532,246**	**(8,017,076)**	**1,515,170**
8.	**DIVIDEND**		-	-	2,542	**2,542**
9.	**Transferred Surplus IN**		-	-	-	**-**
10.	**Transferred Surplus OUT**		-	-	-	**-**
	STATUTORY SURPLUS (7-8+9)		**500,690**	**9,532,246**	**(8,019,619)**	**1,512,628**
			SURPLUS (DEFICITS) BY FUND YEAR			
	Closed	**Surplus**	-	(2,258)	(126,097)	**(128,355)**
		Cash	-	365,703	(494,057)	**(128,355)**
	2024	**Surplus**	(32,380)	(66,508)	(696,010)	**(762,518)**
		Cash	177,358	1,239,799	(7,747,171)	**(6,507,372)**
	2025	**Surplus**	(53,883)	2,937,930	(7,197,512)	**(4,259,583)**
		Cash	(668,516)	(9,304,804)	5,505,517	**(3,799,287)**
	2026	**Surplus**	586,953	6,663,083		**6,663,083**
		Cash	4,808,622	17,970,271		**17,970,271**
TOTAL SURPLUS (DEFICITS)			**500,690**	**9,532,246**	**(8,019,619)**	**1,512,627**
TOTAL CASH			**4,317,464**	**10,270,968**	**(2,735,711)**	**7,535,257**
			CLAIM ANALYSIS BY FUND YEAR			
	TOTAL CLOSED YEAR CLAIMS		**-**	**-**	**115,027,642**	**115,027,642**
	FUND YEAR 2024					
	Paid Claims		32,388	181,821	74,115,589	**74,297,410**
	IBNR		-	-	-	**-**
	Less Specific Excess		-	(139,571)	(3,450,883)	**(3,590,454)**
	Less Aggregate Excess		-	-	-	**-**
	TOTAL FY 2024 CLAIMS		**32,388**	**42,249**	**70,664,706**	**70,706,955**
	FUND YEAR 2025					
	Paid Claims		283,526	9,047,730	65,627,331	**74,675,061**
	IBNR		(227,104)	(10,830,860)	11,157,921	**327,061**
	Less Specific Excess		-	(1,073,670)	(1,617,078)	**(2,690,748)**
	Less Aggregate Excess		-	-	-	**-**
	TOTAL FY 2025 CLAIMS		**56,422**	**(2,856,800)**	**75,168,174**	**72,311,374**
	FUND YEAR 2026					
	Paid Claims		9,953,615	54,090,831		**54,090,831**
	IBNR		698,017	13,084,951		**13,084,951**
	Less Specific Excess		-	(187,341)		**(187,341)**
	Less Aggregate Excess		-	-		**-**
	TOTAL FY 2026 CLAIMS		**10,651,632**	**66,988,440**		**66,988,440**
COMBINED TOTAL CLAIMS			**10,740,442**	**64,173,889**	**260,860,523**	**325,034,412**

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	2025	FY2026 JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Cash Position	(2,735,711)	$ (926,004)	$ 1,971,800	$ 502,078	$ (382,136)	$ (303,530)	$ (467,518)	$ 3,217,793	$ 7,535,257
IBNR	11,157,921	$ 11,760,457	$ 11,738,167	$ 11,337,972	$ 11,760,919	$ 11,490,970	$ 11,496,671	$ 12,941,099	$ 13,412,012
Assets	7,232,201	$ 9,191,758	$ 9,778,585	$ 10,687,954	$ 12,990,480	$ 14,212,308	$ 13,978,418	$ 15,682,914	$ 16,349,260
Liabilities	15,251,820	$ 15,509,612	$ 15,261,370	$ 14,527,826	$ 14,739,056	$ 14,198,287	$ 13,432,426	$ 14,670,976	$ 14,836,633
Surplus	(8,019,619)	$ (6,317,854)	$ (5,482,785)	$ (3,839,872)	$ (1,748,576)	$ 14,021	$ 545,992	$ 1,011,938	$ 1,512,627
Claims Paid -- Month	6,548,592	$ 5,656,599	$ 6,607,236	$ 8,235,760	$ 7,660,860	$ 7,043,634	$ 8,477,069	$ 9,369,694	$ 10,269,529
Claims Budget -- Month	5,761,146	$ 7,745,317	$ 7,723,796	$ 8,154,107	$ 8,938,365	$ 8,938,476	$ 8,956,415	$ 11,413,749	$ 11,147,390
Claims Paid -- YTD	79,748,201	$ 5,656,599	$ 12,263,836	$ 20,499,596	$ 28,160,456	$ 35,204,090	$ 43,681,159	$ 53,050,853	$ 63,320,382
Claims Budget -- YTD	67,284,097	$ 7,745,317	$ 15,469,113	$ 23,623,220	$ 32,561,586	$ 41,500,062	$ 50,456,478	$ 61,870,227	$ 71,601,798
RATIOS									
Cash Position to Claims Paid	(0.42)	(0.16)	0.3	0.06	-0.05	-0.04	-0.06	0.34	0.73
Claims Paid to Claims Budget -- Month	1.14	0.73	0.86	1.01	0.86	0.79	0.95	0.82	0.92
Claims Paid to Claims Budget -- YTD	1.19	0.73	0.8	0.9	0.9	0.9	0.9	0.86	0.88
Cash Position to IBNR	(0.25)	(0.08)	0.17	0.04	-0.03	-0.03	-0.04	0.25	0.56
Assets to Liabilities	0.47	0.59	0.64	0.74	0.88	1	1.04	1.07	1.10
Surplus as Months of Claims	(1.39)	(0.82)	-0.71	-0.47	-0.2	0	0.06	0.09	0.14
IBNR to Claims Budget -- Month	1.94	1.52	1.52	1.39	1.32	1.29	1.28	1.13	1.20

Metro Municipal Employee Benefits Fund
CONSOLIDATED BALANCE SHEET
AS OF AUGUST 31, 2026
BY FUND YEAR

	METRO 2026	METRO 2025	METRO 2024	CLOSED YEAR	FUND BALANCE
ASSETS					
Cash & Cash Equivalents	17,970,271	(3,799,287)	(6,507,372)	(128,355)	7,535,257
Assesstments Receivable (Prepaid)	(205,665)	169,111	5,744,854	-	5,708,300
Interest Receivable	-	-	-	-	-
Specific Excess Receivable	187,341	860,255	-	-	1,047,596
Aggregate Excess Receivable	-	-	-	-	-
Dividend Receivable	-	-	-	-	-
Prepaid Admin Fees	-	-	-	-	-
Other Assets	1,975,835	82,272	-	-	2,058,107
Total Assets	19,927,782	(2,687,649)	(762,518)	(128,355)	16,349,260
LIABILITIES					
Accounts Payable	-	1,090,096	-	-	1,090,096
IBNR Reserve	13,084,951	327,061	-	-	13,412,012
A4 Retiree Surcharge	166,399	154,337	-	-	320,736
Dividends Payable	-	-	-	-	-
Retained Dividends	-	-	-	-	-
Accrued/Other Liabilities	13,349	440	-	-	13,789
Total Liabilities	13,264,699	1,571,934	-	-	14,836,633
EQUITY					
Surplus / (Deficit)	6,663,083	(4,259,583)	(762,518)	(128,355)	1,512,627
Total Equity	6,663,083	(4,259,583)	(762,518)	(128,355)	1,512,627
Total Liabilities & Equity	19,927,782	(2,687,649)	(762,518)	(128,355)	16,349,260
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.

METRO Fund
2026 Budget Report
as of August 31, 2026

	Cumulative	Annualized	Latest filed	Cumulative	$ Variance	% Variance
Expected Losses				Expensed		
Medical Claims Aetna	65,623,304	106,613,041	76,381,168	61,007,745	4,615,559	7%
Prescription Claims - Excl Bloomfield	7,086,628	10,925,236	4,628,492	5,055,854	(34,439)	-1%
Prescription Formulary Rebates	(2,125,989)	(3,277,572)	(1,388,548)	Included Above in Prescription Claims		
Prescription Claims - Bloomfield	60,776	91,150	88,733	Included Above in Prescription Claims		
Dental Claims	957,079	1,397,461	1,644,220	924,841	32,238	3%
Subtotal	71,601,798	115,749,316	81,354,065	66,988,440	4,613,358	6%
DMO Premiums	23,794	34,210	31,291	47,372	(23,577)	-99%
Medicare Advantage / EGWP	14,851,124	23,067,606	14,242,869	14,150,442	700,682	5%
Reinsurance						
Specific	3,025,425	4,853,053	3,335,204	3,030,333	(4,908)	0%
Total Loss Fund	89,502,141	143,704,185	98,963,429	84,216,587	5,285,554	6%
Loss Fund Contingency	1,000,000	1,500,000	1,500,000	0	1,000,000	0%
Expenses						
Legal	20,808	31,212	31,212	29,100	(8,292)	-40%
Treasurer	20,000	30,000	30,000	20,000	-	0%
Deputy Treasurer	5,000	7,500	0	5,000	-	0%
Administrator	849,125	1,339,041	942,312	850,441	(1,316)	0%
Risk Management Consultants	2,105,460	3,422,555	1,907,361	2,105,460	-	0%
Fund Coordinator	850,638	1,340,695	943,668	851,894	(1,256)	0%
TPA - Aetna	909,156	1,458,367	1,002,246	910,631	(1,475)	0%
TPA - Dental	47,101	67,845	81,964	40,290	6,810	14%
Actuary	12,138	18,207	18,207	13,875	(1,737)	-14%
Auditor	15,259	22,889	22,889	13,349	1,910	13%
Benefits Consultant						
Board Advisor						
Claims Audit	26,667	40,000	40,000	0	26,667	100%
QPA	3,000	4,500	3,000	750	2,250	75%
Subtotal Expenses	4,864,351	7,782,811	5,022,859	4,840,790	23,561	0%
Miscelleneous and Special Services						
Misc/Cont	6,032	9,048	18,048	20,156	(14,124)	-234%
Wellness, Disease, Case Management	183,333	275,000	275,000	48,438	134,896	74%
Affordable Care Act Taxes	14,254	22,864	15,713	21,911	(7,657)	-54%
A4 Surcharge	571,059	992,450	834,969	429,432	141,627	25%
Plan Documents	6,667	10,000	10,000	0	6,667	100%
Subtotal Misc/Sp Svcs	781,344	1,309,362	1,153,730	519,936	261,408	33%
Total Expenses	5,645,695	9,092,174	6,176,589	5,360,726	284,969	5%
Total Budget	96,147,836	154,296,359	106,640,018	89,577,314	6,570,523	7%

ADMINISTRATION

2027 METRO BUDGET – ADOPTION

The 2027 proposed budget is located on page 10 of this report. There were minor adjustments from introduction resulting in a small reduction in the overall budget. Per the next agenda item to go out to RFP for Attorney and Treasurer, those two lines were increased by additional funds in contingency.

Motion: *Motion to open the Public Hearing on the 2027 Budget*

Discussion of Budget and Assessments

Motion: *Motion to close the Public Hearing*

Motion: *Motion to adopt resolution 33-26 approving the 2027 Metropolitan Health Insurance Fund Budget in the amount of* ***$184,190,515***

RFP – ATTORNEY AND TREASURER

These two professional services are based on fixed fees, although their services increase with growth that the Fund has experienced. To properly address, the Contracts Committee has recommended to go out to RFP for these two professional services and approve at the reorganization meeting. The budget reflects additional increases but if the Committee does not deem appropriate, the additional funding can be transferred back to contingency.

METRO Municipal Employee Benefits Fund — Print Date:

2027 Proposed Budget — 10/27/2026 13:49

Census:	Monthly	Annual
Medical Aetna	**4,059**	**48,708**
Rx	**1,386**	**16,632**
Rx Bloomfield	**269**	**3,228**
Dental	**1,591**	**19,092**
Medicare Advantage - Medical	**3,377**	**40,524**
Rx No Medical (Incl in Rx above)	**270**	**3,240**
Dental Only (Incl in Dental above)	**222**	**2,664**
Medicare Advantage - Only (Incl above)	**3,033**	**36,396**
DMO Only	-	-

	LINE ITEMS	Annualized Budget FY2026	Proposed Budget FY2027	$ Change	% Change
1	**Medical Claims Aetna**	**$ 125,650,635**	**$ 123,057,553**	**$ (2,593,082)**	**-2.06%**
2	**Prescription Claims**	**$ 11,464,644**	**$ 13,587,682**	**$ 2,123,038**	**18.52%**
3	**Prescription Formulary Rebates**	**$ (3,439,393)**	**$ (2,038,152)**	**$ 1,401,241**	**-40.74%**
4	**Prescription- Vaccinations Only**	**$ 91,804**	**$ 91,611**	**$ (193)**	**-0.21%**
5	**Dental Claims**	**$ 1,348,241**	**$ 1,259,964**	**$ (88,277)**	**-6.55%**
6					
7	**Subtotal Claims**	**135,115,931**	**135,958,658**	**$ 842,727**	**0.62%**
8					
9	**HMO/DMO Premiums**	**$ 33,579**	**$ 33,579**	**$ -**	**0.00%**
10					
11	**Medicare Advantage / EGWP**	**$ 22,799,066**	**$ 24,262,002**	**$ 1,462,936**	**6.42%**
12					
13	**Reinsurance**				
14	Specific	$ 5,559,587	$ 6,701,734	$ 1,142,147	20.54%
15					
16	**Total Loss Fund**	**$ 163,508,163**	**$ 166,955,973**	**$ 3,447,810**	**$ 0**
17					
18	**Surplus Retention Regeneration**	**$ 1,500,000**	**$ 2,997,712**	**$ 1,497,712**	**99.85%**
19	**Trust Account Contingency**		**$ 3,500,000**	**$ 3,500,000**	**0.00%**
20	**Expenses**				
21	Legal	$ 31,212	$ 120,000	$ 88,788	284.5%
22	Treasurer	$ 30,000	$ 39,100	$ 9,100	30.3%
23	Deputy Treasurer	$ 7,500	$ 7,500	$ -	0.0%
24	Administrator/Benefits Consultant	$ 1,476,079	$ 1,514,031	$ 37,952	2.6%
25	Risk Management Consultants	$ 3,989,987	$ 3,989,987	$ -	0.0%
26	Fund Coordinator	$ 1,477,200	$ 1,477,200	$ -	0.0%
27	TPA - Claims Agent Aetna	$ 1,670,684	$ 1,745,695	$ 75,010	4.5%
28	Dental TPA	$ 63,767	$ 63,767	$ -	0.0%
29	Actuary	$ 18,207	$ 18,575	$ 368	2.0%
30	Auditor	$ 22,889	$ 22,889	$ -	0.0%
31	QPA	$ 4,500	$ 4,500	$ -	0.0%
32					
33	**Subtotal Expenses**	**$ 8,792,026**	**$ 9,003,244**	**$ 211,219**	**2.40%**
34					
35	**Miscelleneous and Special Services**				
36	Misc/Cont	$ 9,048	$ 10,259	$ 1,211	13.38%
37	Wellness, Disease, Case Management	$ 275,000	$ 300,000	$ 25,000	9.09%
38	Affordable Care Act Taxes	$ 26,193	$ 26,193	$ -	0.00%
39	A4 Surcharge	$ 1,281,812	$ 1,322,134	$ 40,321	3.15%
40	Plan Documents	$ 10,000	$ 35,000	$ 25,000	250.00%
41	Claims Audit	$ 40,000	$ 40,000	$ -	0.00%
42	**Subtotal Misc/Sp Svcs**	**$ 1,642,053**	**$ 1,733,585**	**$ 91,532**	**5.57%**
43					
44	**Total Expenses**	**$ 10,434,079**	**$ 10,736,830**	**$ 302,751**	**2.90%**
45					
46	**Total Budget**	**$ 175,442,242**	**$ 184,190,515**	**$ 8,748,273**	**4.99%**
47	**Dividend Application***	**$ -**	**$ -**	**$ -**	**0.00%**
48	**Budget Excl Dividend**	**$ 175,442,242**	**$ 184,190,515**	**$ 8,748,273**	**4.99%**

RESOLUTION NO. 33-26

METROPOLITAN HEALTH INSURANCE FUND
ADOPTION OF THE 2027 PROPOSED 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 September 24, 2026, in Public Session to introduce the proposed budget for the 2027 Fund Year; and

WHEREAS, the Executive Committee met on October 29, 2026 in Public Session to adopt the proposed budget and for the 2027 Fund Year; and

WHEREAS, that a public hearing to adopt the 2027 budget was held on October 29, 2026 at 12:00 pm.

NOW THEREFORE BE IT RESOLVED that the Executive Committee of Metropolitan Health Insurance Fund hereby adopt the 2027 budget in the amount of ***$184,190,515***

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

ADOPTED: October 29, 2026

BY:_____

CHAIRPERSON

ATTEST:

_____

SECRETARY

CONNER STRONG & BUCKELEW

INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS

Executive Director Team: This team handles all the administrative and financial aspects of the Fund such as rates, state regulatory compliance, and Executive Committee and subcommittee meetings.

Role	Name	Email	Phone
Executive Director	Jim Rhodes	jrhodes@permainc.com	856-552-4920
Associate Executive Director	Emily Koval	emilyk@permainc.com	201-518-7028
Account Manager	Caitlin Perkins	cperkins@permainc.com	856-479-2192

Benefits Team: This team handles all the benefits of the Fund such as plan design, claim issues, cost containment strategies, and Third-Party communications.

Role	Name	Email	Phone
Public Entity & HIF Business Leader	Tammy Brown	tbrown@connerstrong.com	856-552-4694
HIF Business Leader	John Lajewski	jlajewski@connerstrong.com	856-552-4922
Consultant	Jacquelyn Maddren	jmaddren@connerstrong.com	856-552-4688
Senior Business Development Executive	Sean Critchley, Esq.	Scritchley@connerstrong.com	973-736-6511

Client Services Team: This team handles all the enrollment and billing aspects of the Fund such as sending monthly invoices, open enrollment, and adjustments throughout the year.

Role	Name	Email	Phone
Senior Director, HIF Operations	Lenka Bystrianska	lbystrianska@permainc.com	856-479-2214
Director of Benefits Operations	Karen Kidd	kkidd@connerstrong.com	856-552-4644
Client Service Specialist	Roger Watson	rwatson@permainc.com	856-479-2210

CONNER STRONG & BUCKELEW

INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS

METROPOLITAN HEALTH INSURANCE FUND CONTACTS

Benefits Report – October 29, 2026

Agenda

- Executive Overview
- Industry Information
- Fund Performance/Observations
- Client Services/Eligibility/Enrollment
- Previously Reported Information

Executive Overview

The Fund continues to show improvements from a financial perspective. None the less, areas of increasing utilization for both medical & pharmacy claims have been identified, and strategic recommendations presented for consideration. The Benefits Team looks forward to continuing discussions and implementing those solutions that will yield meaningful savings to ensure the long-term stability of the Fund.

Industry Information

Medical – Aetna Hospital/Provider Contract Negotiations

- Virtua Health 1/1/27
- Virtua Medical Group 1/1/27
- Inspira Health 4/1/27

Medical – AHA Hospital/Provider Contract Negotiations

- RWJ Barnabas 9/1/26 - Extension obtained
- Inspira 10/1/26 - Extension obtained through 11/1/26
- AtlantiCare - 1/1/27
- Cooper -1/1/27
- Jefferson 1/1/27

- Abilities in Action – Onboarding complete

Pharmacy – Express Scripts (ESI) 2027 National Preferred Formulary (NPF)

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 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). Please see attached NPF for further information.

Pharmacy – Express Scripts (ESI) 2027 SaveOnSP

Copay assistance benefit administrator monitors available specialty manufacturer copay assistance programs to optimize your savings opportunity.

Drug list modifications for January 1, 2027, ensure alignment with research and are based on the inclusion of the copay assistance benefit in pharmacy benefit plan design. These changes have minimal plan participant impact. Please see attached for eligible 2027 drug list:

Additions:

- Highlighted in green on associated drug list
- *Communication plan*: SaveOnSP will send a letter to impacted plan participants and place follow-up outbound calls. (sample letter attached)

Removals:

- Highlighted in red on associated drug list
- *Communication plan*: SaveOnSP will send a letter to impacted plan participants and place a follow-up outbound call. (sample letter attached)

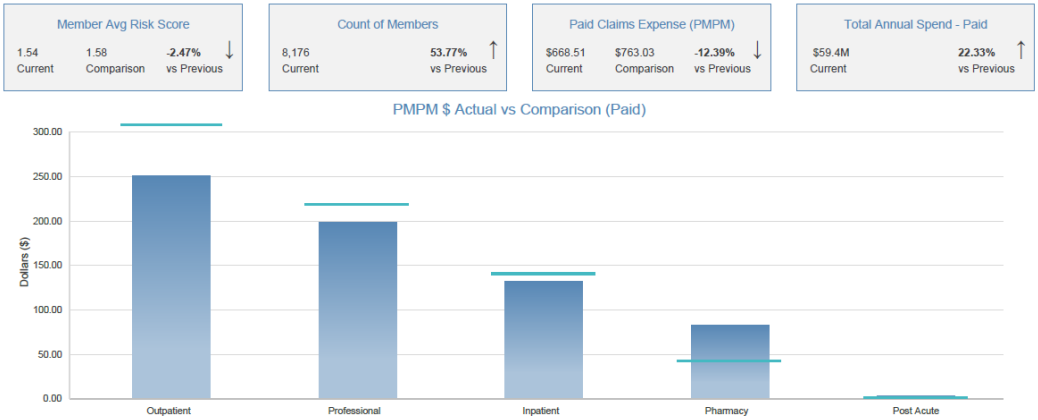
Fund Performance/Observations

Medical & Pharmacy – Aetna/ESI

Data Review - Key metrics compares Fund years January-August 2026 vs. January-August 2025.

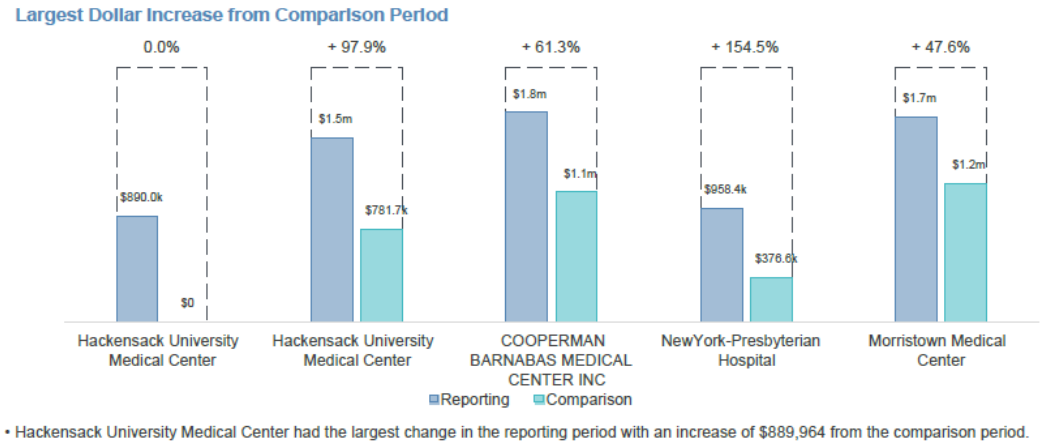
Cost & Utilization Variance:

A health insurance risk score (often called a Risk Adjustment Factor or RAF score) is a numerical value assigned to a patient, typically between 0.0 and 2.0+, indicating their expected healthcare costs compared to the average patient. Higher scores reflect more chronic conditions or higher risk, leading to higher payments for providers.



Top 20 Providers – Comparison:

This report presents the top highest paid providers during the reporting and comparison periods. Claims paid for a single provider ID are grouped und that provider in the report. Both institutional and individual providers are included in the ranking. The chart shows the top providers that had the most growth in terms of amount paid between the comparison and reporting periods.



• Hackensack University Medical Center had the largest change in the reporting period with an increase of $889,964 from the comparison period.

Top 20 Drugs – Comparison:

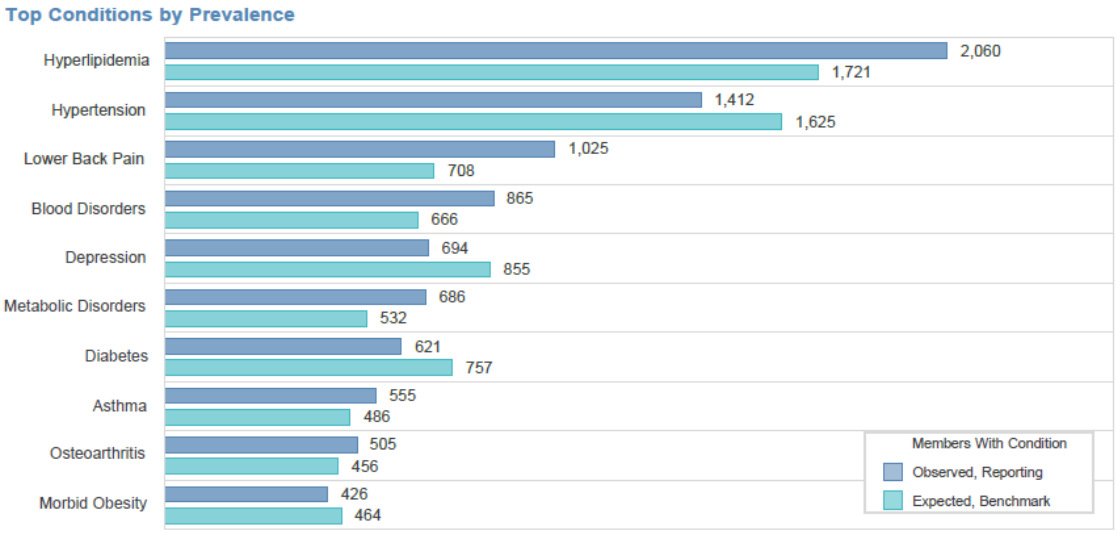
This report presents the top drugs by total amount paid during the reporting and comparison periods. Drugs administered by the pharmacy benefit manager are included and drugs paid through medical claims are excluded. By looking at the total cost for a drug along with the prescription count it can be determined if the cost driver is a few individuals using a high-cost drug or high utilization of the drug. The chart shows the top drugs that had the most growth in terms of amount paid between the comparison period and reporting period.

SN	Drug	Generic	Reporting Period Jan 2026 - Aug 2026				Comparison Period Jan 2025 - Aug 2025	%Δ	Prior Period Rank
			Total Paid Amount	Script Count	Member Count*	PMPM	Total Paid Amount		
1	Zepbound	No	$1,033,104	820	166	$11.63	$292,227	254%	1
2	Wegovy	No	$499,055	305	78	$5.62	$217,889	129%	2
3	Voranigo	No	$289,087	7	1	$3.25	--	--	>5000
4	Skyrizi Pen	No	$254,238	13	5	$2.86	$92,977	173%	7
5	Mounjaro	No	$241,174	167	41	$2.71	$118,608	103%	4
6	Ozempic	No	$210,053	119	38	$2.36	$106,351	98%	5
7	Rinvoq	No	$190,136	21	6	$2.14	$17,831	966%	34
8	Enbrel Sureclick	No	$182,396	18	3	$2.05	$39,621	360%	17
9	Dupixent Pen	No	$165,635	22	10	$1.86	$19,422	753%	32
10	Skyrizi On-Body	No	$147,865	7	3	$1.66	$105,245	40%	6
11	Scemblix	No	$141,614	7	1	$1.59	$164,356	-14%	3
12	Tremfya Pen	No	$119,226	6	2	$1.34	--	--	>5000
13	Vumerity	No	$117,049	7	2	$1.32	$73,972	58%	8
14	Trikafta	No	$116,119	4	1	$1.31	--	--	>5000
15	Rezurock	No	$90,217	5	1	$1.02	--	--	>5000
16	Repatha Sureclick	No	$86,726	72	27	$0.98	$16,555	424%	38
17	Nurtec Odt	No	$82,800	54	19	$0.93	$39,938	107%	16
18	Kisqali	No	$81,280	7	1	$0.91	--	--	>5000
19	Eltrombopag Olamine	Yes	$79,452	8	1	$0.89	$19,863	300%	31
20	Enbrel	No	$78,171	7	2	$0.88	--	--	>5000
	All Others		$3,130,794	19,786	2,448		$1,547,020	102%	
	Total		**$7,336,190**	**21,462**	**2,476**		**$2,871,875**		

Values are approximate.

Chronic Conditions Prevalence:

This report presents the prevalence of specific chronic conditions in the population. According to the Centers for Disease Control (CDC) more than 40% of Americans have one or more chronic conditions and people with chronic diseases in the US account for 75% of healthcare spending. In addition to driving up healthcare costs for employers, chronic conditions also adversely impact employee productivity, attendance, and morale.



Out of Network Claims Tracking:

Effective August 1, 2025, the Fund Executive Committee passed a resolution to amend the out of network provider reimbursement schedules for all Fund member plans to 150%-professional & 175%-facility of Medicare.

		In Network				OON				OON TOTALS	
DOS	EE Count	Claimant Count	Claim Count	Net Paid	PEPM	Claimant Count	Claim Count	Net Paid	PEPM	% Utilization	% Net Paid
Jan-24	2,603	2988	9998	$4,326,385	$1,662	603	3182	$2,093,577	$804	24.1%	32.6%
Feb-24	2,600	2624	9521	$3,581,841	$1,378	573	2482	$1,584,579	$609	20.7%	30.7%
Mar-24	2,608	2601	10003	$4,287,888	$1,644	599	2607	$1,561,525	$599	20.7%	26.7%
Apr-24	2,619	2725	9749	$4,050,256	$1,546	584	2617	$1,403,087	$536	21.2%	25.7%
May-24	2,619	2609	9748	$4,061,155	$1,551	597	2556	$1,776,029	$678	20.8%	30.4%
Jun-24	2,625	2549	9111	$4,010,751	$1,528	578	2300	$1,246,132	$475	20.2%	23.7%
Jul-24	2,638	2693	9804	$3,976,318	$1,507	595	2654	$1,129,081	$428	21.3%	22.1%
Aug-24	2,638	2694	9764	$3,320,675	$1,259	549	2404	$1,097,370	$416	19.8%	24.8%
Sep-24	2,612	2564	9028	$4,424,557	$1,694	568	2486	$1,437,417	$550	21.6%	24.5%
Oct-24	2,692	2892	10779	$4,177,690	$1,552	608	2521	$1,680,103	$624	19.0%	28.7%
Nov-24	2,713	2784	9891	$5,926,054	$2,184	636	2342	$1,335,125	$492	19.1%	18.4%
Dec-24	2,123	2263	7569	$3,210,110	$1,512	475	1688	$1,204,300	$567	18.2%	27.3%
Jan-25	2,366	2594	9643	$4,148,201	$1,753	518	1998	$1,210,602	$512	17.2%	22.6%
Feb-25	2,428	2622	8825	$3,753,670	$1,546	514	2066	$1,431,691	$590	19.0%	27.6%
Mar-25	2,428	2573	9755	$4,641,953	$1,912	524	2239	$1,580,749	$651	18.7%	25.4%
Apr-25	2,427	2618	9682	$4,284,195	$1,765	530	2253	$1,469,891	$606	18.9%	25.5%
May-25	2,431	2548	9377	$3,946,279	$1,623	492	1929	$1,424,555	$586	17.1%	26.5%
Jun-25	2,489	2561	9187	$4,049,013	$1,627	497	2009	$1,434,023	$576	17.9%	26.2%
Jul-25	2,486	2651	10065	$4,440,851	$1,786	541	2144	$1,536,785	$618	17.6%	25.7%
Aug-25	2,486	2682	10226	$4,939,984	$1,987	539	2152	$583,370	$235	17.4%	10.6%
Sep-25	2,486	2570	9178	$3,943,390	$1,586	485	1949	$474,499	$191	17.5%	10.7%
Oct-25	2,486	2659	9797	$5,502,603	$2,213	500	2300	$549,716	$221	19.0%	9.1%
Nov-25	2,486	2665	9516	$4,071,034	$1,638	472	1922	$596,586	$240	16.8%	12.8%
Dec-25	2,486	2804	10357	$5,212,944	$2,097	492	2096	$561,524	$226	16.8%	9.7%
Jan-26	2,842	3101	11401	$5,059,478	$1,780	601	2482	$515,267	$181	17.9%	9.2%
Feb-26	2,834	3001	10915	$5,598,276	$1,975	592	2418	$924,750	$326	18.1%	14.2%
Mar-26	2,978	3378	12913	$5,923,633	$1,989	665	2882	$633,864	$213	18.2%	9.7%
Apr-26	3,254	3522	13350	$5,818,728	$1,788	709	3117	$764,270	$235	18.9%	11.6%
May-26	3,252	3421	12306	$6,103,614	$1,877	687	2774	$639,461	$197	18.4%	9.5%
Jun-26	3,260	3608	13570	$6,503,920	$1,995	684	2750	$669,419	$205	16.9%	9.3%
Jul-26	4,050	4591	17074	$7,984,222	$1,971	850	2975	$763,654	$189	14.8%	8.7%
Aug-26	4,047	4667	16359	$6,337,518	$1,566	693	2106	$480,959	$119	11.4%	7.1%
Sep-26	4,001	3833	10628	$3,081,762	$770	393	854	$188,627	$47	7.4%	5.8%
Average 2024	**2,591**	**2666**	**114965**	**$49,353,680**	**$1,585**	**580**	**29839**	**$17,548,324**	**$565**	**20.5%**	**26.3%**
Average 2025	**2,457**	**2629**	**115608**	**$52,934,117**	**$1,795**	**509**	**25057**	**$12,853,992**	**$438**	**17.8%**	**19.4%**
Average 2026	**3,391**	**2760**	**118516**	**$52,411,151**	**$1,746**	**490**	**22358**	**$5,580,272**	**$190**	**15.8%**	**9.5%**

Client Services/Eligibility/Enrollment Team

Client Service Contacts & Systems Training

Lenka Bystrianska has joined the client service team as Senior Director of HIF Operations. Please direct all service requests to Roger Watson and Lenka Bystrianska.

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.

2027 Fund Year Open Enrollment

- Open Enrollment for the 2027 Fund year will be held October 26th through November 6th
- All enrollment transactions should be completed by November 20th in WEX to ensure ID cards are delivered prior to the beginning of the new Fund year
- **Open Enrollment guides & related materials have been updated and circulated on October 9th. Sample materials are included with this report. Please contact the Office of Program Manager with any question regarding open enrollment for the 2027 Fund year.**

Previously Reported Information

Annual Notice of Credible Coverage (NOCC)

Express Scripts (ESI) has been provided with all information required for them to send the 2027 NOCC letters. CMS Annual Enrollment Period is October 15, 2026, through December 7, 2026.

A sample letter is included with this report that ESI will be sending to all members, ages 65 and older who enrolled in METRO pharmacy benefits. The highlighted sections will be completed by ESI and mailed beginning the week of September 21, 2026.

No Surprise Billing and Transparency Act

- Transition to State Arbitration - Effective January 1, 2026:
- 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.

TO ALL FUND COMMISSIONERS

January 2026 - Pursuant to N.J.A.C Title 11, Chapter 15, Subchapter 5, Conner Strong & Buckelew Companies, LLC, as a servicing organization of the **Metropolitan Health Insurance Fund ("the Fund")**, and its employees, officers and directors hereby provide notice that they have direct and indirect financial interests in PERMA, LLC, which is the Administrator for the Fund.

METROPOLITAN HEALTH INSURANCE FUND CONTACTS
Year: 2026

Executive Director Team: This team handles all the administrative and financial aspects of the Fund such as rates, state regulatory compliance, and Executive Committee and subcommittee meetings.

Role	Name	Email	Phone
Executive Director	Jim Rhodes	jrhodes@permainc.com	856-552-4920
Associate Executive Director	Emily Koval	emilyk@permainc.com	201-518-7028
Account Manager	Caitlin Perkins	cperkins@permainc.com	856-479-2192
Assistant Account Manager	Jordyn Robinson	jrobsinson@permainc.com	856-446-9287

Benefits Team: This team handles all the benefits of the Fund such as plan design, claim issues, cost containment strategies, and Third-Party communications.

Role	Name	Email	Phone
Public Entity & HIF Business Leader	Tammy Brown	tbrown@connerstrong.com	856-552-4694
HIF Business Leader	John Lajewski	jlajewski@connerstrong.com	856-552-4922
Consultant	Jacquelyn Maddren	jmaddren@connerstrong.com	856-552-4688
Senior Business Development Executive	Sean Critchley, Esq.	Scritchley@connerstrong.com	973-736-6511

Client Services Team: This team handles all the enrollment and billing aspects of the Fund such as sending monthly invoices, open enrollment, and adjustments throughout the year.

Role	Name	Email	Phone
Director of Client Services	Crystal Bailey	cbailey@connerstrong.com	856-552-4914
Director of Benefits Operations	Karen Kidd	kkidd@connerstrong.com	856-552-4644
Client Service Specialist	Roger Watson	rwatson@permainc.com	856-479-2210

TO ALL FUND COMMISSIONERS:

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METROPOLITAN HEALTH INSURANCE FUND
YEAR: 2026

Monthly Items	Filing Status
Budget	**Filed**
Assessments	**Filed**
Actuarial Certification	**Filed**
Reinsurance Policies	**Filed**
Fund Commissioners	**Filed**
Fund Officers	**Filed**
Renewal Resolutions	**Filed**
Indemnity and Trust	**Filed**
New Members	**Filed as New Members are approved**
Withdrawals	**Filed as Members Withdrawal**
Risk Management Plan and By Laws	**Filed**
Cash Management Plan	**Filed**
Unaudited Financials	**Filed**
Annual Audit	**2025 filed**
Budget Changes	**N/A**
Transfers	**N/A**
Additional Assessments	**N/A**
Professional Changes	**N/A**
Officer Changes	**N/A**
RMP Changes	**N/A**
Bylaw Amendments	**N/A**
Contracts	**Filed**
Benefit Changes	**N/A**

Contract	Professional	Contract	Insurance	Term
Administration	PERMA	Y- in progress	Y	1/1/2024 - 12/31/2027
Attorney	Antonelli Kantor Rivera	Y- in progress	Y	1/1/2024 - 12/31/2026*
Treasurer	Matt Laracy	Y- in progress	Y	1/1/2024 - 12/31/2026*
Deputy Treasurer	Derek Macchia	Y	Y	1/1/2024 - 12/31/2026*
Auditor	Bowman & Company	Y- in progress	Y	1/1/2025 - 12/31/2026*
Actuary	John Vataha	Y- in progress	Y	1/1/2024 - 12/31/2026*
Fund Coordinator	Eagle Rock	Y- in progress	Y	1/1/2024 - 12/31/2027
QPA	The Canning Group	Y	Y	3/19/2026-12/31/2026
TPA - Aetna	Aetna	Y	Y	1/1/2026 - 12/31/2026
Medicare Advantage	Aetna	Y	Y	1/1/2026 - 12/31/2026
				*2 additional one-year terms - 2027 & 2028

Groups that have Joined:		
Prospective Client	**Effective Date**	**Note(s)**
Dumont Borough	1.1.2027	Joining Metro HIF 1.1.2027
East Rutherford Board of Education	1.1.2027	Joining Metro HIF 1.1.2027
Lyndhurst Board of Education	1.1.2027	Joining Metro HIF 1.1.2027
Mahwah Board of Education	1.1.2027	Joining Metro HIF 1.1.2027
Pequannock Board of Education	1.1.2027	Joining Metro HIF 1.1.2027
Florham Park Township	1.1.2027	Joining Metro HIF 1.1.2027
Fort Lee BOE Medicare Advantage	1.1.2027	Joining Metro HIF MA Pool 1.1.2027
EOBOE Medicare Advantage Surviving Spouses	1.1.2027	Joining Metro HIF MA Pool 1.1.2027
Belleville Library Medicare Advantage	1.1.2027	Joining Metro HIF MA Pool 1.1.2027
Belleville TWP Medicare Advantage	1.1.2027	Joining Metro HIF MA Pool 1.1.2027
Fort Lee Borough Medicare Advantage	1.1.2027	Joining Metro HIF MA Pool 1.1.2027

Finalist Presentation:		
Prospective Client	**Effective Date**	**Note(s)**
1 Essex County Medicare Advantage City	2.1.2027	Presenting to Unions/Proposals Issued
1 Essex County Township	2.1.2027	Final Proposal being drafted
1 Passaic County Board of Education	2.1.2027	Presenting to Unions/Proposals Issued
1 Monmouth County Board of Education	2.1.2027	Presenting to Unions/Proposals Issued
1 Middlesex County Board of Education	3.1.2027	Proposal given to broker

Currently Being Evaluated:		
Prospective Client	**Agency**	**Note(s)**
Medicare Only (MAPD) Clients	5 Entities	Various stages of underwriting/evaluation
Board of Educations	1 Entity	
Misc.	3 Entities	
Dental	2 Entities	

Metro HIF Contacts:		
Name	**Email**	**Phone**
Joseph DiVincenzo - President	joed@eaglerockmg.com	856-420-2989 x4685
Thomas Kelly - Account Manager	tom@eaglerockmg.com	856-420-2989 x3938
Diane Romano - Senior Account Manager	dianer@eaglerockmg.com	856-420-2989 x3633
Nayely Sandoval - Account Manager	nayely@eaglerockmg.com	856-955-1353 x96884

The Metro HIF continues to experience measured and strategic growth across both its traditional and Medicare Advantage programs. As a reminder, six Medicare Advantage entities are scheduled to join the Fund's Medicare Pool effective November 1, 2026, with an additional group of organizations set to go live on January 1, 2027. Several prospective opportunities have also advanced to finalist presentations and proposal stages, reflecting continued interest from municipalities, boards of education, and Medicare-focused entities. Eagle Rock Management Group and PERMA remain committed to a disciplined underwriting process that supports sustainable growth while protecting the long-term financial strength and stability of the Fund for all members.

METROPOLITAN HEALTH INSURANCE FUND
BILLS LIST

OCTOBER 2026

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 2025

VendorName	Comment	InvoiceAmount
PERMA	PROGRAM MANAGER FEES 12/25	44,227.26
PERMA	PROGRAM MANAGER FEES 11/25	42,957.86
PERMA	ADMIN FEES 11/25	35,147.34
PERMA	ADMIN FEES 12/25	36,185.94
		158,518.40
MUNICIPAL REINSURANCE H.I.F.	SPECIFIC REINSURANCE 12/25	221,336.66
MUNICIPAL REINSURANCE H.I.F.	SPECIFIC REINSURANCE 10/25	208,621.21
MUNICIPAL REINSURANCE H.I.F.	SPECIFIC REINSURANCE 11/25	211,252.00
		641,209.87
	Total Payments FY 2025	**799,728.27**

FUND YEAR 2026

VendorName	Comment	InvoiceAmount
HQSI, INC.	INV 260930-MRHIF-2 FOR 09/2026	500.00
		500.00
PERMA	PROGRAM MANAGER 10/26	65,787.92
PERMA	ADMIN FEES 10/26	53,826.48
PERMA	POSTAGE 09/26	142.49
		119,756.89
THE CANNING GROUP LLC	QPA SERVICES INV 2026-10 10/26	375.00
		375.00
SOUTHERN NEW JERSEY EBF	REIMBURSE OSC REVIEW 07/26-09/26	264.50
		264.50
CAMERON E. COX	Q3 2026 MEETING ATTENDANCE 10/26	150.00
		150.00
MARGARET HEISEY	Q3 2026 MEETING ATTENDANCE 10/26	150.00
		150.00
TOWNSHIP OF MILLBURN	Q3 2026 MEETING ATTENDANCE 10/26	150.00
		150.00

TOWNSHIP OF MAPLEWOOD	Q3 2026 MEETING ATTENDANCE 10/26	150.00
		150.00
USA TODAY MEDIA CORP.	A# 1488194 ORDER# 12159254 09/2026	47.60
		47.60
ANTONELLI KANTOR RIVERA	LEGAL FEES INV 25203 08/26	9,135.00
		9,135.00
ACRISURE EAST INSURANCE SERVICES, LLC	BROKER FEES 10/26	143,151.83
		143,151.83
BROWN & BROWN METRO, LLC	BROKER FEES 10/26	58,093.60
		58,093.60
MUNICIPAL REINSURANCE H.I.F.	SPECIFIC REINSURANCE 10/26	444,351.43
		444,351.43
	TOTAL CHECKS 2026	**776,275.85**
AETNA HEALTH MANAGEMENT, LLC	MEDICARE ADVANTAGE 10/26	2,749,255.04
		2,749,255.04
UNITED HEALTHCARE INS COMPANY	MEDICARE ADVANTAGE 10/26	112,688.61
		112,688.61
DELTA DENTAL INSURANCE COMPANY	DENTAL- BE007235985 F1-7871900000 10/26	5,927.19
		5,927.19
FAIRVIEW INSURANCE AGENCY ASSOCIATES	BROKER FEES 10/26	122,124.90
		122,124.90
EAGLE ROCK MANAGEMENT GROUP, LLC	FUND COORDINATOR 10/26	119,655.00
		119,655.00
DELTA DENTAL OF NEW JERSEY INC.	DENTAL TPA FEES 10/26	5,040.06
		5,040.06
AETNA	MEDICAL TPA FEES 10/26	133,529.90
		133,529.90
INSURANCE SOLUTIONS, INC	BROKER FEES 10/26	746.64
		746.64
POINT ACCOUNTING GROUP	TREASURER FEE 10/26	2,500.00
		2,500.00
MACCHIA FINANCIAL LLC	DEPUTY TREASURER 10/26	625.00
		625.00
COSMO A. CIRILLO	Q3 2026 MEETING ATTENDANCE 10/26	150.00
		150.00
	TOTAL ACH/WIRES 2026	**3,252,242.34**
	Total Payments FY 2026	**4,028,518.19**
	TOTAL PAYMENTS ALL FUND YEAR	**4,828,246.46**

_____

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: 2026 Month Ending: August	Medical	Dental	Rx	Vision	Run-In	Reinsurance	RSR	Admin	Dividend Reserve	BMED Interfund	TOTAL
OPEN BALANCE	1,495,662.11	60,094.46	(1,783,928.82)	0.00	0.00	1,013,577.73	1,641,763.28	790,626.76	0.00	0.00	3,217,795.52
RECEIPTS											
Assessments	16,064,341.69	140,403.30	883,992.59	0.00	0.00	596,381.22	162,750.59	1,058,036.47	0.00	0.00	18,905,905.86
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	12,522.69	53.47	2.56	0.00	0.00	949.97	1,460.84	843.46	0.00	0.00	15,832.99
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	12,522.69	53.47	2.56	0.00	0.00	949.97	1,460.84	843.46	0.00	0.00	15,832.99
Other *	287,383.38	0.00	238,853.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	526,236.62
TOTAL	16,364,247.76	140,456.77	1,122,848.39	0.00	0.00	597,331.19	164,211.43	1,058,879.93	0.00	0.00	19,447,975.47
EXPENSES											
Claims Transfers	10,055,666.85	138,763.57	1,296,081.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,490,512.19
Expenses	1,906,065.80	5,927.19	0.00	0.00	0.00	769,207.28	0.00	958,798.86	0.00	0.00	3,639,999.13
Other *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	11,961,732.65	144,690.76	1,296,081.77	0.00	0.00	769,207.28	0.00	958,798.86	0.00	0.00	15,130,511.32
END BALANCE	**5,898,177.22**	**55,860.47**	**(1,957,162.20)**	**0.00**	**0.00**	**841,701.64**	**1,805,974.71**	**890,707.83**	**0.00**	**0.00**	**7,535,259.67**

CERTIFICATION AND RECONCILIATION OF CLAIMS PAYMENTS AND RECOVERIES

Metro Employee Benefits Fund

Month	**August**
Current Fund Year	**2026**

Policy Year	Coverage	1. Calc. Net Paid Thru Last Month	2. Monthly Net Paid August	3. Monthly Recoveries August	4. Calc. Net Paid Thru August	5. TPA Net Paid Thru August	6. Variance To Be Reconciled	7. Delinquent Unreconciled Variance From	8. Change This Month
2026	Medical	38,875,588.91	9,658,175.63	0.00	48,533,764.54	0.00	48,533,764.54	38,875,588.91	9,658,175.63
	Dental	704,122.91	138,068.72	0.00	842,191.63	0.00	842,191.63	704,122.91	138,068.72
	Rx	6,145,101.20	1,296,081.77	0.00	7,441,182.97	0.00	7,441,182.97	6,145,101.20	1,296,081.77
	Vision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	**45,724,813.02**	**11,092,326.12**	**0.00**	**56,817,139.14**	**0.00**	**56,817,139.14**	**45,724,813.02**	**11,092,326.12**

SUMMARY OF CASH AND INVESTMENT INSTRUMENTS			
Metro Employee Benefits Fund			
ALL FUND YEARS COMBINED			
CURRENT MONTH	**August**		
CURRENT FUND YEAR	**2026**		
		Description:	**CHECKING**
		ID Number:	
		Maturity (Yrs)	
		Purchase Yield:	
		TOTAL for All Accts & instruments	
Opening Cash & Investment Balance		**$3,217,795.09**	**3217795.09**
Opening Interest Accrual Balance		**$0.00**	**0**
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	$15,832.99	$15,832.99
6	Interest Paid - Term Instr.s	$0.00	$0.00
7	Realized Gain (Loss)	$0.00	$0.00
8	Net Investment Income	$15,832.99	$15,832.99
9	Deposits - Purchases	$19,432,142.48	$19,432,142.48
10	(Withdrawals - Sales)	-$15,130,511.32	-$15,130,511.32
Ending Cash & Investment Balance		$7,535,259.24	$7,535,259.24
Ending Interest Accrual Balance		$0.00	$0.00
Plus Outstanding Checks		$2,633,970.71	$2,633,970.71
(Less Deposits in Transit)		$0.00	$0.00
Balance per Bank		$10,169,229.95	**$10,169,229.95**



METRO CLAIMS

Monthly Claim Activity Report

October 29, 2026



METRO

	MEDICAL CLAIMS PAID 2025	# OF EES	PER EE	MEDICAL CLAIMS PAID 2026	# OF EES	PER EE
JANUARY	$4,688,076	2,369	**$ 1,979**	$5,210,796	2,855	**$1,825**
FEBRUARY	$4,919,355	2,436	**$ 2,019**	$5,980,013	2,853	**$2,096**
MARCH	$5,699,838	2,426	**$ 2,349**	$7,521,066	2,997	**$2,510**
APRIL	$7,407,692	2,431	**$ 3,047**	$6,907,985	3,262	**$2,118**
MAY	$7,222,409	2,434	**$ 2,967**	$6,133,399	3,261	**$1,881**
JUNE	$6,588,676	2,433	**$ 2,708**	$8,436,266	3,270	**$2,580**
JULY	$4,979,246	2,440	**$ 2,041**	$7,472,522	4,128	**$1,810**
AUGUST	$6,844,995	2,438	**$ 2,808**	$10,055,667	4,130	**$2,435**
SEPTEMBER	$6,588,652	2,405	**$ 2,740**			
OCTOBER	$5,868,857	2,451	**$ 2,394**			
NOVEMBER	$5,395,907	2,471	**$ 2,184**			
DECEMBER	$6,381,769	2,469	**$ 2,585**			
TOTALS	**$72,585,471**			**$57,717,714**		
				2026 Average	**3,345**	**$ 2,157**
				2025 Average	**2,434**	**$ 2,485**

Large Claimant Report (Drilldown) - Claims Over $100000

Plan Sponsor Unique ID : All
Customer: METROPOLITAN HEALTH INSURANCE FUND
Group / Control: 00232370,00232371

Paid Dates: 08/01/2026 - 08/31/2026
Service Dates: 01/01/2011 - 08/31/2026
Line of Business: All

Paid Amt	Diagnosis/Treatment
$246,969.32	ATHEROSCLEROTIC HEART DISEASE OF NATIVE
$229,516.30	DISPLACED TRIMALLEOLAR FRACTURE OF RIGHT LOWER
$158,717.03	ATHEROSCLEROTIC HEART DISEASE OF NATIVE
$139,757.35	INFECTION FOLLOWING A PROCEDURE, SUPERFICIAL
$127,505.06	MALIGNANT NEOPLASM OF LOWER-OUTER QUADRANT
$127,492.84	THYROTOXICOSIS WITH DIFFUSE GOITER WITHOUT
$123,605.97	SPONDYLOSIS WITHOUT MYELOPATHY OR
$117,818.21	TYPE 2 DIABETES MELLITUS WITH FOOT ULCER
$103,862.87	INFECTION AND INFLAMMATORY REACTION
$101,879.42	LACERATION OF ABDOMINAL WALL WITH FOREIGN BODY
$1,477,124.37	

Total:

aetna™

Metropolitan Health Insurance Fund
9/1/25 through 8/31/26 (Unless otherwise noted)

Dashboard

Medical Claims Paid
Average Per Employee Per Month (PEPM)
January 2026 – August 2026

Total Medical Paid per Employee: **$2,157**

Network Discounts

Inpatient:	**66.9%**
Ambulatory:	**67.8%**
Physician/Other:	**64.5%**
TOTAL:	**66.1%**

Provider Network

% Admissions In-Network: **95.6%**
% Physician Office: **91.2%**

Aetna Book of Business:
Admissions 97.6%; Physician 91.8%

Top Facilities Utilized
(by total Medical Spend)

- Hackensack University Medical Center
- JFK University Medical Center
- Cooperman Barnabas Medical Center
- Morristown Medical Center
- Overlook Medical Center

Catastrophic Claim Impact
(January 2026 - August 2026)

Number of Claims Over $50,000: **184**
Claimants per 1000 members: **23.8**
Avg. Paid per Claimant: **$129,443**
Percent of Total Paid: **41.9%**

- **Aetna BOB- HCC account for an average of 47.2% of total Medical Cost**

Aetna One Flex Care Mgmt
Member Outreach:

Total Members Identified: **2,020**
Members Targeted for 1:1 Nurse Support : **365**
Members identified for Digital Activity: **1,655**
Members receiving Aetna Advice: **3,747**
Average Aetna Advice outreaches per member: **2.2**

CVS Health. CVS Virtual Care

Completed Visits this month : **17**
Unique Patients this month: **17**
Completed Visits in 2026 : **154**
Unique Patients in 2026: **108**

BoB Average First Available 24/7 Care: **32** Minutes
BoB Average First Available MH : **5** Days

Service Center Performance Goal Metrics YTD 2026

Customer Service Performance

1st Call Resolution:	**93.47%**
Abandonment Rate:	**0.19%**
Avg. Speed of Answer:	**4.7 sec**

Claims Performance

Financial Accuracy: **98.67%**

90% processed w/in: **7.4 days**
95% processed w/in: **16.3 days**

****

Claims Performance (Monthly)
(August 2026)

90% processed w/in: **6.0 days**
95% processed w/in: **12.7 days**
(Note: This is not a PG metric)

****

Performance Goals

1st 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®

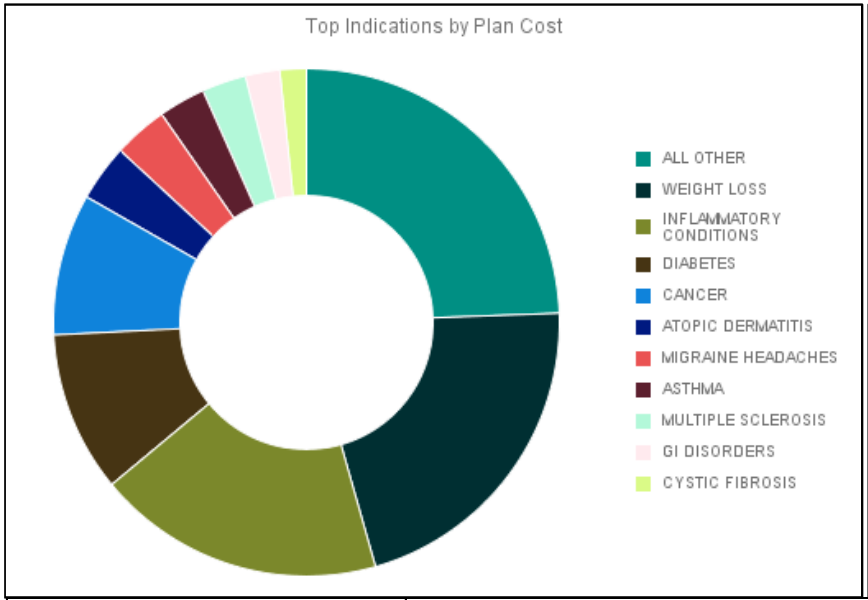
Metropolitan Health Insurance Fund

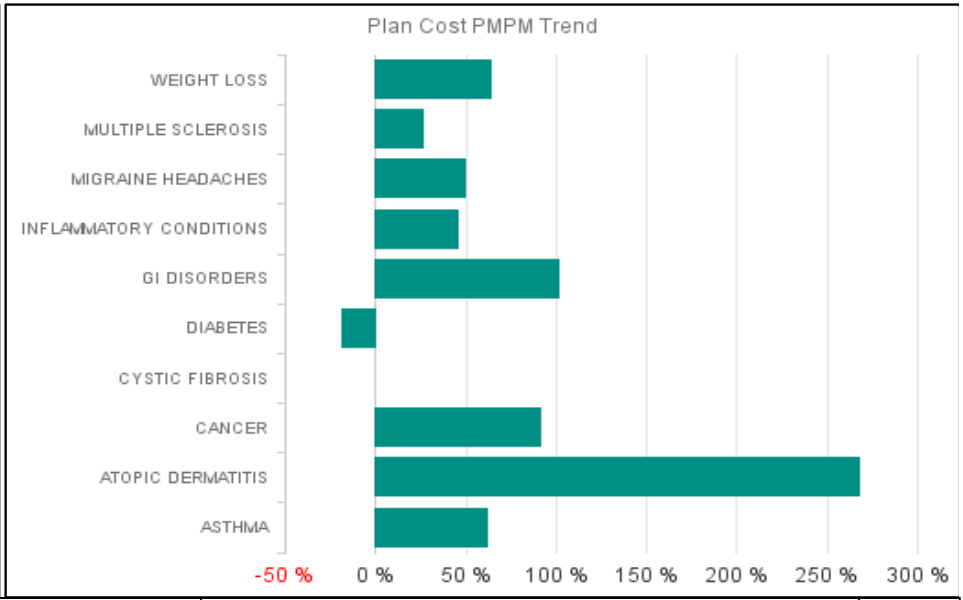
Total Component/Date of Service (Month)	2025 01	2025 02	2025 03	2025 Q1	2025 04	2025 05	2025 06	2025 Q2	2025 07	2025 08	2025 09	2025 Q3	2025 10	2025 11	2025 12	2025 Q4	2025 YTD
Membership	1,583	1,745	1,738	1,689	1,736	1,735	1,736	1,736	1,736	1,739	1,737	1,737	1,730	1,734	1,735	1,733	1,724
Total Days	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	56,002	64,893	179,779	738,841
Total Patients	550	598	602	927	596	543	555	895	540	544	557	866	568	549	654	944	1,306
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	$345,729	$458,151	$1,247,658	4,513,240
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%	81.7%	82.9%	81.0%	82.9%
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	$199.38	$264.06	$239.98	218.20
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	$134,209	$198,117	$537,961	$1,728,492
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%	38.8%	43.2%	43.1%	38.3%

Total Component/Date of Service (Month)	2026 01	2026 02	2026 03	2026 Q1	2026 04	2026 05	2026 06	2026 Q2	2026 07	2026 08	2026 09	2026 Q3	2026 10	2026 11	2026 12	2026 Q4	2026 YTD
Membership	2,599	2,586	2,983	2,723	3,595	3,595	3,607	3,599	3,609	3,602	3,591	3,601					
Total Days	101,223	74,686	119,187	312,599	135,810	135,273	145,181	416,410	139,463	139,614	150,050	429,157					
Total Patients	946	772	1,094	1,583	1,327	1,318	1,326	2,021	1,369	1,367	1,421	2,084					
Total Plan Cost	$641,831	$381,450	$877,030	$2,112,240	$1,006,048	$1,106,818	$937,765	$3,051,291	$1,210,692	$1,005,861	$993,276	$3,208,332					
Generic Fill Rate (GFR) - Total	84.5%	84.6%	83.7%	83.9%	83.8%	83.1%	83.5%	83.5%	83.0%	82.3%	80.9%	82.1%					
Plan Cost PMPM	$246.95	$147.51	$294.01	$258.60	$279.85	$307.88	$259.98	$282.61	$335.46	$279.25	$276.60	$297.01					
% Change Plan Cost PMPM	8.5%	-2.3%	27.7%	27.9%	31.5%	58.3%	8.9%	31.2%	40.3%	31.5%	43.1%	38.2%					
Total Specialty Plan Cost	$290,703	$91,160	$381,572	$870,722	$436,767	$496,517	$328,310	$1,261,594	$550,905	$318,007	$348,977	$1,217,889					
Specialty % of Total Specialty Plan Cost	45.3%	23.9%	43.5%	41.2%	43.4%	44.9%	35.0%	41.3%	45.5%	31.6%	35.1%	38.0%					

Top Indications

Metropolitan Health Insurance (Current Period 01/2026 - 09/2026 vs. Previous Period 01/2025 - 09/2025) Peer = Government - National Preferred Formulary





			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	3	WEIGHT LOSS	28.0 %	1,692	$1,817,033	$61.04	2.0 %	3.2 %	25.2 %	534	$578,286	$37.34	1.3 %	4.9 %	63.5 %
2	2	INFLAMMATORY CONDITIONS	24.3 %	484	$1,576,708	$52.97	40.9 %	30.1 %	24.6 %	233	$565,156	$36.50	55.4 %	32.1 %	45.1 %
3	1	DIABETES	13.5 %	2,837	$878,311	$29.51	37.9 %	27.9 %	24.5 %	1,684	$563,585	$36.40	32.5 %	26.1 %	-18.9 %
4	4	CANCER	11.9 %	224	$773,522	$25.99	87.1 %	77.9 %	9.2 %	58	$211,115	$13.63	82.8 %	77.4 %	90.6 %
5	5	ATOPIC DERMATITIS	4.8 %	552	$309,255	$10.39	75.2 %	79.5 %	1.9 %	268	$43,824	$2.83	93.3 %	83.0 %	267.1 %
6	6	MIGRAINE HEADACHES	4.6 %	386	$297,296	$9.99	31.6 %	51.2 %	4.5 %	146	$103,657	$6.69	36.3 %	54.2 %	49.2 %
7	7	ASTHMA	4.0 %	1,332	$256,635	$8.62	85.5 %	89.7 %	3.6 %	722	$82,391	$5.32	85.9 %	89.3 %	62.0 %
8	9	MULTIPLE SCLEROSIS	3.7 %	41	$242,092	$8.13	29.3 %	40.0 %	4.3 %	16	$99,534	$6.43	56.3 %	44.0 %	26.5 %
9	8	GI DISORDERS	2.9 %	338	$188,561	$6.33	54.7 %	58.1 %	2.1 %	128	$48,670	$3.14	51.6 %	58.1 %	101.5 %
10	10	CYSTIC FIBROSIS	2.2 %	5	$145,478	$4.89	0.0 %	6.2 %	NA		NA	NA	NA	5.8 %	NA
		Total Top 10		**7,891**	**$6,484,892**	**$217.86**	**42.8 %**	**43.5 %**		**3,789**	**$2,296,219**	**$148.29**	**45.6 %**	**44.6 %**	**46.9 %**

Top Drugs

Metropolitan Health Insurance (Current Period 01/2026 - 09/2026 vs. Previous Period 01/2025 - 09/2025) 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	3	ZEPBOUND	WEIGHT LOSS	N	1,192	170	$1,224,662	$41.14	332	51	$337,149	$21.77	89.0 %
2	9	WEGOVY	WEIGHT LOSS	N	459	77	$584,879	$19.65	191	33	$239,985	$15.50	26.8 %
3	1	MOUNJARO	DIABETES	N	293	43	$308,493	$10.36	146	22	$147,525	$9.53	8.8 %
4	133	VORANIGO	CANCER	Y	7	1	$289,087	$9.71	NA	NA	NA	NA	NA
5	7	SKYRIZI PEN	INFLAMMATORY CONDITIONS	Y	37	5	$254,238	$8.54	16	2	$115,069	$7.43	14.9 %
6	5	OZEMPIC	DIABETES	N	257	40	$248,035	$8.33	133	19	$119,876	$7.74	7.6 %
7	14	RINVOQ	INFLAMMATORY CONDITIONS	Y	37	6	$232,610	$7.81	2	1	$17,831	$1.15	578.6 %
8	19	SKYRIZI ON-BODY	INFLAMMATORY CONDITIONS	Y	18	2	$194,322	$6.53	10	1	$105,245	$6.80	-4.0 %
9	167	SCEMBLIX	CANCER	Y	9	1	$188,044	$6.32	10	1	$210,786	$13.61	-53.6 %
10	16	ENBREL SURECLICK	INFLAMMATORY CONDITIONS	Y	23	3	$176,897	$5.94	7	1	$47,477	$3.07	93.8 %
11	8	DUPIXENT PEN	ATOPIC DERMATITIS	N	54	10	$158,236	$5.32	NA	NA	NA	NA	NA
12	37	TRIKAFTA	CYSTIC FIBROSIS	Y	5	1	$145,478	$4.89	NA	NA	NA	NA	NA
13	45	TREMFYA PEN	INFLAMMATORY CONDITIONS	Y	10	3	$144,561	$4.86	NA	NA	NA	NA	NA
14	184	VUMERITY	MULTIPLE SCLEROSIS	Y	15	2	$117,049	$3.93	7	1	$64,804	$4.18	-6.0 %
15	105	ENBREL	INFLAMMATORY CONDITIONS	Y	15	2	$111,063	$3.73	NA	NA	NA	NA	NA
16	48	KISQALI	CANCER	Y	9	1	$110,801	$3.72	NA	NA	NA	NA	NA
17	80	TEZSPIRE	ASTHMA	Y	25	3	$108,345	$3.64	NA	NA	NA	NA	NA
18	27	NURTEC ODT	MIGRAINE HEADACHES	N	63	19	$95,288	$3.20	25	7	$38,957	$2.52	27.2 %
19	31	OTEZLA	INFLAMMATORY CONDITIONS	Y	19	3	$89,813	$3.02	NA	NA	NA	NA	NA
20	50	LENALIDOMIDE	CANCER	Y	6	1	$89,703	$3.01	NA	NA	NA	NA	NA
21	25	JARDIANCE	DIABETES	N	246	33	$77,323	$2.60	144	19	$82,697	$5.34	-51.4 %
22	34	KESIMPTA PEN	MULTIPLE SCLEROSIS	Y	7	1	$70,672	$2.37	NA	NA	NA	NA	NA
23	47	QULIPTA	MIGRAINE HEADACHES	N	56	8	$62,821	$2.11	29	5	$30,761	$1.99	6.2 %
24	54	UBRELVY	MIGRAINE HEADACHES	N	52	14	$61,392	$2.06	12	5	$12,217	$0.79	161.4 %
25	62	TREMFYA PEN INDUCTION (2	INFLAMMATORY CONDITIONS	Y	3	1	$61,390	$2.06	NA	NA	NA	NA	NA
				Total Top 25	**2,917**		**$5,205,202**	**$174.86**	**1,064**		**$1,570,377**	**$101.41**	**72.4 %**

METROPOLITAN HEALTH INSURANCE FUND
CONSENT AGENDA
OCTOBER 29, 2026

The following Resolutions listed on the Consent Agenda will be enacted in one motion. Copies of all Resolutions are available to any person upon request. Any Commissioner wishing to remove any Resolution(s) to be voted upon, may do so at this time, and said Resolution(s) will be moved and voted separately.

Resolutions **Subject Matter**

Resolution 34-26: New Member Approval.....**Page 35**
Resolution 35-26: October 2026 Bills List .....**Page 36**

RESOLUTION NO. 34-26

METROPOLITAN HEALTH INSURANCE FUND
RESOLUTION TO OFFER MEMBERSHIP

WHEREAS, the Metropolitan Health Insurance Fund held a Public Meeting on October 29, 2026 for the purposes of conducting the official business of the Fund; and

WHEREAS, the Executive Director of the Fund has reviewed the risk, underwriting details, and actuarial projections for Borough of Glen Ridge, Borough of Clementon, Hoboken Housing Authority, Municipality of Princeton, Woodbridge Fire District #2 and Woodbridge Fire District #7 and recommend an offer of membership; and

WHEREAS, the Executive Committee has reviewed the following new member submissions and has approved membership to the following entities that will submit a fully executed Indemnity and Trust agreement to join the Fund:

1. **Borough of Glen Ridge 11/1/2026 – Aetna Medicare Advantage with Prescription**
2. **Borough of Clementon 11/1/2026 - Aetna Medicare Advantage with Prescription**
3. **Hoboken Housing Authority 11/1/2026 - Aetna Medicare Advantage with Prescription**
4. **Municipality of Princeton 11/1/2026 - Aetna Medicare Advantage with Prescription**
5. **Woodbridge Fire District #7 11/1/2026 - Aetna Medicare Advantage with Prescription**
6. **Woodbridge Fire District #2 11/1/2026 - Aetna Medicare Advantage with Prescription**

BE IT RESOLVED, it has been determined that the admission to membership in the Fund of the above mentioned entities would be in the best interests of the Fund and the inclusion of the entity in the Fund is consistent with the Fund's By-laws;

BE IT RESOLVED, that the Metropolitan Health Insurance Fund hereby offers membership to the above mentioned entities for Retiree Medicare Advantage with Prescription coverage contingent upon receipt of the Fund's authorizing resolution to join the Fund and its executed Indemnity and Trust agreement.

ADOPTED: OCTOBER 29, 2026

BY:_____
CHAIRPERSON

ATTEST:

_____
SECRETARY

RESOLUTION NO. 35-26

METROPOLITAN HEALTH INSURANCE FUND
APPROVAL OF THE OCTOBER 2026 BILLS LIST

WHEREAS, the **Metropolitan Health Insurance Fund** held a Public Meeting on **October 29, 2026** 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 October 2026 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 approves the Bills List for October 2026 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: OCTOBER 29, 2026

BY:_____
CHAIRPERSON

ATTEST:

_____
SECRETARY

APPENDIX I

METROPOLITAN HEALTH INSURANCE FUND

MINUTES OF THE OPEN PUBLIC MEETING

September 24, 2026 | 12:00 P.M. | Zoom Virtual Meeting

CALL TO ORDER AND OPEN PUBLIC MEETINGS ACT NOTICE

The regular meeting of the Executive Committee of the Metropolitan Health Insurance Fund was called to order at approximately 12:05 P.M. via Zoom videoconference. Chairwoman Jenny Mundell was unable to attend, and with a quorum present, Secretary Patrick Wherry agreed to serve as Acting Chair and presided over the meeting.

Jordyn Robinson, Assistant Secretary, read the Open Public Meetings Act notice into the record.

PLEDGE OF ALLEGIANCE

Acting Chair Wherry led the Pledge of Allegiance.

ROLL CALL OF 2026 EXECUTIVE COMMITTEE

A roll call of the 2026 Executive Committee was conducted. Five of seven members were present, constituting a quorum.

Fund Commissioner	Entity	Status
Jenny Mundell, Chairwoman	Bloomfield Public Library	Absent
Patrick Wherry, Secretary	Maplewood Township	Present (Acting Chair)
Cameron Cox, Executive Committee Member	Plainfield Public Schools	Present
Nikole Baltycki, Executive Committee Member	West Caldwell Township	Absent
Margaret Heisey, Executive Committee Member	Scotch Plains Township	Present
Alexander McDonald, Executive Committee Member	Millburn Township	Present
Cosmo Cirillo, Executive Committee Member	Township of Guttenberg	Present

APPOINTED OFFICIALS AND PROFESSIONALS PRESENT

Role	Firm / Organization	Representative(s)
Executive Director / Administrator	PERMA Risk Management Services	Emily Koval; Caitlin Perkins; Jordyn Robinson
Benefits Consultant / Program Manager	Conner Strong & Buckelew	John Lajewski; Tammy Brown
Fund Coordinator	Eagle Rock Management Group	Thomas Kelly; Nayely Sandoval
Fund Attorney	Antonelli Kantor Rivera PC	Asia Hartgrove

Role	Firm / Organization	Representative(s)
Fund Treasurer	Point Accounting Group / Laracy Associates	Matthew Laracy
Third Party Administrator	Aetna	Jason Silverstein
Prescription Provider	Express Scripts (ESI)	Hiteksha Patel; Tom Jaeger; Ajanaa J
Dental Administrator	Delta Dental of New Jersey, Inc.	Crista O'Donnell

Others Present: Julie Servidio; Katherine Polanco; Chris Marion; Thomas Tafuri; Michelle Villa; Alysa Sauchelli; Carrie Specht; Rami Pritchett; Jess Rapp; Tom Giordano; Gary Jeffas; Noelle Milne; and one unidentified telephone participant.

APPROVAL OF MINUTES

Acting Chair Wherry asked whether all Commissioners had reviewed the minutes of the July 16, 2026 Open Public Meeting and whether there were any questions. There were none. Commissioner Cox, who was absent from the July 16 meeting, noted that he would vote for purposes of procedure.

MOTION: To approve the Minutes of the Open Public Meeting of July 16, 2026.
Moved: Commissioner Cox **Second:** Commissioner Cirillo
Roll Call Vote: Commissioner Cirillo – Yes; Commissioner McDonald – Abstain; Commissioner Heisey – Yes; Commissioner Cox – Yes; Commissioner Wherry – Yes
Vote: 4 Ayes, 0 Nays, 1 Abstention (Commissioner McDonald)

CORRESPONDENCE

There was no correspondence.

MONTHLY COMMITTEE REPORTS

Finance/Contracts Committee – Commissioner Cox, Chair

Commissioner Cox reported that the Finance/Contracts Committee has met several times since the last meeting. The Committee reviewed the preliminary 2027 budget, which reflects an overall increase of roughly 5%, and recommended that it be introduced by the full Executive Committee. The Committee also recommended awarding the Medical TPA contract to Aetna for a three-year term, based on the proposals received and Aetna's cost and sustainability for the Fund. Finally, the Committee discussed potential additional savings through reference-based pricing, which Commissioner Cox initially described as applying to Medicare Advantage.

Emily Koval, Associate Executive Director, clarified that reference-based pricing would apply to active employees and pre-65 retirees, not Medicare Advantage, and that the Committee recommends it be considered in the 2027 budget year for a possible July 1 implementation, should a contract and option be awarded and deemed appropriate for the Fund. Commissioner Cox acknowledged the correction. There were no questions.

Wellness Committee – Commissioner Wherry, Chair

Commissioner Wherry reported that the Committee has not met and currently has only two members, himself and Commissioner Heisey. A request had been sent to all Commissioners seeking a third member, and Mr. Kelly of Eagle Rock reported that no interest had been received. Commissioner Wherry asked any Commissioner interested in serving to contact Mr. Kelly, and stated that otherwise he would reach out to Commissioners directly. It was noted that subcommittee members need not be Executive Committee members; any Fund Commissioner may serve.

Operations/Nomination Committee – Commissioner Heisey, Chair

Commissioner Heisey reported that the Committee has not met and had nothing to report.

Finance Report

Ms. Koval reported that, because no meeting was held in August, three Financial Fast Track reports (May, June and July 2026) were included in the packet. Because the reports are cumulative, the presentation focused on July 31, 2026. All three months showed surplus earnings: May was over $1 million, and July was nearly $500,000. The year-to-date change to the Fund's statutory surplus position is a little over $9 million.

By fund year, the 2024 fund year shows a deficit of approximately $730,000, part of which was addressed through the supplemental assessment, and the 2025 fund year shows a deficit of approximately $4.2 million as of July 31, 2026. The 2026 fund year shows a surplus of a little over $6 million, which would offset both prior-year deficits and leave the Fund with a statutory surplus of a little over $1 million. The Fund continues to strive for a reserve of two to two and a half months of claims, an unwritten target. The State continues to review the Fund's prior-year deficits, particularly 2025, and some Executive Committee members participated in meetings with the State on that subject. There were no questions on the finance report.

Administration Report – 2027 Budget Presentation

Ms. Koval presented the proposed 2027 budget, which the Finance Committee reviewed and recommends for introduction as presented. The proposed budget totals $184,153,769, an increase of 4.97% over the 2026 annualized budget. Highlights of the presentation follow.

Claims projections. The Fund Actuary projected medical, prescription and dental claims by weighting the Fund's two most recent years of incurred and paid data against industry trends. Of three trending methods offered (year over year, rolling 12 months, and first half versus second half of the prior year), the Finance Committee selected the rolling 12-month method as the highest and most conservative. Resulting changes are: medical claims, a decrease of 2.06%; prescription claims, an increase of 18.52% (still elevated due to GLP-1, cancer and gene therapy drugs, but well below the prior year's trend); and dental claims, a decrease of approximately 6.5%. The rebate line was reduced so that the budget depends less on prescription rebates, which have been inconsistent, with any rebates received adding to surplus.

Reinsurance and Medicare Advantage. The Municipal Reinsurance Health Insurance Fund (MRHIF) introduced its 2027 budget with an increase of approximately 22%. Because of experience rating with a five-year look-back (including the period when the Fund was incubated in the BMED Fund), the Fund's specific reinsurance premium is increasing 20.5%, which compares favorably with stop-loss increases of 30% to 40% industry-wide. The Fund's self-insured retention at the MRHIF will increase from $425,000 to $475,000, which partially offsets the premium. The Medicare Advantage budget increases 6.42%, a return to trend after two years of increases of 20% to 30% driven by the Inflation Reduction Act. The Fund has one member in a UnitedHealthcare Medicare Advantage plan at a higher rate; that member may change plan design, and the change would not affect the overall budget because the program is fully insured and pass-through.

Contingencies. The budget includes two contingencies recommended by the Finance Committee. The Surplus Retention Regeneration line is increased from $1.5 million to $3 million, specific to fund year 2027, and the regulations permit up to 2.5% of the budget. A Trust Account Contingency of $3.5 million is also included, which may be used only for prior-year deficits and may be carried forward in the budget until it reaches a maximum of $10 million. If unused at the end of 2027, the Executive Committee may elect to apply it to prior-year deficits. All members in the 2027 budget will be rated inclusive of this contingency; however, because some members were not in the Fund in 2025, the 2025 deficit will be allocated only to those members that shared in it. Amounts contributed by members that were not in the Fund in 2025 would be held on the Fund's books to their credit and earn interest, or could be returned as a dividend if the Executive Committee deems appropriate. The 2025 fund year closed with a deficit of approximately $7.2 million.

Expenses. Total expenses increase 2.53%, primarily reflecting professional fees per RFP responses. The wellness budget is increased to $300,000 in support of re-forming the Wellness Committee. Brokers and risk managers wishing to review their per-employee-per-month compensation were asked to contact the Executive Director's office before rates are issued at adoption.

Experience and trends. Actual Fund experience was lower than the 9% medical and 9% prescription trends from which the Actuary began. Ms. Koval credited the Committee's August 2025 out-of-network fee schedule change, now with a full

year of experience, and the earlier capping of a small group of high-cost providers, for improved medical results. The MRHIF renewal and high-cost claimant slides showed that three of the past five years were over 100% at the MRHIF level, and that stop-loss reimbursements are now being received earlier in the year. Composite loss ratios have improved from 125% in 2024 to 95% in 2025 and approximately 63% for the first half of 2026 (claims only).

Billing and Loss Ratio Adjustment

The recommended assessment changes are: medical, 3.5%; prescription, 18%; dental, flat; Aetna Medicare Advantage groups, 5%; and the one UnitedHealthcare Medicare Advantage group, 19%, subject to change if that member alters its plan design.

Ms. Koval asked the Executive Committee to discuss a Loss Ratio Adjustment, which is provided for in the Fund's Risk Management Plan but has not previously been used by this Fund. For groups with at least 30 months of experience, up to a 2.5% additional assessment would apply to groups running above 100% loss ratio, and up to a 2.5% credit would apply to groups with surplus over a three-year look-back, based on the average assessment increase. The Finance Committee supports the recommendation. Commissioner Cox expressed his full support, noting that it encourages members to mature and credits those who have stabilized their usage.

Commissioner McDonald asked whether the adjustment is always the full 2.5%. It was explained that 2.5% is a maximum; a credibility factor applies to smaller groups, so a group near 101% might see approximately 1.2%, while groups with very good or very poor experience would receive the full 2.5%. The formula is available to any Commissioner on request. Commissioner McDonald expressed support, adding that wellness programming is one of the few areas members can control and encouraging participation in the Wellness Committee. Commissioner Cirillo also expressed support and asked about the basis for the 30-month threshold. It was explained that this is consistent with industry practice, accommodates Board of Education members with fiscal-year plan years, and allows the Fund to evaluate experience over a longer period rather than a single favorable snapshot. Members with fewer than 30 months of experience will receive the average and are not affected.

Commissioner Wherry asked about the assessments for each member, which had not been circulated. Ms. Koval stated that the member assessments would be distributed immediately after the presentation, provided the Executive Committee was comfortable introducing the budget as presented. There were no further questions on the assessments or the budget overview. Resolution 30-26 was placed on the Consent Agenda.

Medical TPA

The Contracts Committee met on September 18, 2026 to review the Medical TPA RFP responses and recommends awarding the contract to Aetna for a three-year term commencing January 1, 2027. Fee details are set out in Resolution 31-26 on the Consent Agenda.

Municipal Reinsurance Health Insurance Fund (MRHIF) Update

The MRHIF met on September 9, 2026 and introduced its 2027 budget with an increase of approximately 22%. The bylaw amendment discussed at the last meeting was approved by 75% of the MRHIF membership and will be filed with the State of New Jersey. Two counties may be joining MRHIF Direct, which would help spread risk among more members. The MRHIF Treasurer recommended a surplus policy, expected to go to the MRHIF reorganization meeting; the Fund's Executive Director will discuss with the Fund Treasurer whether a similar policy should be brought locally through the Finance Committee and possibly as an additional reorganization resolution.

There were no questions on the Administration Report.

BENEFITS REPORT – CONNER STRONG & BUCKELEW

Mr. Lajewski presented the Benefits Report and highlighted the following.

Industry information. The Leapfrog Group released its 2026 hospital safety and quality ratings; members are encouraged to use them when choosing providers for procedures. The International Foundation of Employee Benefit Plans released its 2026 survey on GLP-1 coverage. Many private-sector employers have excluded GLP-1 weight-loss coverage, an option not equally available to public-sector employers, which makes programs such as Omada (behavior modification), the oral-antiviral exclusion recommendations and amended clinical programs essential to controlling costs.

State plans. Since the packet was printed, the 2027 State Health Benefits Program rates were finalized at an overall increase of 22.3% for actives, pre-65 retirees and Medicare retirees. School Employees' Health Benefits Program 2027 rates are not yet final; the recommended increase is 21.1% overall.

Fund performance (January–June 2026 compared with January–June 2025). The member risk score rose 3.1% and membership grew nearly 29%. Total paid spend increased 12.4%, while paid claims per member per month decreased 14.02% (before actuarial adjustments for completion and new members). Two individual providers appeared on the top-20 provider growth list; additional investigation found that their claims were paid under the No Surprises Act. Top drug cost drivers remain GLP-1 medications and anti-inflammatories, and hyperlipidemia, hypertension and lower back pain remain the most prevalent chronic conditions. Out-of-network claims have fallen from 26% of net paid in 2024 to under 20% in 2025 and below 10% now, following the August 1, 2025 change of out-of-network reimbursement to 150% of Medicare for professional and 175% for facility services.

Strategic initiatives. A detailed utilization review and cost containment options (GLP-1 strategies, high-dollar cancer and musculoskeletal conditions) were presented to the Finance Committee on September 10, 2026 and are included in the packet; questions may be directed to the Program Manager's office.

TPA RFP evaluation. The evaluation was presented to the Contracts Committee on August 14, 2026, with additional meetings thereafter. For traditional TPA services, the recommendation is that Aetna be retained as the exclusive TPA for non-reference-based-pricing plans. Meritain, an Aetna subsidiary, remains under discussion for a possible special offering for select customers with unique needs, and meetings are being arranged. For reference-based pricing services, the recommendation is a dual approach with AmeriHealth Administrators and Lucent Health as co-TPAs.

Legislative update and enrollment. The 2027 ACA indexed dollar limits are included in the packet. Open enrollment for the 2027 fund year will run October 26 through November 6, 2026, and all member information should be in the WEX system by November 20, 2026 so ID cards are distributed before January 1. Open enrollment guidelines and materials are being finalized and will be distributed shortly.

Carrier appeals. Two carrier appeals remain under review, and one appeal has been submitted to the Independent Review Organization and is under review.

There were no questions on the Benefits Report.

FUND COORDINATOR'S REPORT – EAGLE ROCK MANAGEMENT GROUP

Mr. Kelly reported a strong growth pipeline. Eight Medicare Advantage-only entities have been secured for the Fund's Medicare pool, six effective November 1 and two effective October 1, 2026, representing a cumulative total of about 190 Medicare retirees. Three organizations (a municipality and two boards of education) have advanced to finalist status for January 1, 2027 implementation. The Fund is also pursuing 16 additional Medicare Advantage prospects, four boards of education, four municipalities, two miscellaneous public entities and two dental opportunities, all in various stages of underwriting. Mr. Kelly stated that Eagle Rock and PERMA remain committed to thoroughly evaluating every prospective group before issuing a proposal in order to protect the Fund's existing members. There were no questions.

FUND ATTORNEY'S REPORT – ANTONELLI KANTOR RIVERA PC

Ms. Hartgrove reported no updates at this time.

FUND TREASURER'S REPORT – LARACY ASSOCIATES

Mr. Laracy reported that the August 2026 Bills List, in the amount of $3,639,999.13, is presented for reaffirmation, and the September 2026 Bills List, in the amount of $3,368,723.23, is presented for approval. Both include 2025 MRHIF bills that the Fund is catching up on. He noted that the Fund's improved financial position has improved cash, making payments to Aetna much smoother in recent months, thanked members for prompt payment, and stressed that electronic payments allow cash to reach the Fund's account immediately. The Bills Lists are included in the Consent Agenda. There were no questions.

THIRD PARTY ADMINISTRATOR REPORT – AETNA

Mr. Silverstein reported that July 2026 medical claims totaled $7,472,522 for 4,128 employees, a per-employee-per-month cost of $1,810, the best in 19 months. There were six high-cost claims over $100,000 in July, totaling $1,121,102.25. All dashboard metrics continue to perform very well. Aetna successfully finalized negotiations with Hackensack Meridian Health, retroactive to July 1, 2026 with no member disruption, and has begun negotiations with Virtua Health System in southern New Jersey, which does not affect the Fund for January 1, 2027. There were no questions.

PRESCRIPTION PROVIDER REPORT – EXPRESS SCRIPTS (ESI)

Ms. Patel announced that she will be on leave beginning in December, that this may be her last meeting of the year, and that her manager, Tom Jaeger, and her colleague Ajanaa J, who will cover day-to-day, were in attendance, along with the Fund's account executive.

Ms. Patel reported on July 2026 data: total plan cost of $1,210,692; generic fill rate of 83%; plan cost per member per month of $335.46, up 40% from July 2025; and specialty medications totaling $550,905, or 45% of total plan cost. Atopic dermatitis ranks sixth among indications, with adjusted prescriptions doubling from 211 to 411 and plan cost rising from approximately $31,000 to $234,000, driven mainly by Dupixent, which now has 10 members at a plan cost of about $100,000 and no prior-period utilization. Rinvoq, an oral inflammatory-condition medication, rose from one member to six, a plan cost increase of about 400%.

Commissioner Wherry asked whether there were any takeaways beyond the increased plan cost. Ms. Patel responded that Dupixent has nine indications and little market competition, and that prior authorization is in place, so the increase does not indicate misuse. In the inflammatory condition space, several drugs ranked 16 through 22 had no prior-period use, and members are moving to other brand drugs rather than biosimilars. Commissioner Wherry noted that the information is for understanding the drivers of total plan cost. There were no further questions.

DENTAL ADMINISTRATOR REPORT – DELTA DENTAL

Ms. O'Donnell presented the Dental Action Report, which is based on incurred data over a rolling quarterly period (second quarter 2025 through first quarter 2026) and covers 3,757 continuously enrolled members. Members fall into four oral health categories: Healthy (preventive care only), 34% or 1,259 members; Moderate (preventive care plus treatment), 15% or 579 members; Serious (emergency or extensive care), 13% or 498 members; and No Visit, 38% or 1,421 members, representing an opportunity to remind members of their coverage so they obtain routine care. The report compares the Fund with 17 peer groups of 100 or more members; 94% of the Fund's services were in New Jersey. There were no questions.

CONSENT AGENDA

Acting Chair Wherry read the three items on the Consent Agenda and asked whether any Commissioner wished to remove a resolution for separate consideration. There were none.

Resolution 30-26: Introduction of the 2027 Proposed Budget, in the amount of $184,153,769, with a public hearing and second reading for adoption to be held at the Fund's regularly scheduled and advertised meeting of October 29, 2026 at 12:00 noon via Zoom.

Resolution 31-26: Resolution Awarding Medical TPA Contract to Aetna, for a three-year term effective January 1, 2027 through December 31, 2029, at $35.84 per employee per month (approximately $1,745,695 based on the September 24, 2026 census).

Resolution 32-26: Approval of the August and September 2026 Bills List.

MOTION: To approve the Consent Agenda, including Resolutions 30-26, 31-26 and 32-26.

Moved: Commissioner Cox **Second:** Commissioner Cirillo

Roll Call Vote: Commissioner Cirillo – Yes; Commissioner McDonald – Yes; Commissioner Heisey – Yes; Commissioner Cox – Yes; Commissioner Wherry – Yes

Vote: 5 Ayes, 0 Nays

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

PUBLIC COMMENT

Acting Chair Wherry opened the floor for public comment. No members of the public came forward. Before the motion to adjourn, Commissioner Cirillo noted a comment posted in the chat by Gary Jeffas requesting a copy of the member assessment breakdown. Ms. Perkins advised that the assessment table had just been emailed to the Fund Commissioners following passage of the resolution, that rate sheets will go to the brokers within the next two weeks, and that anyone who did not receive the email should contact her or Ms. Robinson. In response to Commissioner Cirillo, she confirmed that rate sheets go to the brokers and the assessment table was sent directly to the Commissioners. There being no further comment, public comment was closed.

ADJOURNMENT

There being no further business, a motion to adjourn was made and seconded.

MOTION: To adjourn the meeting.
Moved: Commissioner Cox **Second:** Commissioner Wherry
Roll Call Vote: Commissioner Cirillo – Yes; Commissioner Heisey – Yes; Commissioner Cox – Yes; Commissioner Wherry – Yes; Commissioner McDonald – Yes
The meeting was adjourned.

Minutes Prepared by: Jordyn Robinson, on behalf of Secretary Wherry

_____
Patrick Wherry, Secretary

METRO Municipal Employee Benefits Fund

Finance Committee – Subcommittee Meeting Minutes

2027 Budget Review

September 10, 2026 • 12:30 p.m. • Zoom

Attendance

Name	Role
Cameron Cox	Committee Chairperson
Pat Wherry	Committee Member
Nikole Baltycki	Committee Member
Emily Koval	Associate Executive Director
James Rhodes, Esq.	Executive Director
John E. Lajewski	Program Manager
Jordyn Robinson	Assistant Account Manager
Nayely Sandoval	Fund Coordinator's Office
Joseph DiVincenzo	Fund Coordinator's Office
Thomas Kelly	Fund Coordinator's Office
Tammy L. Brown	HIF Leader
Matt Laracy	Fund Treasurer
Derek Macchia	Fund Treasurer

Opening and Purpose

Chairperson Cox opened the meeting and welcomed committee members and professionals. Ms. Koval stated that the purpose of the meeting was to review the proposed 2027 budget for METRO Municipal Employee Benefits Fund and to discuss proposed changes to the assessment methodology. She noted that the materials had been distributed in advance and proceeded with the presentation.

2027 Budget Overview

Ms. Koval presented the proposed 2027 budget. The total proposed budget is $184,116,134, representing a 4.97% increase over the 2026 budget of $175,431,015. She reviewed the major line items:

- **Medical claims:** $123,038,155, a decrease of 2.06% from the 2026 budget of $125,631,725. Ms. Koval noted that the reduction reflects favorable claims experience and updated trend factors.
- **Prescription drug claims:** $13,613,432, an increase of 18.52% from the 2026 budget of $11,485,620. Ms. Koval explained that pharmacy trend continues to run higher industry-wide, driven in part by specialty drugs and GLP-1 medications.

- **Prescription rebates:** ($2,000,000), a reduction in the budgeted rebate credit from ($3,375,000) in 2026, representing a 40.74% decrease in the offset. Ms. Koval noted that the Fund is now applying a more conservative 20% reduction factor to estimated rebates, down from the 30–35% used in prior years, due to inconsistencies between projected and actual rebate receipts.
- **Dental claims:** $1,263,282, a decrease of 6.55% from the 2026 budget.
- **MRHIF reinsurance:** $6,723,361, an increase of 20.54%.
- **Medicare Advantage:** $24,273,744, an increase of 6.42%.
- **Surplus retention:** $3,000,000, an increase of 100% (doubled from $1,500,000).
- **Trust fund contingency:** $3,500,000, a new line item.
- **Total expenses:** $10,704,160, an increase of 2.17%.

Prescription Rebate Methodology

Ms. Koval explained that in prior years, the Fund had budgeted a rebate offset of 30–35% of estimated pharmacy rebates. However, the actual rebate receipts have been inconsistent relative to projections, and the Fund has experienced shortfalls. To address this, the proposed 2027 budget reduces the rebate offset to 20% of estimated rebates, resulting in a budgeted credit of $2,000,000 (down from $3,375,000). Ms. Koval stated that this approach is more conservative and better aligned with actual experience.

MRHIF Reinsurance Renewal

Ms. Koval reported that the MRHIF reinsurance renewal for 2027 reflects a 20.54% increase. The specific coverage self-insured retention (SIR) is increasing by $50,000 to $475,000. She reviewed the Fund's five-year loss ratio history under the MRHIF program and noted that while claims experience has been favorable overall, the reinsurance market continues to harden.

She added that the increase in the SIR is consistent with the broader MRHIF strategy of gradually increasing member retentions to reduce reinsurance costs over time.

Medicare Advantage

Ms. Koval reported that the Medicare Advantage renewal is approximately 6% for 2027, which represents a significant improvement over the 20%+ increases experienced in prior years. She attributed the moderation to the impact of the Inflation Reduction Act on Medicare Advantage plan pricing.

Ms. Koval also reported that the Fund is exploring a dual Medicare Advantage offering for retirees, adding United Healthcare alongside the current Aetna Medicare Advantage plan. The United Healthcare plan would be offered via a non-fair-and-open contract and would be available to retirees only, with each member township selecting which carrier(s) to offer. The committee expressed comfort with this approach.

Surplus Retention

Ms. Koval recommended that the surplus retention be doubled from $1,500,000 to $3,000,000, bringing it to approximately 2.5% of assessments. She explained that the surplus retention acts as a reserve buffer against adverse claims experience and that the Fund's current level is below prudent levels for a fund of this size. The additional $1,500,000 contributes approximately 1% to the overall assessment increase.

Trust Fund Contingency

Ms. Koval introduced a new line item of $3,500,000 for a trust fund contingency. She explained that this reserve is intended to address prior-year assessment deficits from member entities, consistent with NJAC 11:15-3.13(b). The

regulation permits funds to assess members for prior-year shortfalls, and this contingency ensures the Fund has budgeted capacity to absorb those deficits without disrupting current-year operations. Ms. Koval noted that the $3,500,000 figure was developed based on a review of historical deficit patterns.

Expenses

Ms. Koval reviewed the expense budget, which totals $10,704,160, an increase of 2.53% (note: the budget document shows 2.17%). Key components include:

- PERMA Risk Management Services and Conner Strong & Buckelew management fees reflect a deferred 2% increase from the prior year, now being applied.
- Medical TPA administration reflects a worst-case scenario placeholder pending completion of the TPA RFP process.
- Wellness programming has been increased to $300,000 to support expanded initiatives.

Assessment Methodology

Ms. Koval presented the assessment methodology. Rates are developed by line of coverage, with the following proposed changes for 2027:

- **Medical:** +3.5%
- **Prescription drugs:** +18%
- **Dental:** Flat (0%)
- **Aetna Medicare Advantage:** +5%
- **United Medicare Advantage:** +19%

Loss Ratio Adjustment (New)

Ms. Koval introduced a proposed new component of the assessment methodology: a loss ratio adjustment of ±2.5%. Under this approach, each member entity's individual loss ratio would be calculated using a 30-month lookback period, blended with the fund-wide composite loss ratio on a credibility-weighted basis. Members with loss ratios above the composite would receive an upward adjustment of up to 2.5%, while members with favorable experience would receive a downward adjustment of up to 2.5%.

Ms. Koval emphasized that the adjustment is capped and is designed to introduce modest experience-based accountability into the assessment process without creating dramatic swings for any individual member. She noted that this is consistent with industry practice and is intended to encourage good claims management among member entities.

The committee discussed the proposal at length. Chairperson Cox expressed support for the concept, stating that it encourages accountability. Commissioner Baltycki also expressed support. Commissioner Wherry indicated some reservations but stated that she was comfortable recommending the proposal to the full Executive Committee for further discussion. The committee agreed to include the loss ratio adjustment in the proposed budget to be presented to the Executive Committee.

Individual Assessments

Ms. Koval reviewed the proposed individual assessments for each member entity. Most member groups are seeing increases in the 5–7% range. She noted one outlier: East Orange shows a 19.04% increase, driven primarily by the United Medicare Advantage line, which carries a 19% rate increase. Ms. Koval explained that this is specific to East Orange's Medicare Advantage enrollment composition and is not representative of fund-wide trends.

Ms. Koval noted that the proposed assessments reflect the combined impact of the line-of-coverage rate changes, the new loss ratio adjustment, and updated enrollment data.

High-Cost Claimants

Ms. Koval provided an overview of the Fund's high-cost claimant experience for 2025 and 2026. She noted that the Fund continues to monitor large claims closely and that the reinsurance program through MRHIF provides a critical layer of protection. No specific individual claimant details were discussed publicly.

New Membership Interest

Mr. DiVincenzo reported that there is interest from several schools and municipalities in joining METRO, with a target effective date of January 1. He noted that inquiries have been received and that the Fund's professionals are evaluating prospective members. Ms. Koval confirmed that any new member applications would be brought to the full Executive Committee for review and approval.

METRO Contracts Committee
September 18th, 2026, via Teams
11:00am

Cameron Cox, Committee Chair
Patrick Wherry, Committee Member
Nikole Baltycki, Committee Member
Tammy Brown, CSB
James Rhodes, PERMA
Caitlin Perkins, PERMA
Diane Romano, Eagle Rock
Tom Kelly, Eagle Rock

Mr. Cox noted the committee previously met to review the Medical TPA responses. Mr. Rhodes summarized the submissions that were presented at the previous contracts committee meeting, regarding Aetna, Meritain, and Reference-Based Pricing (RBP). He stated the committee could proceed with a TPA and consider the RBP as a mid-year offering in 2027. The recommendation from the Contracts Committee is to award the three-year term contract to Aetna based.

A discussion occurred regarding the Aetna Service Concerns that was previously bought up by the Fund Coordinator. Mr. Cox noted the committee's support is conditioned on Aetna providing timely responses, particularly when the Fund is seeking to grow. Ms. Brown reported that Mr. Rhodes and herself held a call earlier this week with Aetna senior leadership to raise concerns and return with recommendations for improved timeliness and efficiency. Among the issues discussed was a Medicare Advantage quote was not released at the same time as the direct quote to market.

In response to a question from Mr. Kelly, Ms. Brown stated that Aetna gave no concrete reason for the delay and characterized it as a matter of internal process that Aetna will look to change. Mr. Rhodes added that Aetna will submit an action plan for the Committee's consideration and approval, and that Aetna understands the importance of the issue to the Fund and its professionals. Commissioner Baltycki stated that she appreciated the conversation, as it puts Aetna on notice and the committee will monitor the progress of the next year.

Ms. Perkins reported the September agenda is currently under Fund Attorney review. The agenda will include a resolution reflecting the committee's recommendation to approve the Aetna proposal and begin a contract effective January 1, 2027.