



# "hi" fund at a Glance

SUMMER 2020



New Jersey  
Health Insurance Fund

Schools | Municipalities | Public Entities

# "hi" fund Commissioners



**Gateway**  
BMED FUND

Bergen Municipal  
Employee Benefits Fund  
Gregory Hart, Chair



**Central Jersey**  
FUND

Central Jersey Regional  
Employee Benefits Fund  
Tom Nolan, Chair



Municipal Reinsurance  
Health Insurance Fund  
Silvio Esposito, Chair



North Jersey Municipal  
Employee Benefits Fund  
John Dunleavy, Chair



**SCHOOLS  
HEALTH**  
INSURANCE FUND

Schools Health Insurance Fund  
Joseph Collins, Chair



**Southern Coastal**  
FUND

Southern Coastal Regional  
Employee Benefits Fund  
Pat Yacovelli, Chair



**Southern Jersey**  
FUND

Southern New Jersey Regional  
Employee Benefits Fund  
Michael Mevoli, Chair



 **Southern Skylands Regional**  
HEALTH INSURANCE FUND

Southern Skylands Regional  
Health Insurance Fund  
William Hyncik, Chair



**Burlington County**  
INSURANCE COMMISSION

Burlington County  
Insurance Commission  
Sander Friedman, Chair

# Welcome to the "hi" fund



We are pleased to present the 2020 New Jersey Health Insurance Fund ("hi" fund\*) Annual Report.

Twenty-eight years ago, the first Health Insurance Fund (HIF) was launched to create a secure and financially sustainable method for public entities to purchase health insurance benefits.

Fast-forward to today; we are proud to serve 241 public entities through our seven local Health Insurance Funds, Health Insurance Commission and statewide Reinsurance Health Insurance Fund that comprise the "hi" family of Funds powered by PERMA.

The past year marked significant growth, increased financial stability and success for the "hi" fund and our members. Here are just a few key updates:

- The "hi" funds have grown to have an annual budget of nearly \$675 million, making the program the largest non-state operated benefit pool for government entities in America.
- Since inception, member entities have earned in excess of \$227 million in dividends.
- Statewide enrollment now exceeds 72,000 covered lives.
- A new Fund (Southern Skylands Fund) was launched to service the north western part of the state.
- Thirteen new member entities joined the Funds, continuing a trend of tremendous year-over-year growth.
- A high-touch patient care management and nurse navigation solution (powered by Guardian Nurses) was expanded to help patients with chronic and catastrophic conditions.
- A near-site private health center pilot (powered by R-Health) was launched to provide access to expanded primary care.

Despite the many unknowns presented by the COVID-19 pandemic, the outlook for 2020 remains positive. We are confident that the size and strength of our collective insurance pool, long-term strategic planning, track record of rate stability and deep financial reserves will help limit the impact to our members. Through good fortune and careful planning over the years, we went into the crisis prepared for such events and in an economic position to increase dividends during the pandemic. To help support member groups, several of the "hi" funds issued additional dividends to return much needed financial relief. These significant measures were only possible due to the strong financial position of the Funds.

The "hi" family of Funds are here to help you weather this storm, and are committed to providing the guidance, support and quality health benefits you need to keep your families and employees healthy and safe — now and in the future.

"Thank You" for giving us the opportunity to work with you, and if you are considering becoming a member of the "hi" fund we would like to say "Welcome!"

Sincerely,  
The "hi" fund team

\*The New Jersey Health Insurance Fund (hi) or "hi" fund is the consumer-friendly brand developed in 2018 to promote the power, stability, and success of the health insurance pool concept.

# Meet the “hi” fund

New Jersey Health Insurance Fund (hi) is built on the simple and powerful idea of shared services—a pool allowing municipalities, schools, and other public entities to give choice and value for employees while delivering savings, stability, and reliability for members.

The Fund’s combined purchase strength delivers flexible, affordable, and customizable health benefits for tens of thousands of plan participants. Owned and governed by its members, the surpluses belong to them—not the insurance companies.

## History

The PERMA family of Health Insurance Funds (HIFs) have been serving members, their employees and families for nearly three decades. A HIF is a public entity, regulated by the NJ Dept. of Banking and Insurance. State law created Municipal Health Insurance JIFs in 1991 and allowed School Districts to join existing Funds in 2007. In 2018, we created the “hi” campaign to better explain how insurance pools work, the range of benefits available, and to promote the unprecedented success, stability and strength of the funds.

## Members

The “hi” funds are comprised of 7 HIFs and 1 Commission which serve nearly 72,000 bellybuttons from 241 public entities across the State of New Jersey. These include: public schools, charter schools, municipalities, fire districts, municipal utility authorities, county colleges, and county governments and their agencies.

## Advantages

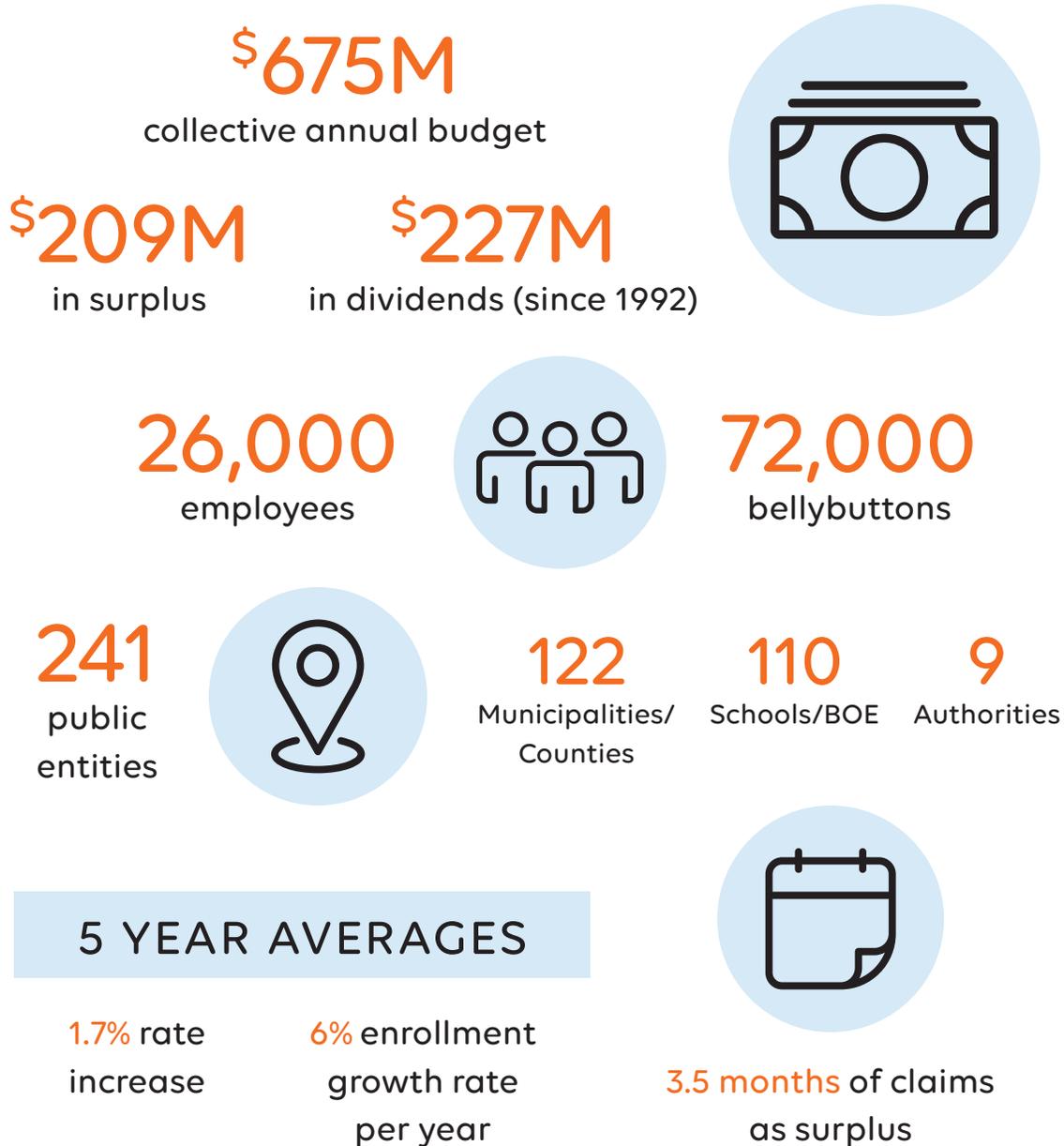
Since the “hi” funds are member owned and governed, they deliver greater customization and control over plans, options and savings.

- + Stable and predictable premium rates over time
- + Fund Actuary determines the premium rates, not the insurance carriers
- + Controls insurance company profit and lowers expenses
- + Streamlines claims management and data reporting
- + Emphasizes the health and wellness of employees and their family members
- + Member entities make the rules and design flexible plans
- + Member entities can duplicate existing plans or customize plans based on specific needs



# At a Glance

The self-insured structure and member-owned design of the "hi" funds offer tremendous value and savings to the municipalities, schools and public entities within the funds.



# Savings & Dividends

The self-insured structure and member-owned design of the "hi" funds offer tremendous value and savings to the municipalities, schools and public entities within the funds. Fixed-costs are significantly lower when compared to fully-insured programs. The shared services approach gives the funds enormous leverage to secure favorable pricing from vendors and carriers. And, when surplus levels exceed the amount required to maintain a healthy financial position, dividends are declared and paid to the "hi" fund member entities. Surplus dollars are owned by the entities – not the insurance carriers.

Over the past 5 years, the funds have paid

# \$145 MILLION

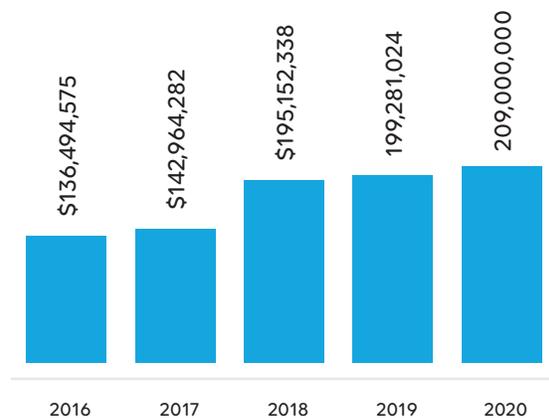
in dividends to member entities

Since inception the funds  
have paid more than

# \$227 MILLION

in dividends

5 Year Surplus Chart





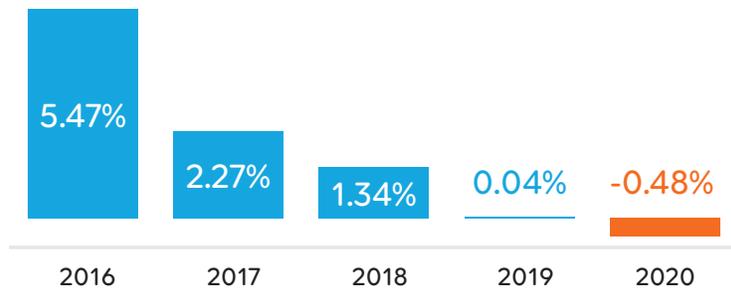
# Cost Control

Controlling costs and delivering stable, predictable rates year-over-year for member entities are the fundamental goals of the “hi” funds, which have been achieved by managing the funds with extreme and intense discipline. Prospective member entities are critically evaluated by the Fund Actuary to determine if they are eligible to join. The funds have implemented many successful cost-control features to lower the amount spent on claims, such as: telemedicine, pharmacy utilization protocols, extraordinary medical case management techniques, and health and wellness grants. These measures allow rates to become more predictable which “flattens” the premium variations over time.

On average, budget costs over the past 5 years have only increased

1.76%

Combined average of increases for all funds from 2016-2020



# Benefits

The "hi" fund Best in Class Administrators offer top of the line health plan products and services, and take the burden of tedious paperwork, plan management and reporting off the "to do" lists of our members.



Medical coverage is provided by: Aetna, AmeriHealth, and Horizon OMNIA



Dental coverage is provided by: Delta Dental



Pharmacy coverage is provided by: Express Scripts

The "hi" fund also includes these "value added" services for our member entities.



- + Telemedicine gives employees and their family members the ability to get medical advice and prescriptions by phone or computer 24/7. This service has a ZERO \$0 copayment and is more convenient and less costly compared to a visit to urgent care or the emergency room. The HIFs also save claim dollars which produces lower premiums. These services are provided by:

- + TELADOC (Aetna Members)

- + MD LIVE (AmeriHealth Members)



- + benefitexpress is a web-based, online enrollment service that helps consolidate billing, provides administrator access for enrollment changes, and offers optional self-enrollment for employees.

- + COBRA & Retiree Billing Services are standard and included. We handle the notification letters, premium billing and premium collection. In addition, reporting and reconciliations are provided for each member entity and there is a call center for employer and employee inquiries.

aetna™

  
AmeriHealth.

 DELTA DENTAL®

  
Horizon.    
OMNIA.  
HEALTH ALLIANCE

 EXPRESS SCRIPTS®

  
TELADOC.

MDLIVE®

 benefitexpress  
benefit wise. relationship driven.



# Innovative Partnerships



The Guardian Nurses include a team of experienced registered nurses (RN) who provide personalized care and advocacy services to employees and their family members to better manage their health, make informed decisions, and guide them through the complex world of health care.

## Some of the services and supports include:

- + Management of chronic and acute conditions.
- + On-site support and care for medical incidents or hospitalization.
- + Information and answers to questions about medical issues.
- + Guidance on insurance issues.
- + Scheduling and accompanying patients for medical appointments and testing.  
Zero \$0 copayment.

The program improves the patient experience, reduces hospital readmissions and helps manage and reduce medical costs. The Guardian Nurse option is currently available to Schools Health Insurance Fund and Southern Coastal Fund members.



A collaborative partnership with R-Health now provides member employees and their families with a higher level of access to primary care doctors, offices, and medical services at reduced costs.

R-Health provides enhanced care management, assistance with managing chronic health conditions, proactive outreach for testing and follow-up care, and host of other health services.

## Benefits include:

- + Highly trained physicians (All experienced and board certified in Family or Internal Medicine)
- + More time with the doctor (Doctors see less than half the number of patients compared to a traditional doctor)
- + Convenient appointments and locations
- + 24/7 virtual access using a secure app
- + On-site labs and pharmacy services
- + Zero \$0 copay and no out-of-pocket costs

The R-Health option is currently offered through a pilot program to members of the Schools Health Insurance Fund, but we are exploring expansion to other "hi" funds in the future.

# Testimonials

“Buena Regional School District joined the Southern Coastal HIF in 2015 for several reasons.

Facing a climate of decreasing state funding, the HIF offered immediate budgetary savings to the District's appropriation for employee health benefits. When compared to other options, the HIF provides long-term stability and stable rates while allowing the pooling of risk with other members in the HIF. The District has consistently seen lower annual employee health benefit costs than in past years. And, having representation as a member is akin to 'having a voice', if you will, being able to control our own destiny of the HIF.”

Pat Yacovelli, Buena Regional School District -  
Administrator/Board Secretary  
*Southern Coastal Regional Employee Benefits Fund*

“If you are seeking a long-term health solution that your clients can rely upon, then 'hi' Fund is a highly viable program option worth exploring. As a broker, I have worked with many companies over the years and can say unquestionably that the experience and expertise of the 'hi' Fund team—coupled with their long term stability and transparency— truly makes 'hi' Fund a desirable program option for clients.”

Gary Taffet, Division President,  
*Reliance Insurance Group/Acrisure*

“The HIF really provides a trifecta in the way of benefits: rates are very stable, in recent years Brielle averaged a dividend of almost \$20,000, and the quality of our health plan is far superior and creates a culture of health.

We saved 20% when we first switched to the HIF, and have historically averaged rate increases of only 6-7%. It is hard to predict health care costs, sometimes you have a series of bad claims, but the HIF helps balance that among members so there are no major spikes that are a detriment to any one town or the community. We have been so happy with the Central Jersey HIF we have no intention of going anywhere else.”

Thomas Nolan, Administrator - Borough of Brielle  
*Central New Jersey Regional Employee Benefits Fund*

“The HIF provides tremendous rate stability, plan flexibility (not cookie cutter), personalized service and guidance for claims with real people to talk to, and they even provide support during labor negotiations. We also get a \$100,000 dividend annually that we can use to offset our premiums or put back into our budget to fund wellness programs. Based on how well the fund is managed, the investments put back into the fund and their return dividends, we already know that if we have a claims related crisis, it is not going to affect our premiums based on the North Jersey Fund's financial strength.”

John Dunleavy, Mayor - Borough of Bloomingdale  
*North Jersey Municipal Employee Benefits Fund*

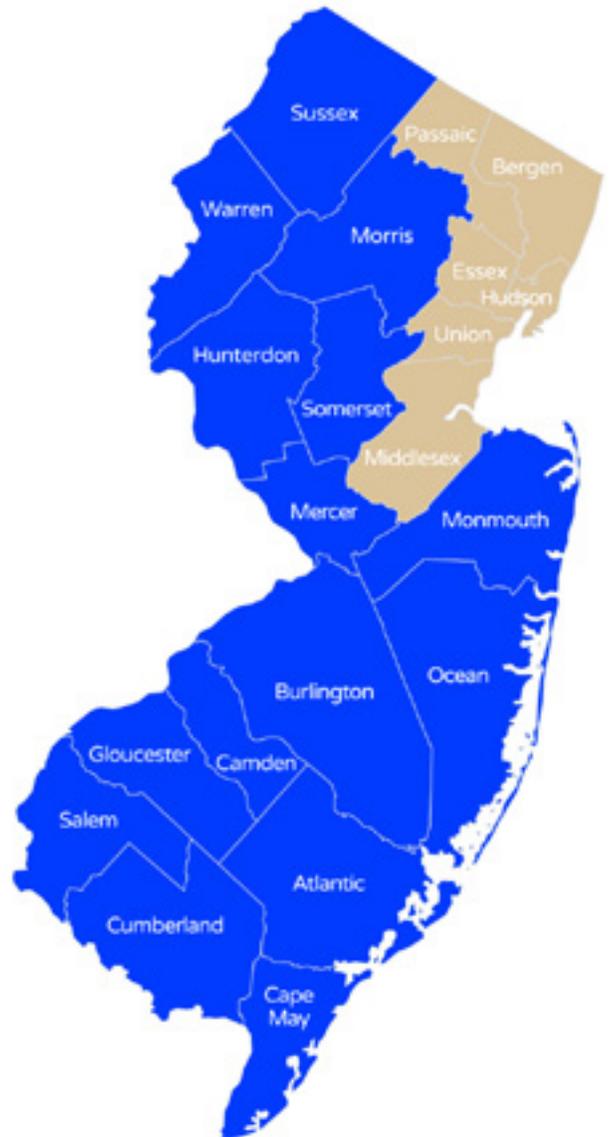
# The "hi" Family of Funds



# Bergen Municipal Employee Benefits Fund

Founded in 1992

- Services large portions of Northern NJ
- \$32.2 million annual budget
- \$15.87 million in surplus
- \$17.9 million in dividends
- 32 entities
- 2,007 employee lives
- 5,418 bellybuttons
- 5 year average rate increase of 1.94%

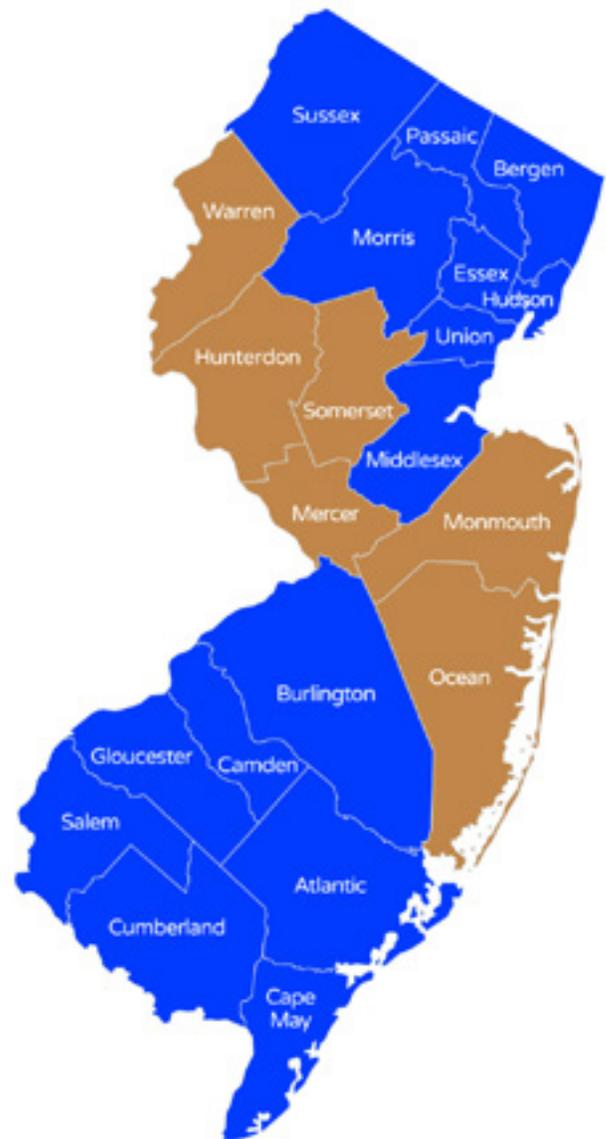


**Gateway**  
BMED FUND

# Central New Jersey Regional Employee Benefits Fund

Founded in 1992

- Services public entities Central and Northwest NJ
- \$39.3 million annual budget
- \$23.33 million in surplus
- \$38.3 million in dividends
- 34 entities
- 1,600 employee lives
- 4,311 bellybuttons
- 5 year average rate increase of -0.66%

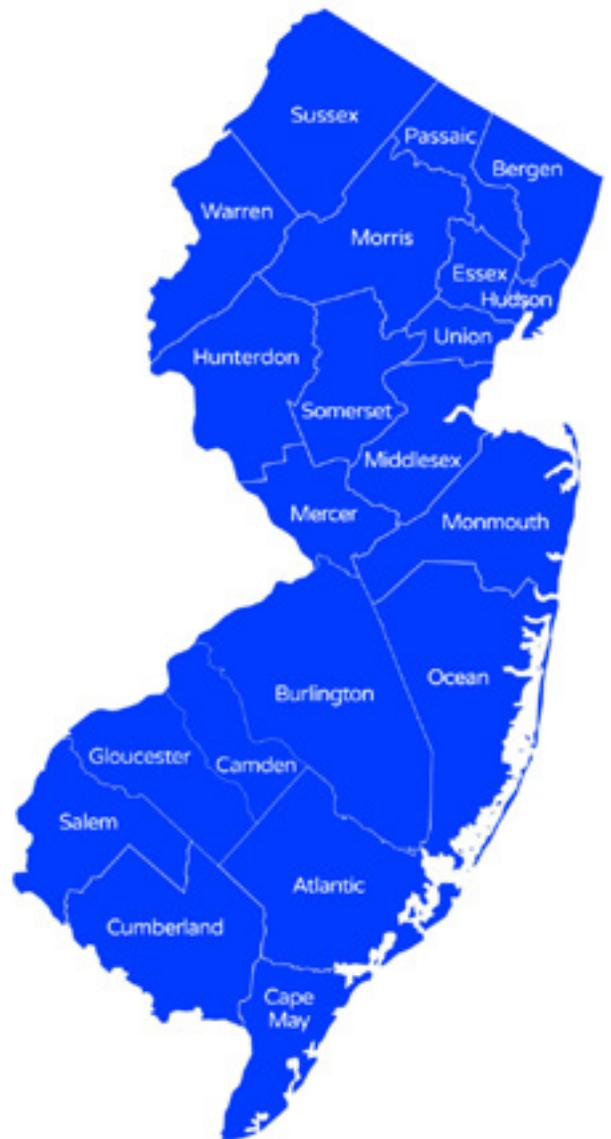


Central <sup>FUND</sup> Jersey

# Municipal Reinsurance Health Insurance Fund

Founded in 1999

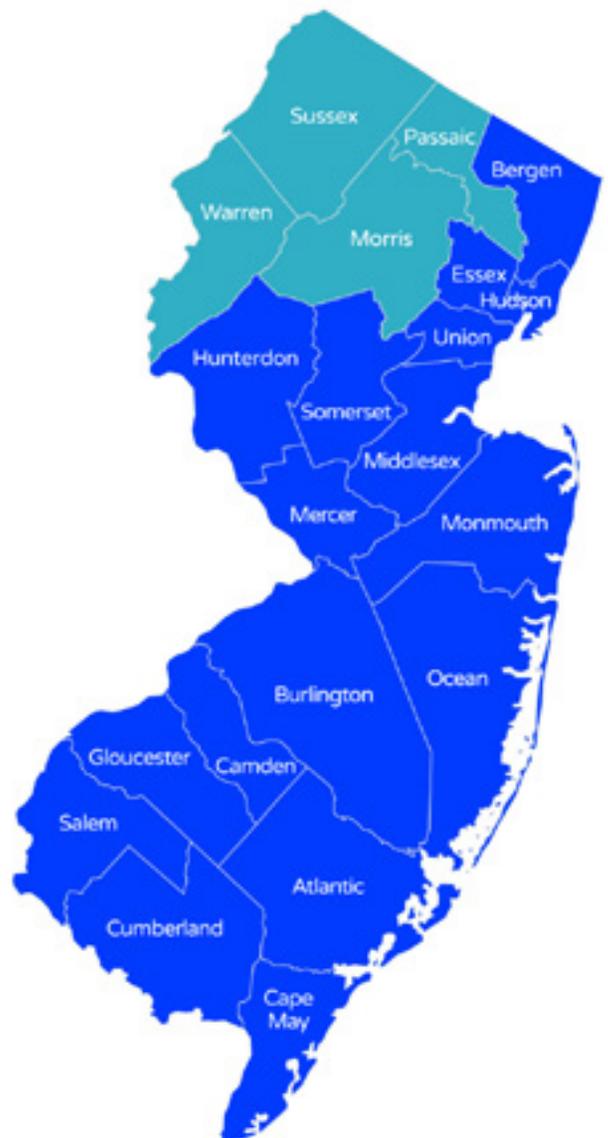
- Statewide reinsurance Fund for Health JIFs
- \$13 million annual budget
- \$18.75 million in surplus
- \$38 million in dividends
- 22,732 employee lives
- 61,300 bellybuttons
- 5 year average rate increase of -4.40%



# North Jersey Municipal Employee Benefits Fund

Founded in 1993

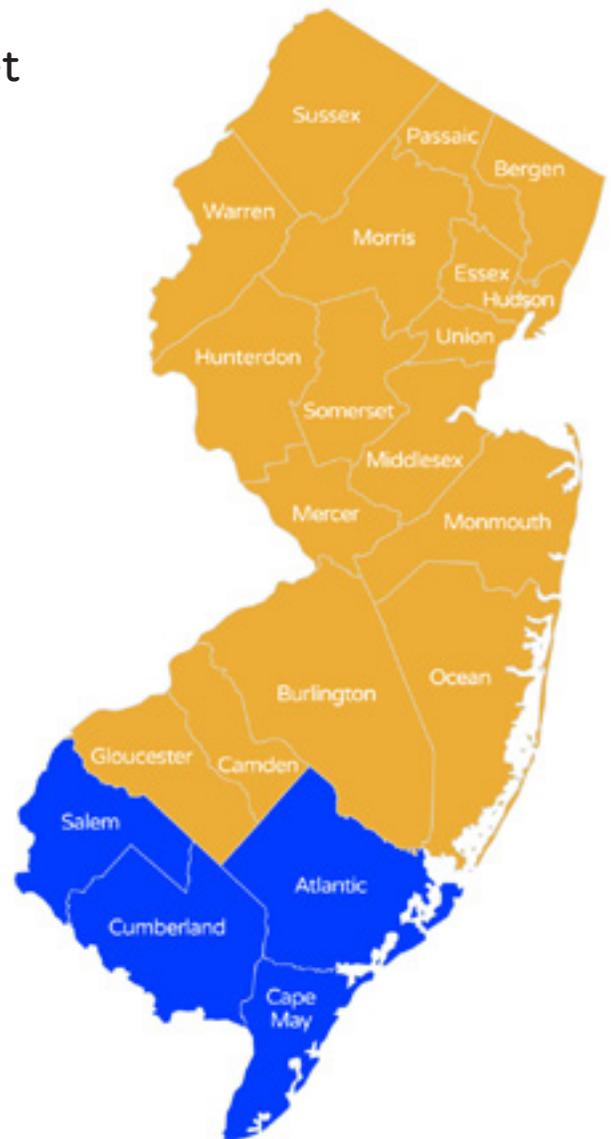
- \$37.4 million annual budget
- \$23 million in surplus
- \$25.6 million in dividends
- 28 entities
- 1,404 employee lives
- 3,790 bellybuttons
- 5 year average rate increase of 1.44%



# Schools Health Insurance Fund

Founded in 2016 (spin-off from Southern Regional Fund)

- Services school districts across State of NJ
- \$292.6 million annual budget
- \$90.7 million in surplus
- \$29 million in dividends
- 84 entities
- 14,416 employee lives
- 38,923 bellybuttons
- 5 year average rate increase of 2.69%



# Southern Coastal Regional Employee Benefits Fund

Founded in 2011 (spin-off from Southern Regional Fund)

- Services public entities in Salem, Cumberland, Atlantic and Cape May Counties
- \$102.9 million annual budget
- \$31.78 million in surplus
- \$2.6 million in dividends
- 23 entities
- 4,784 employee lives
- 12,916 bellybuttons
- 5 year average rate increase of 3.21%



SouthernCoastal FUND

# Southern New Jersey Regional Employee Benefits Fund

Founded in 1992

- Services municipalities in the Camden, Gloucester and Burlington Counties
- \$42 million annual budget
- \$14.43 million in surplus
- \$63.8 million in dividends
- 35 entities
- 1,714 employee lives
- 4,627 members lives
- 5 year average rate increase of 1.60%

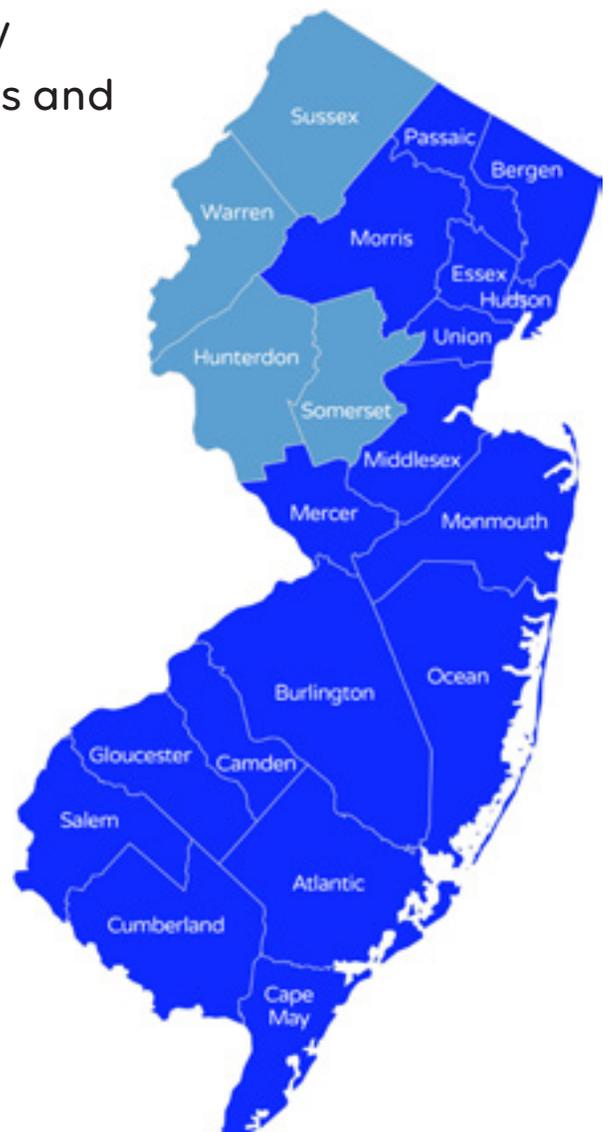


Southern Jersey <sup>FUND</sup>

# Southern Skylands Regional Health Insurance Fund

Founded in 2017

- Services public entities in Somerset County, Somerset County Park Commission, Somerset County Vocational & Technical Schools and Somerset County Library
- \$38.5 million annual budget
- 4 entities
- 1,794 employee lives
- 4,843 bellybuttons



# What you need to know about the "hi" funds

## How do the "hi" funds operate?

The "hi" funds (HIFs) are public entities and are governed in the same fashion as Joint Insurance Funds (JIFs) are for property and casualty coverage. What makes these funds so effective is the high level of stakeholder involvement.

Each member entity has a seat at the table and selects one person to serve as their Fund Commissioner. The Commissioner becomes the voice of their school, municipality, or public entity, and serves on the governing body of the fund.

At the annual reorganization meeting, the Commissioners elect an Executive Committee to manage the monthly meetings and to make decisions that are in the best interest of the member entities within that specific HIF.

On a rotating basis, the "hi" funds perform a Request for Qualification process for all fund professionals that serve the funds.

- + Executive Director
- + Program Manager
- + Actuary
- + Attorney
- + Auditor
- + Treasurer

## Broker/Consultant Role

Employee Benefits brokers and consultants are vetted by the "hi" funds and are an integral component of the overall success of the "hi" funds.

## Powered by PERMA

PERMA serves as Executive Director for the "hi" funds. PERMA is responsible for preparing meeting agendas, minutes and records management. PERMA serves as the "back office," with many other responsibilities including: accounting and general ledger functions, enrollment and COBRA administration, regulatory interface, and annual filings.

# "hi" fund Team



*Joe DiBella*  
Joseph DiBella  
Managing Director,  
Executive Vice President



*Paul Laracy*  
Paul Laracy  
Executive Director



*Sean Critchley*  
Sean Critchley  
Vice President,  
Business Development Executive



*Scott Davenport*  
Scott Davenport  
Public Entity &  
HIF Practice Leader



*Maggie Friel*  
Margaret FHel  
HIF Associate Consultant



*Randi Gerber*  
Randi Gerber  
NJHIF Account Executive



*Angela Hutchinson*  
Angela Hutchinson  
Staff Accountant



*Karen Kamprath*  
Karen Kamprath  
Assistant Account Manager



*Karen Kidd*  
Karen Kidd, Director  
HIF Operations



*Emily Koval*  
Emily Koval  
Executive Director,  
Southern Skylands Regional HIF



*Brandon Lodics*  
Brandon Lodics  
HIF Program Manager



*Louis C. Moeller Jr.*  
Louis Moeller  
HIF Employee Benefits Specialist



*Jozsef Pfeiffer*  
Jozsef Pfeiffer  
HIF Associate Consultant



*Carolyn Petrowski*  
Carolyn Petrowski  
NJHIF Account Executive



*Marybeth Visconti*  
Marybeth Visconti  
HIF Associate Consultant



*Dave Vozza*  
Dave Vozza  
NJHIF Program Manager



# Dive into New Jersey's Safest Health Insurance Pool



[hifundnj.com](http://hifundnj.com) | [info@hifundnj.com](mailto:info@hifundnj.com)