

"hi" fund at a Glance
SUMMER 2021



New Jersey
Health Insurance Fund

Schools | Municipalities | Public Entities

"hi" fund CHAIRPERSONS



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
Silvio Esposito, Chair



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 FUND

Southern Skylands Regional
Health Insurance Fund
William Hyncik, Chair



Burlington County INSURANCE COMMISSION

Burlington County
Insurance Commission
Ashley Buono, Chair



In Memorium

In 2020 we lost North Jersey Municipal Employee Benefits Fund Chair and friend, Bloomingdale Mayor Jon Dunleavy. As a professional, we could always count on him to make the most fair and prudent decisions for the Fund and its members. He may have only served as Chair for a short period of time, but his leadership and commitment to the Fund has left a lasting impression. He will be missed. We dedicate this annual report to his memory.

WELCOME TO THE “hi” fund

Strength + Perseverance = Success

The challenge of 2020 impacted all of us, at home and at work. The impact of COVID-19 was unprecedented and hit public entities in a material way. Yet, our state’s public sector rose to the occasion and supported residents and constituents in the face of enormous challenges.

This was also the case with the “hi” funds. Properly positioned due to responsible financial management and solid performance and a reduction in utilization, the Funds were able to issue dividends to help our member entities at a time when they may have needed it most.

In the early stages of the crisis when the impact on health care utilization, costs and budgets were largely unknown, the Funds were ready to manage and deal with what could have been the most severe conditions — thanks to years of smart fiscal management.

The “hi” fund remains well-positioned regardless of the landscape and conditions facing its members and continues to thrive. The numbers speak for themselves:

- + 20 New Members Added in 2021
- + 83,000 Member Lives
- + \$703 Million Budget Annually

Today, the “hi” fund stands as the largest collection of non-state operated public entity pools in the nation — and growing. Our priorities remain the same: Continue to invest in the platform; Expand population health and wellness initiatives; Implement innovative models of care delivery that are “best-in-class”; and, Provide quality results for our customers.

We look forward to continued growth and success in 2021 and beyond.



Visit our booth #1137 at the New Jersey State League of Municipalities 2021 Annual Conference, Nov. 16-18, in Atlantic City.

**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.*



"COVID-19" RESPONSE

COVID-19 Response

"Business as Usual" was not a term many would use to describe 2020 — or even 2021, but that didn't stop the dedicated and experienced members of our "hi" family of funds from getting the job done.

Here are some highlights that showcase our leadership, strength and commitment to addressing the issues important to our members.

Communication and Outreach

- + Fund-specific communications have been sent regularly to assess the situation, answer questions, explain the impact on healthcare, trends and costs, and provide helpful strategies.
- + The "hi" fund office has taken the lead in interpreting federal and state legislation from the employer standpoint including the new COBRA legislation and how to bring employees safely back to work.
- + Throughout the pandemic, Conner Strong & Buckelew has shared valuable information with our members about CDC guidance, legislative and industry updates, and the latest on testing and vaccines.

Moving Forward

The "hi" fund has adapted, learned, and implemented changes that will continue to protect our members into the future. Unlike other insurance companies, diligent management principles that focus on stability and long-term protections ensured that ALL of our "hi" funds had plenty of surplus to handle this uncertainty. More importantly, we are prepared to meet any other challenges that may lie ahead.

Dividend Distributions & Grant Flexibility

- + Most of our Funds received an additional dividend to assist in COVID-19 relief.
- + These dividends totaled more than \$100 million in 2020.
- + Some Funds allowed for wellness grant money rollover since many groups were not able to finish their programs.
- + Some Funds allowed the grants to be used towards PPE and other COVID-19 specific expenses to keep their staff safe and healthy.

Adapting and Excelling

- + Video conferencing allowed us to continue holding regular open public meetings, closed session meetings, virtual open enrollment meetings, broker partner meetings, and to meet with member groups upon renewal.
- + Fund professionals never skipped a beat, even when working remotely, providing seamless service to meet evolving Fund member needs.
- + Fund renewals were successful in the wake of the challenges posed by extreme claim fluctuations and the ability to appropriately rate new budgets.

TESTIMONIALS

“With the amount of information coming out on a daily basis during the pandemic it was difficult to keep track of the many moving targets. Being a member of the HIF, it made my job easier as I could obtain all of the information that I knew would be up-to-date from one location. It streamlined my time in finding answers to questions that were important to our team in Atlantic Highlands and if I couldn't find the answer, I would make one call. Overall, they performed exceptionally well.”

*Adam Hubeny, Administrator, Borough of Atlantic Highlands
Commissioner, Central Jersey HIF*

“The generous grant received from the HIF helped offset the extensive cost of PPE. The wellness grant was used for wipes, masks, gloves and protective shields. These items helped protect our students and staff from the COVID-19 crisis. We were very fortunate to receive these funds since these expenses were not anticipated.”

*Evon DiGangi
Mount Holly Twp. School District
Board Trustee, Schools Health Insurance Fund*

“This pandemic and the passage of Ch. 44 made it abundantly clear why being a member of the HIF is so very important. The HIF team did an exceptional job! We had many questions regarding testing and PPE not to mention Ch 44 and it's implementation. One of the benefits of being a 'member' is the dividends!! We received a dividend that partially offset a loss in revenue and employee contributions. We needed the camaraderie and support of being a part of the HIF as well as the dividends!!”

*Beth Ann Coleman, Business Administrator/Board Secretary
Collingswood and Oaklyn Public Schools
Secretary, Schools Health Insurance Fund*

“One of the biggest challenges we faced during the pandemic was predicting the impact of COVID-19 on future health insurance costs. Regular reports from Fund professionals on cost trends and potential impact were helpful not only for my Schools Health Insurance Fund clients but for my book of business globally. The 'hi' fund team performed extremely well during this crisis and communication was excellent.”

*Jim Finn
Brown & Brown Metro
Broker Partner*

“I am responsible for managing all of the Borough's employees. Throughout the pandemic, the first concern in managing employees was their health. This health focus made it critical to provide the peace of mind to employees that comes with a responsive member-run health insurer. Knowing where to turn to get answers and having that 'seat at the table' was so valuable.”

*Gregory C. Hart
Administrator, Borough of Franklin Lakes
Chair, Gateway BMED Executive Board*

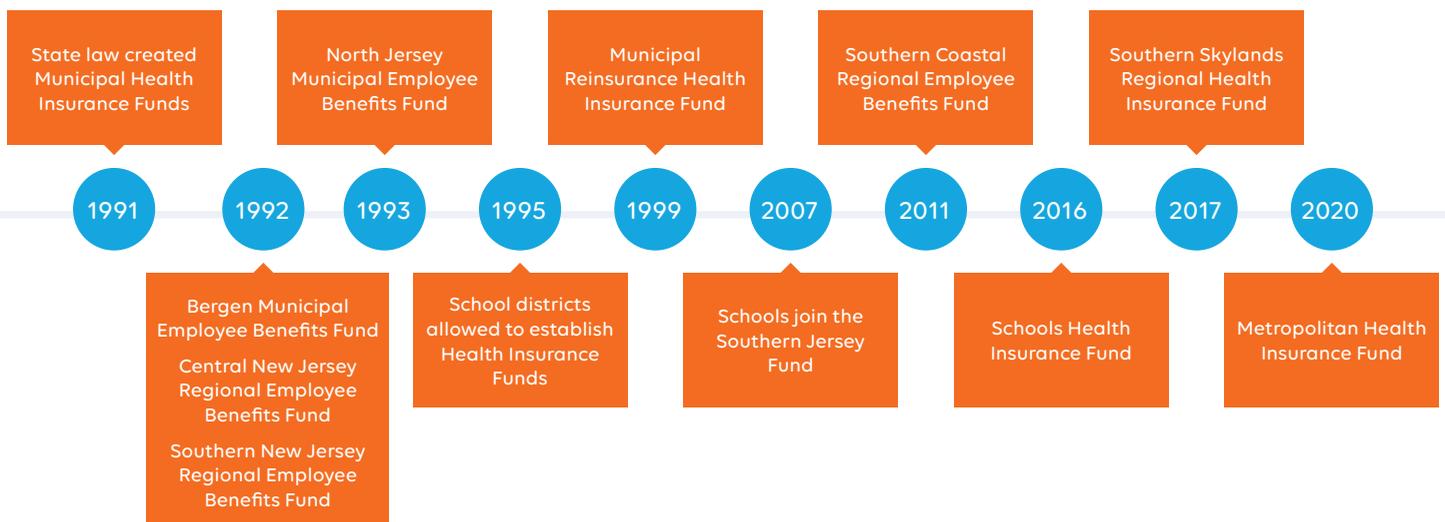
MEET THE "hi" fund

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.

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.



VALUE AND SAVINGS

\$702M

collective annual budget

\$267M

in dividends (since 1992)

\$231M

in surplus



31,000

employees



83,000

bellybuttons

259

public
entities



125

Municipalities/
Counties

134

Schools/BOE

9

Authorities

5 YEAR AVERAGES

.45%

rate increase

12%

enrollment growth
rate per year



3.5
months

of claims
as surplus

Financial information and entity count as of 6/30/2021

SAVINGS & DIVIDENDS



The “hi” funds shared services approach and self-insured structure provides enormous leverage to keep pricing and costs significantly lower than fully-insured programs. The long-term stability and careful management of the funds can lead to a surplus. Since surplus dollars are owned by the members — not the insurance carriers — excess surplus is returned to the members through dividends.

Over the past 5 years the funds have paid

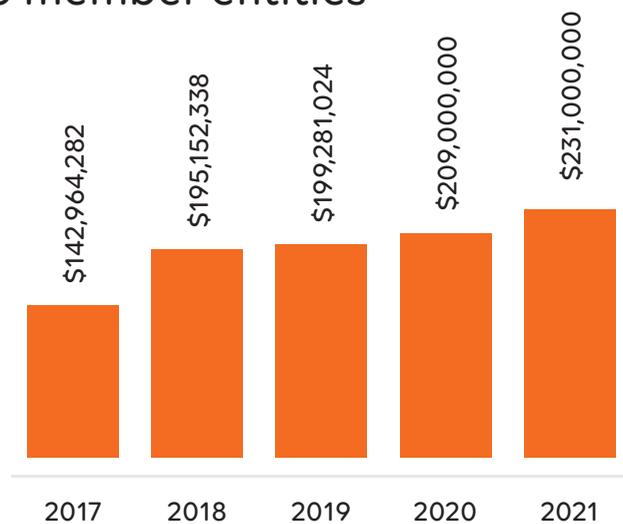
\$202 MILLION

in dividends to member entities

Since inception the funds have paid more than

\$267 MILLION

in dividends



5 Year Surplus Chart

Financial information and entity count as of 6/30/2021





COST CONTROL

Delivering stable, predictable rates year-over-year is possible because we manage our funds with intense discipline, critically evaluate prospective members, and continue to implement innovative cost controls methods. Using features such as telemedicine, pharmacy utilization protocols, medical case management techniques, and health and wellness grants, we can reduce the amount spent on claims and “flatten” premium variations over time.

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

.45%

Combined average of increases for
all funds from 2017-2021



Financial information and entity count as of 6/30/2021



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.



The "hi" fund also offers these health partnerships.

R-Health offers members, employees and their families a higher level of access to primary care doctors, offices and medical services at reduced costs. R-Health provides a variety of services including enhanced care management, assistance with managing chronic conditions, proactive outreach for testing and follow-up care. (Currently available through the Schools Health Insurance Fund)

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. (Currently available through the Schools Health Insurance Fund and Southern Coastal Fund)

"I truly feel my Guardian Nurse has gone above and beyond. I received a call from my doctor that some results needed to be reviewed the next day...my nurse knew how scared I was of receiving bad news so she accompanied me. My doctor said that I needed a lumbar puncture done and this has been one of my biggest fears for years. My nurse guided me through the process, explained everything thoroughly, answered any questions I had. Knowing she was there and had my back, was on my side and was advocating for me meant the world to me. My nurse would tell me we're doing this together, I'm braver than I think I am, and that I CAN do it. Without that constant motivation and support from her I don't think I would have completed the procedure. My nurse really has an ability to connect with her patients and you can tell she really cares about you and your health. My nurse is absolutely amazing, helpful, and you can tell she loves her job and I'm glad that I have her on my side. I am extremely grateful."



FAMILY OF FUNDS

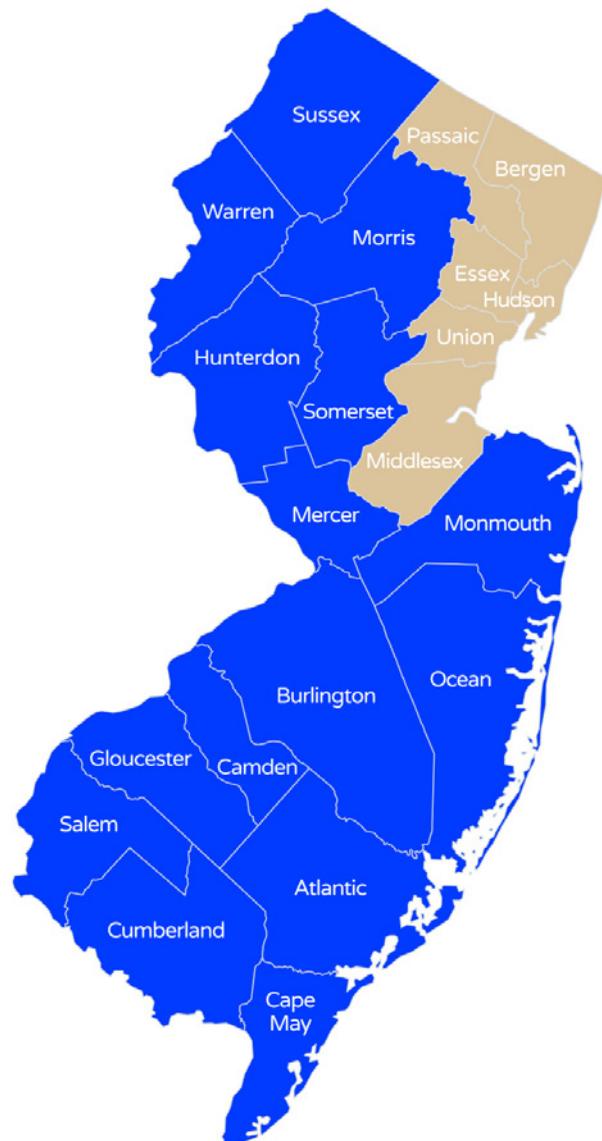


Gateway

BMED FUND

Founded in 1992

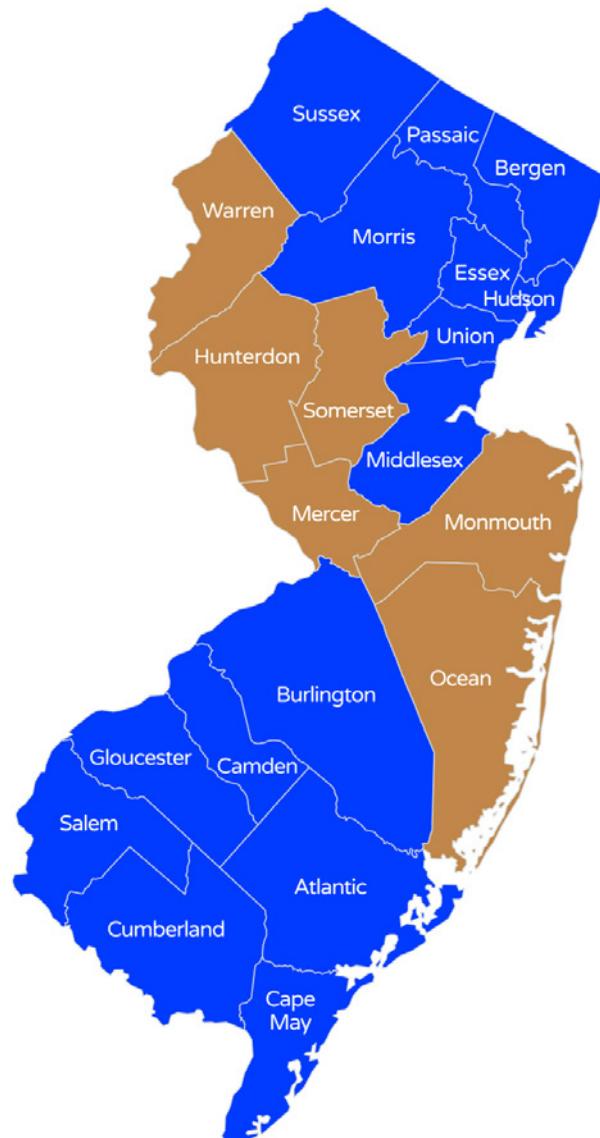
- Services large portions of Northern NJ
- \$53 Million annual budget
- \$17 Million in surplus
- \$22 Million in dividends
- 36 entities
- 1,911 employee lives
- 5,160 bellybuttons
- 5 year average rate increase of .69%



Central Jersey FUND

Founded in 1992

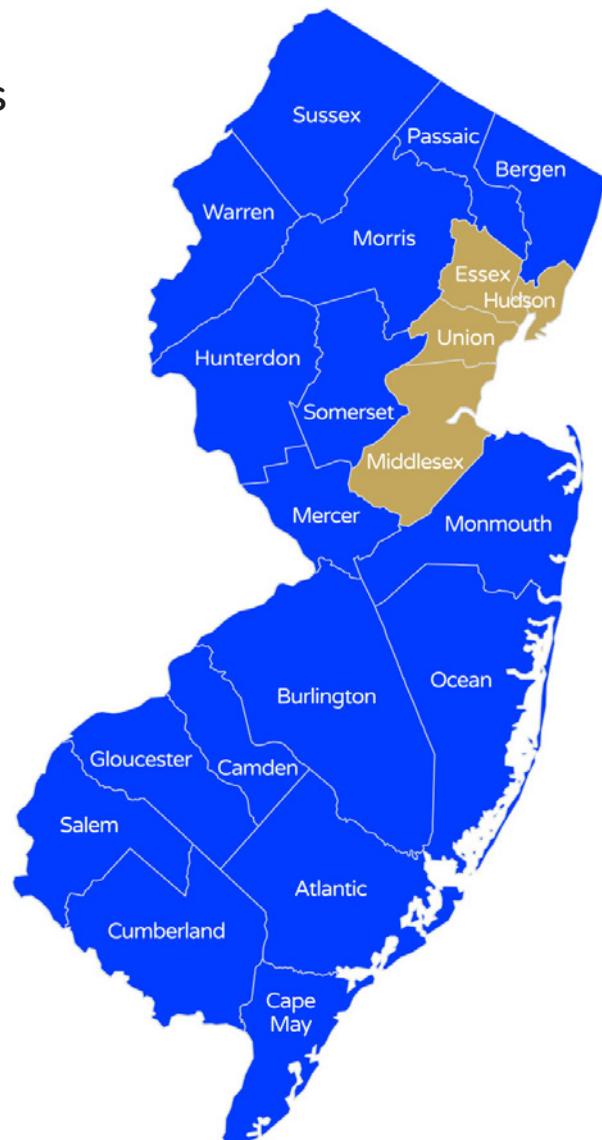
- Services public entities Central and Northwest NJ
- \$45 Million annual budget
- \$20 Million in surplus
- \$48 Million in dividends
- 34 entities
- 1,600 employee lives
- 4,300 bellybuttons
- 5 year average rate increase -1.45%





Founded in 2020

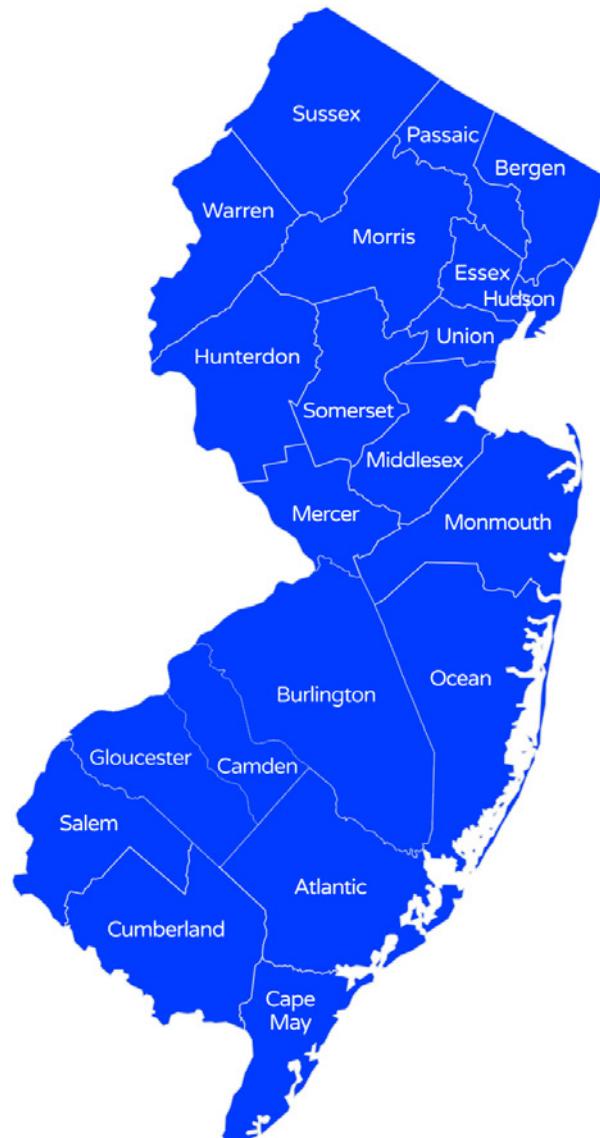
- Services larger public entities and school districts in North Jersey
- 6 entities
- 4,295 employee lives
- 2,494 bellybuttons





Founded in 1999

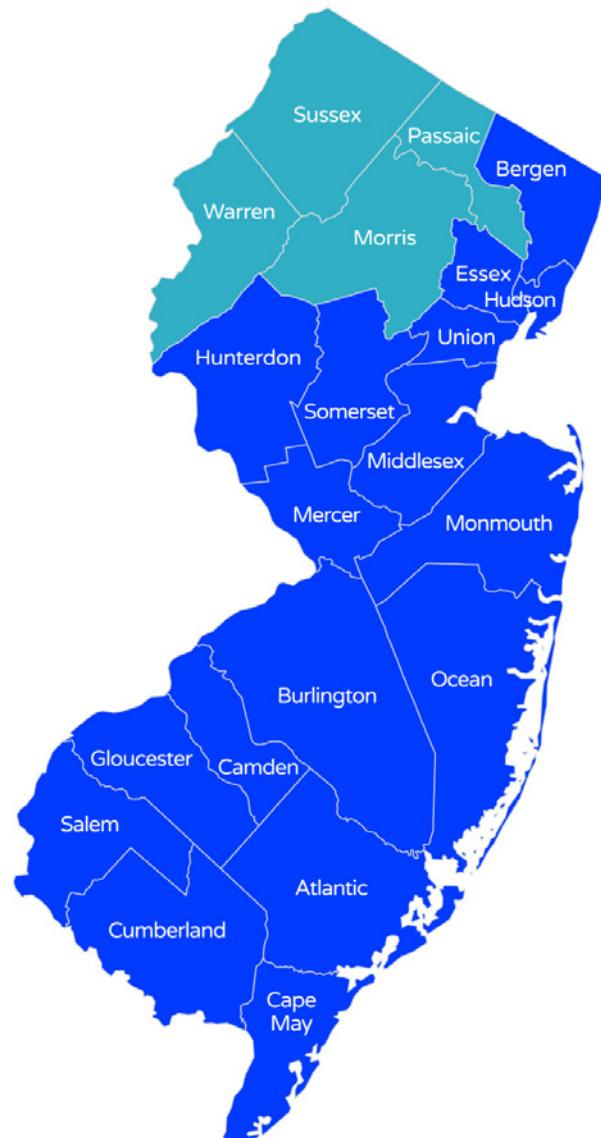
- Statewide reinsurance Fund for Health JIFs
- \$15 Million annual budget
- \$18 Million in surplus
- \$36 Million in dividends
- 28,000 employee lives
- 74,000 bellybuttons
- 5 year average rate increase of -9%





Founded in 1993

- \$41 Million annual budget
- \$17 Million in surplus
- \$33 Million in dividends
- 28 entities
- 1,490 employee lives
- 4,023 bellybuttons
- 5 year average rate increase of .31%

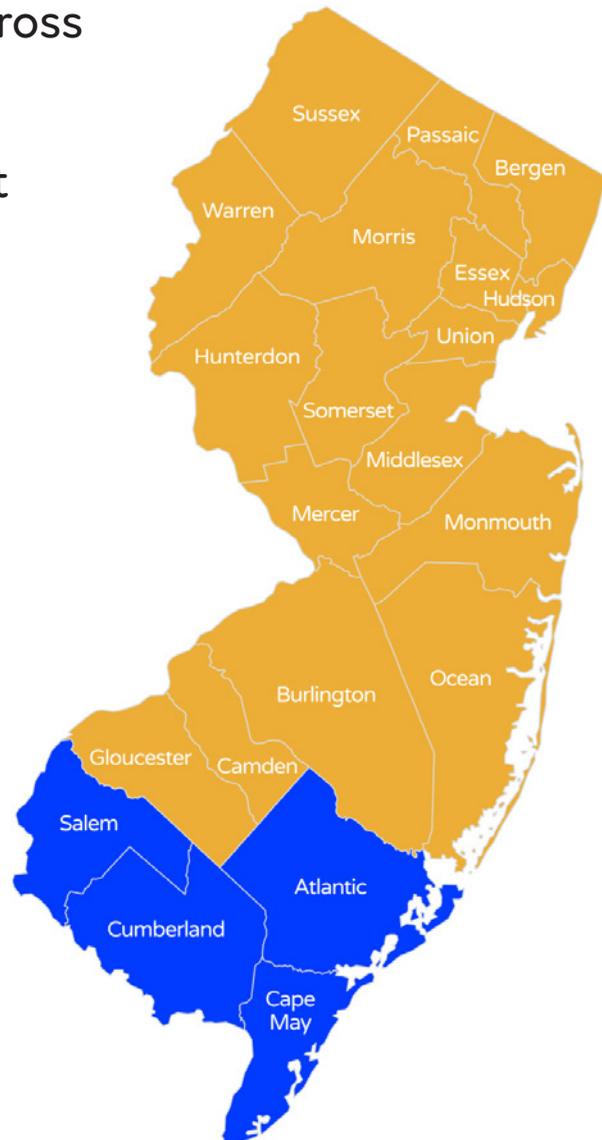


SCHOOLS HEALTH INSURANCE FUND



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

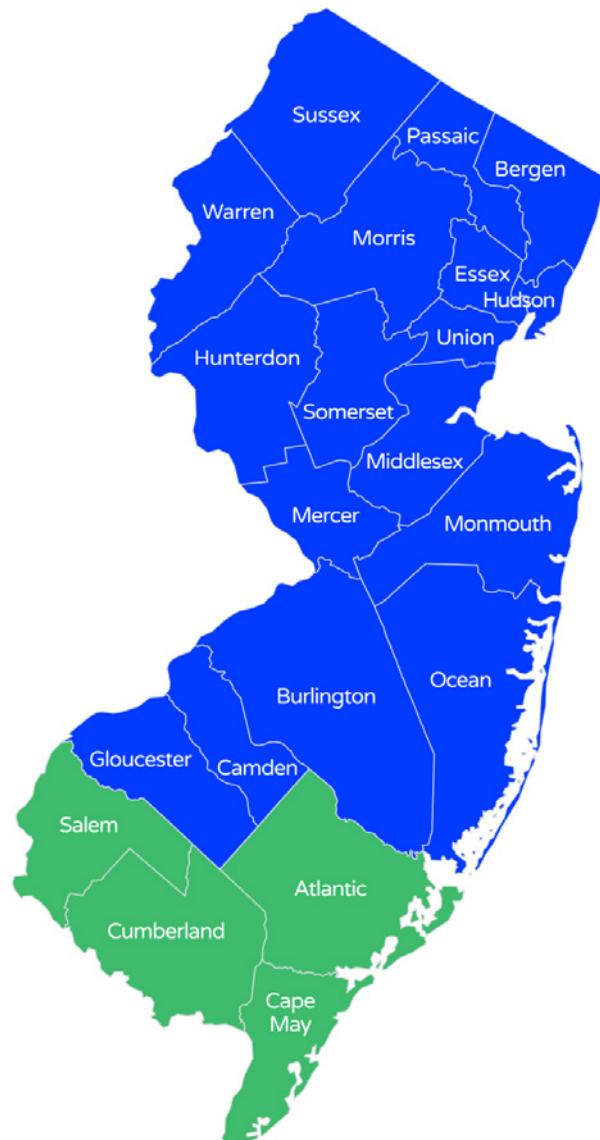
- Services school districts across State of NJ
- \$350 Million annual budget
- \$106 Million in surplus
- \$39 Million in dividends
- 92 entities
- 15,940 employee lives
- 43,000 bellybuttons
- 5 year average rate increase of .31%



SouthernCoastal^{FUND}

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

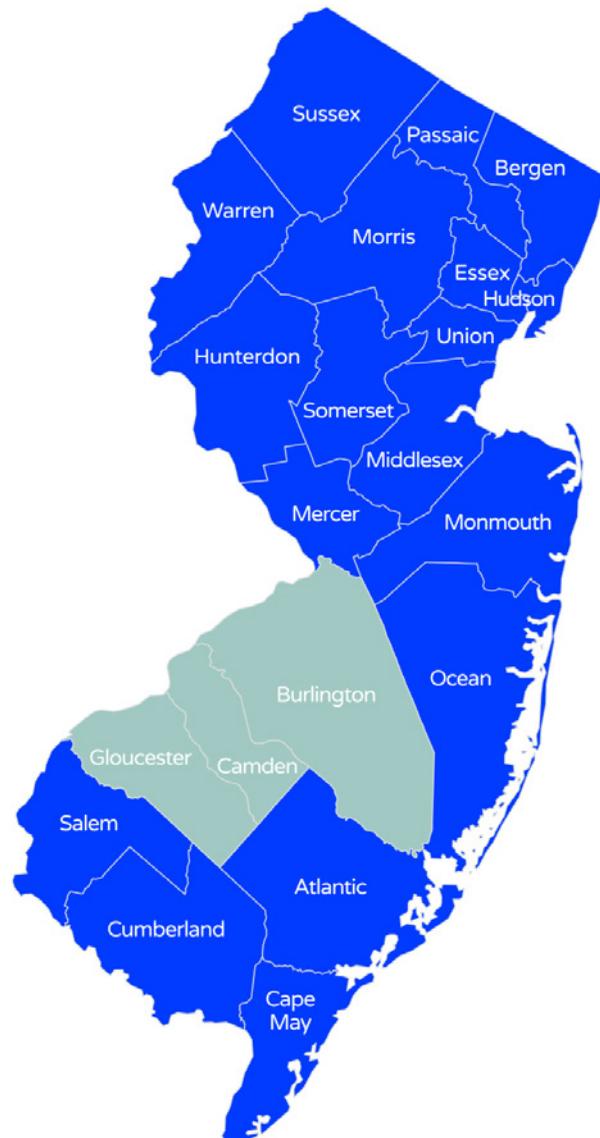
- Services public entities in Salem, Cumberland, Atlantic and Cape May Counties
- \$82 Million annual budget
- \$25 Million in surplus
- \$20 Million in dividends
- 25 entities
- 5,000 employee lives
- 13,500 bellybuttons
- 5 year average rate increase of 2.37%



Southern Jersey ^{FUND}

Founded in 1992

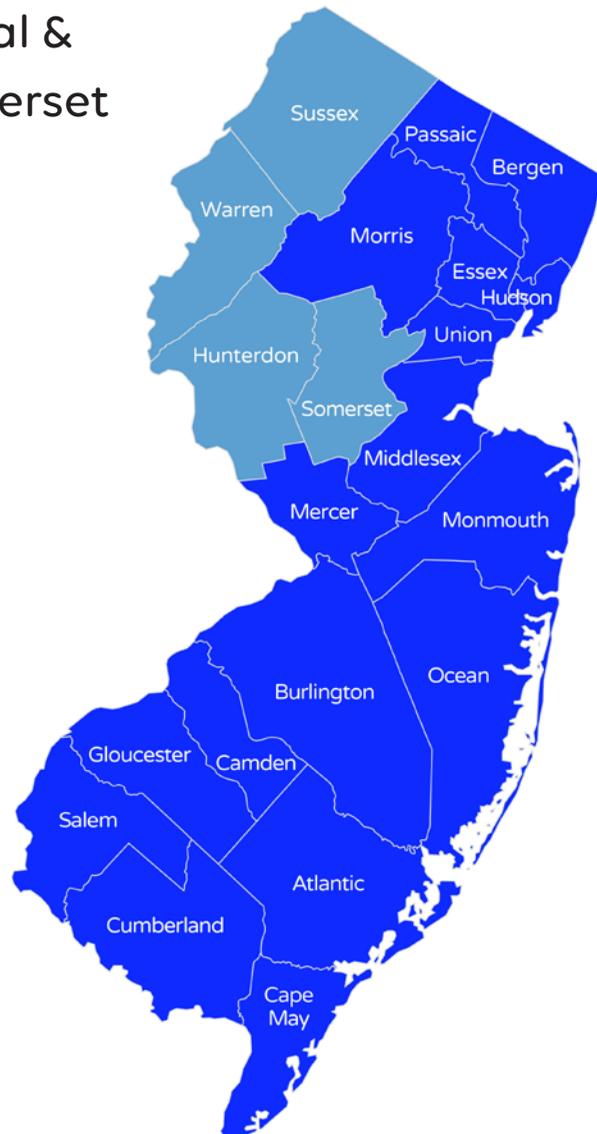
- Services municipalities in the Camden, Gloucester and Burlington Counties
- \$43 Million annual budget
- \$12 Million in surplus
- \$70 Million in dividends
- 37 entities
- 1,696 employee lives
- 4,579 member lives
- 5 year average rate increase of -1.74%



SouthernSkylands FUND

Founded in 2017

- Services public entities in Somerset County, Somerset County Park Commission, Somerset County Vocational & Technical Schools and Somerset County Library
- \$40 Million annual budget
- \$1.2 Million surplus
- 4 entities
- 1,794 employee lives
- 4,843 bellybuttons
- 4 year average rate increase 6.03%



WHAT YOU NEED TO KNOW

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.

Powered by **PERMA** | RISK
MANAGEMENT
SERVICES



"hi" fund TEAM



Joe DiBella
Joseph DiBella
Managing Director



Scott Davenport
Scott Davenport
Public Entity &
HIF Practice Leader



Paul Laracy
Paul Laracy
Executive Director



Sean Critchley
Sean Critchley
Business Development Executive



Jason Edelman
Jason Edelman
Business Development Executive



Brandon Lodics
Brandon Lodics
Program Manager



Karen Kidd
Karen Kidd, Director
Operations



Emily Koval
Emily Koval
Associate Executive Director



Jozsef Pfeiffer
Jozsef Pfeiffer
Associate Program Manager



Dave Vozza
Dave Vozza
NJHIF/MRHIF Program Manager



Randi Gerber
Randi Gerber
NJHIF/MRHIF Account Manager



Carolyn Petrowski
Carolyn Petrowski
NJHIF/MRHIF Account Executive



Maggie Friel
Margaret Friel
Associate Consultant



Louis C. Moeller
Louis Moeller
Employee Benefits Specialist



Samuel DeMarini
Sam DeMarini,
Employee Benefits Specialist



Jordyn DeLorenzo
Jordyn DeLorenzo,
Assistant Account Manager



Angela Hutchinson
Angela Hutchinson
Senior Staff Accountant



Bert Kerfoot
Bert Kerfoot
Staff Accountant

Dive into New Jersey's Safest Health Insurance Pool



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