

CITY COUNCIL**The City of Orange Township, New Jersey**DATE November 6, 2024NUMBER 501-2024

TITLE: A RESOLUTION OF THE CITY OF ORANGE TOWNSHIP AUTHORIZING THE CITY OF ORANGE TOWNSHIP TO JOIN THE METROPOLITAN HEALTH INSURANCE FUND FOR MEDICARE ADVANTAGE TO COMMENCE DECEMBER 1, 2024 AND ENDING ON DECEMBER 31, 2027

WHEREAS, a number of public entities in the State of New Jersey have joined together to form the **METROPOLITAN HEALTH INSURANCE FUND**, hereafter referred to as "FUND", as permitted by N.J.S.A. 11:15-3, 17:1-8.1, and 40A:10-36 et seq., and;

WHEREAS, the FUND was approved to become operational by the Departments of Insurance and Community Affairs and has been operational since that date, and;

WHEREAS, the statutes and regulations governing the creation and operation of a joint insurance fund, contain certain elaborate restrictions and safeguards concerning the safe and efficient administration of the public interest entrusted to such a FUND; and

WHEREAS, the governing body of City of Orange Township, hereinafter referred to as "LOCAL UNIT" has determined that membership in the FUND is in the best interest of the LOCAL UNIT.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the LOCAL UNIT hereby agree as follows:

- i. Become a member of the FUND for the period outlined in the LOCAL UNIT's Indemnity and Trust Agreements from December 1, 2024 and ending December 31, 2027.
- ii. Will participate in the following type (s) of coverage (s):
 - a.) Medicare Advantage as defined pursuant to N.J.S.A. 17B:17-4, the FUND's Bylaws, and Plan of Risk Management.
- iii. Adopts and approves the FUND's Bylaws.
- iv. Execute an application for membership and any accompanying certifications.

BE IT FURTHER RESOLVED that the governing body of the LOCAL UNIT is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying membership in the FUND as required by the FUND's Bylaws, and to deliver these documents to the FUND's Executive Director with the express reservation that these documents shall become effective only upon:

- i. Approval of the LOCAL UNIT by the FUND.
- ii. Receipt from the LOCAL UNIT of a Resolution accepting assessment.
- iii. Approval by the New Jersey Department of Insurance and Department of Community Affairs.

ADOPTED: November 6, 2024

Joyce L. Lanier
City Clerk

Adrienne K. Wooten
Council President



METROPOLITAN HEALTH INSURANCE FUND
INDEMNITY AND TRUST AGREEMENT

THIS AGREEMENT made this _____ day of **November**, in the County of Essex, State of New Jersey, By and Between the **METROPOLITAN HEALTH INSURANCE FUND** referred to as "FUND" and the governing body of the **CITY OF ORANGE TOWNSHIP** a duly constituted LOCAL UNIT OF GOVERNMENT, hereinafter referred to as "LOCAL UNIT".

WITNESSETH:

WHEREAS, the governing bodies of various local units of government, as defined in N.J.A.C. 11:15-3.2, have collectively formed a Joint Insurance Fund as such an entity is authorized and described in N.J.S.A. 40A:10-36 et. seq. and the administrative regulations promulgated pursuant thereto; and

WHEREAS, the LOCAL UNIT has agreed to become a member of the FUND in accordance with and to the extent provided for in the Bylaws of the FUND and in consideration of such obligations and benefits to be shared by the membership of the FUND;

NOW THEREFORE, it is agreed as follows:

1. The LOCAL UNIT accepts the FUND's Bylaws as approved and adopted and agrees to be bound by and to comply with each and every provision of said Bylaws and the pertinent statutes and administrative regulations pertaining to same.
2. The LOCAL UNIT agrees to participate in the FUND with respect to health insurance, as defined in N.J.S.A. 17B:17-4, and as authorized in the LOCAL UNIT's resolution to join.
3. The LOCAL UNIT agrees to become a member of the FUND and to participate in the health insurance coverages offered for an initial period, (subject to early release or termination pursuant to the Bylaws), such membership to commence on **December 1, 2024** and ending on **December 31, 2027** at 12:01 AM provided, however, that the LOCAL UNIT may withdraw at any time upon 90 day written notice to the FUND.
4. The LOCAL UNIT certifies that it has never defaulted on payment of any claims if self-insured and has not been cancelled for non-payment of insurance premiums for a period of at least two (2) years prior to the date of this Agreement.
5. In consideration of membership in the FUND, the LOCAL UNIT agrees that it shall jointly and severally assume and discharge the liability of each and every member of the FUND, for the periods during which the member is receiving coverage, all of whom as a condition of membership in the FUND shall execute an Indemnity and Trust Agreement similar to this Agreement and by execution hereto, the full faith and credit of the LOCAL UNIT is pledged to the punctual payments of any sums which shall become due to the FUND in accordance with the Bylaws thereof, this

METROPOLITAN HEALTH INSURANCE FUND

9 Campus Drive, Suite 216
Parsippany, NJ 07054

BYLAWS

November 3, 2023

WHEREAS, N.J.S.A. 40A: 10-36 et. seq. (the "Statute") permits joint insurance funds to provide group health and term life benefits to member local units;

WHEREAS, the METROPOLITAN HEALTH INSURANCE FUND (the "FUND") has operated as a subgroup of the Bergen Municipal Employee Benefits Fund since October 1, 2016 and is now filing for authority to act as an independent joint health insurance Fund pursuant to said Statute, and

WHEREAS, pursuant to said Statute and the regulations promulgated by the Department of Banking and Insurance pursuant thereto the Fund is required to adopt bylaws setting forth the procedures for the organization and administration of the Fund.

NOW THEREFORE, the membership of the Fund hereby adopts the following bylaws:

**Article I
DEFINITIONS**

For the purposes of these Bylaws, unless the context requires otherwise, the following words and phrases shall have the meanings indicated:

"ACTUARY" in the case of health insurance means a fellow in good standing of the Society of Actuaries or the Casualty Actuarial Society with at least three (3) years recent experience in health insurance pricing and reserving. Actuary in the case of life insurance means a fellow in good standing of the Society of Actuaries with at least three (3) years recent experience in life insurance pricing and reserving.

"ADMINISTRATOR" or **"EXECUTIVE DIRECTOR"** means a person, partnership, corporation or other legal entity engaged by the Fund or its Executive Committee to act as Executive Director, to carry out the policies established by the Fund or its Executive Committee and to otherwise administer and provide day-to-day management of the Fund.

"RISK MANAGEMENT CONSULTANT" or **"RMC"** means a New Jersey licensed health insurance agent sub-contracted by the Fund Coordinator, to provide member entities with advice and consultancy services related to such member entity health insurance benefits and services. The Fund's Executive Committee may elect to establish criteria and professional requirements for the selection and approval of RMCs who interact with the Fund and its professionals.

"COMMISSIONER OF THE DEPARTMENT OF BANKING AND INSURANCE" means the Commissioner of the New Jersey Department of Banking and Insurance.

"DEPARTMENT" means the New Jersey Department of Banking and Insurance.

"FUND" means the METROPOLITAN HEALTH INSURANCE FUND.

in the insurance contract on a specific per occurrence, per individual or annual aggregate basis.

Article II MEMBERSHIP

A. Membership Applications – Initial/Organizing Members

1. Pursuant to N.J.S.A. 40A: 10-36, the governing body of a qualified local unit shall by resolution agree to join the Fund. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the Fund's Bylaws as approved and adopted pursuant to N.J.S.A. 40A: 10-36 et seq. The resolution shall also provide for the execution of an Indemnity and Trust agreement as defined in Article I and shall specify the term of local unit's membership in the Fund and the types of coverage to be provided by the Fund.
2. Local units are also required to specify by written resolution, that the local unit has and will pay all assessments levied by and due to any other joint insurance fund, including supplemental assessments levied after leaving a fund. To the extent a local unit fails or has failed to pay any assessments levied by and due to any other joint insurance fund established pursuant to NJSA 40A:10-36, the local unit will not be permitted to join the fund or maintain/renew its membership in the fund until it satisfies its obligations to such other fund(s).

B. Membership Applications – Subsequent Members

1. Any qualified local unit seeking membership shall submit an application to the Fund on a form acceptable to the Commissioner. The application shall include an executed Indemnity and Trust Agreement and other documentation required under Section A. above.
2. An application may be approved by a two-thirds vote of the full authorized membership of the Executive Committee if the applicant's claims experience, plan design and personnel practices are compatible with the Fund's objectives and the applicant meets other criteria established by the Fund which may include, but are not limited to, commitment to the joint insurance fund concept, impact on the Fund's underwriting practices and such other factors as may be determined to be relevant to the sound fiscal operation of the Fund.
3. Within 15 days of its approval by the Fund, the executed Indemnity and Trust Agreement and the resolution required under Section A above shall be concurrently filed with the Department of Banking and Insurance and the Department of Community Affairs. The filing shall be accompanied by a revised budget with assessment detail if the addition of the new member changes the total budget five percent from the original budget or the latest filed amended budget. The filing shall also include the name of the new member's insurance fund commissioner and alternates in accordance with N.J.A.C. 11:15-3.6(e), amendments to the Fund's Bylaws and Plan of Risk Management as may be necessary, and any other information the Commissioner may deem necessary.
4. If a non-member local unit is not approved for membership, the Fund shall set forth in writing the reasons for disapproval and send the reasons for disapproval to the non-member local unit within thirty (30) days of non-approval. The Fund shall retain a copy of all disapprovals for five (5) years.

C. Membership Renewals

4. A member that has been terminated or does not continue as a member of the Fund shall nevertheless share in any surplus in the appropriate trust accounts for that Fund Year pro rata according to its participation and remain jointly and severally liable for claims incurred by the Fund and its members during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.
5. Prior to the conclusion of the Fund's current fiscal year, the Fund shall provide written notification to a member that has been terminated by or withdrawn from the Fund, of the estimated surplus or estimated supplemental assessment for which the member may share or be liable pursuant to 4 above.
6. The Fund shall immediately notify the Department and the Department of Community Affairs if the termination or withdrawal of a member causes the Fund to fail to meet any of the requirements of N.J.S.A. 40A: 10-36 et seq. or any other law or regulation of the State of New Jersey. Within fifteen (15) days of such notice, the Fund shall advise the Department and the Department of Community Affairs of its plan to bring the Fund into compliance.
7. A Fund member is not relieved of the obligation to pay claims incurred during its period of membership except through payment by the Fund (of claims not directly attributable to the member) or the member of those claims.
8. The Fund shall only cover claims incurred by a member local unit's active employees, retirees, and individuals covered under COBRA and conversion options during the period the local unit was a member of the Fund.

Article III ORGANIZATION

A. Commissioners

1. Appointment:
 - a. Commissioners: In the manner generally prescribed by law, each participating local unit shall appoint one (1) Commissioner to represent the local unit to the Fund. The person appointed shall be either a member of its governing body or one of its employees.
 - b. Alternate Commissioner: Each participating local unit may also appoint one (1) Alternate Commissioner who shall be a member of the governing body or employee of the local unit and shall serve as the local unit's Fund Commissioner in the absence of the regular Fund Commissioner.
 - c. Special Commissioner: In the event that the number of participating local units is an even number, one (1) Special Commissioner and an alternate to the Special Commissioner shall be appointed annually by a participating local unit on a rotating basis determined alphabetically.

The local unit's privilege to appoint the Special Commissioner shall remain with that local unit for one (1) entire Fund Year and the subsequent admission to the Fund of a local unit with a preceding alphabetical prefix shall not deprive any local unit already a member of the Fund of its prerogative to appoint a Special Commissioner during a current local unit Fund Year.

1. As soon as possible after the beginning of each year, the Commissioners shall meet to elect the officers of the Fund from their own membership. Fund officers shall serve until January 1st of the following year, or, if later, the date on which a successor is duly elected and qualified.
 - a. Chairperson: The Chairperson shall preside at all meetings of the Fund Commissioners and Executive Committee and shall perform such other duties provided for in these Bylaws and the laws and regulations of the State of New Jersey.
 - b. Secretary: The Secretary shall serve as Acting Chairperson in the absence of the Chairperson and shall perform such other duties as provided for in these bylaws and the laws and regulations of the State of New Jersey.
2. In the event of a vacancy in any of the officer positions caused by other than the expiration of the term of office, the Executive Committee shall by majority vote fill the vacancy for the unexpired term. In the event of a vacancy of both the Chairperson and Secretary, the longest serving member of the Executive Committee, or otherwise the longest serving Fund Commissioner shall serve as Acting Chairperson until the vacancies are filled.
3. Any officer can be removed with cause at any time by a two-thirds (2/3) vote of the full membership of the Fund Commissioners. In this event, the full membership of the Fund Commissioners shall by majority vote elect an individual to fill the vacancy for the unexpired term.

C. Executive Committee

1. As soon as possible after the beginning of the year, the Fund Commissioners shall meet and elect Fund Commissioners to serve on the Executive Committee along with the Chairperson and Secretary. The total number of Commissioners on the Executive Committee shall not exceed number of Commissioners plus one if the Fund membership is an even number. If the total number of Fund Members exceeds seven (7), the Fund Commissioners shall elect an Executive Committee comprised of five (5) Commissioners to serve with the Chairperson and the Secretary for a total of seven (7) members on the Executive Committee. During their term of office, members of the Executive Committee shall exercise the full power and authority of the Fund Commissioners except as otherwise provided in these bylaws.
2. The Executive Committee shall serve co-terminously with their underlying office until January 1st of the following year, or, if later, the date on which their successors are duly elected and qualified.
3. The Fund Commissioners shall have the authority to elect up to five (5) Commissioners to serve as alternate members of the Executive Committee. The alternate, or alternates, serving in the absence of a member, or members, of the Executive Committee shall exercise the full power and authority of that absent member or members.
 - a. Alternates shall serve in established priority order, designated as alternate #1, alternate #2, alternate #3, alternate #4 and so on. Alternate #1 shall serve in the absence of one member of the Executive Committee or in the absence of alternate #1, alternate #2 may serve and so on through alternate #5. One or more alternates starting with alternates #1 and #2 shall serve in the absence of two or more Executive Committee members. Alternates may attend Executive Committee meetings but shall not be entitled to vote at such meeting unless serving in the absence of a member of the Executive Committee. At the beginning of each Fund Year the Executive Committee shall fix the number of

2. Executive Director:

- a. The Executive Director shall serve as Administrator of the Fund and shall be experienced in risk management matters and self-funded entities, and shall have at least ten (10) years of experience in the management and operation of health joint insurance funds.
- b. The Executive Director shall have the following duties and responsibilities:
 - 1) The Executive Director shall carry out the policies established by the Fund, shall serve as the day to day chief operating officer of the Fund and otherwise administer and provide for day-to-day management of the Fund.
 - i. Prepare for approval of the Executive Committee and implement the Fund's operations manual and policy & procedures manual.
 - ii. Prepare the Fund's budget, compile and bill the monthly assessments.
 - iii. Maintain the Fund's underwriting files including census data, prepare new member submissions for review by the Executive Committee, and supply underwriting data to other Fund professionals as needed.
 - iv. Maintain the Fund's general ledger, accounts payable and accounts receivable functions.
 - v. Coordinate the Fund's meeting agendas, minutes, elections, contracts as well as maintain the Fund's official records and office.
 - vi. Prepare, in conjunction with the Fund attorney, all filings required by state regulators.
 - vii. Attend all meetings of the Fund.
 - viii. Provide for automated benefits enrollment and eligibility administration for Fund Members and their participating employees.
 - ix. Produce the monthly premium bills for all Fund Members.
 - x. Manage and administer all aspects of COBRA and Retiree billing administration.
 - xi. Issue HIPAA certificates of Credible Coverage to former Fund health plan participants.
 - xii. Manage day to day transactional services related to enrollment services.
 - xiii. Handle and resolve all day to day claim and service inquiries with the various contracted third party claim administrator and insurers.
 - xiv. Act as primary liaison and coordinator between the Fund and all Service Providers contracted by the Fund to provide services in the delivery of health and medical benefits provided through the Fund.

- xxiii. Twice a year, prepare a written report to the FUND concerning the compliance of the various Service Providers with respect to the written specifications provided, however, that this evaluation is not intended to be in the scope of an audit and shall not include financial related reviews or evaluate the accuracy of claim payments.
- xxix. Resolve coverage, claims and service questions for employees and bargaining units. A complaint log shall be maintained and reviewed each month along with the complaint log prepared by the TPA and the TPA's compliance with the disputed claims procedure. A written recommendation to the FUND on disputed claims shall be provided, which are referred to the FUND for decision.
- (b) Coordinate the preparation of all plan documents, employee booklets, I.D. cards and other employee communications as well as be available for meetings with member entities to explain benefit issues as requested.
- c) The Executive Director shall be bonded in a form and amount acceptable to the Commissioner. The Executive Director shall also be covered by Errors and Omissions insurance as provided by N.J.A.C. 11:15 3.6(e)7 and/or supplements or amendments pertaining thereto. Said coverage is to be paid for by the Fund.
- d) The Executive Director shall also serve as the Fund's Service Agent, to receive service of process on behalf of the Fund.

3. Fund Coordinator:

- a. The Fund Coordinator shall be experienced in health insurance matters and shall provide field services to the member board of educations including:
 - i. Identify Public Entities which may qualify for membership, be available to discuss the FUND with potential members, assist in the preparation of applications, review the new member submissions prepared by the Administrator and coordinate the filed level implementation of the program in the event entity is accepted for membership by the Executive Committee.
 - ii. Provide member entities with advice and consultancy services related to such member entity's health insurance benefits and services
 - iii. Coordinate and, as appropriate, sub-contract with Risk Management Consultants on field services for local member entities. All such sub-contracts shall comply with standards established by the FUND and shall be filed with the FUND prior to payment for such services.
 - iv. Attend all meetings of the FUND.
 - v. Perform such other duties as may be reasonably requested by the FUND.

respective contacts.

3. Except to the extent covered by Errors and Omissions insurance as may be required, as set forth above, the Fund shall indemnify any past, present or future Fund Commissioners, and may indemnify such other officials, professionals or other Service Providers as the Executive Committee determines, for claims arising from an act or omission of such Fund Commissioner, official or employee within the scope of the performance of such individual's duties as Fund Commissioner, official or employee. Such indemnification shall include the reasonable costs and expenses incurred in defending such claims. Nothing contained herein shall require the Fund to pay punitive damages or exemplary damages arising from the commission of a crime by such an individual and the Fund shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, actual malice, gross negligence or willful misconduct of such individual, or in the event of a claim against such an individual by the State of New Jersey or if such Fund Commissioner, official or employee is either covered, or required to be covered, by Errors & Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Fund's Executive Committee. Nothing herein contained is intended to shield any employee or appointed official from liability for any act, omission or wrong-doing which would not customarily be covered by Errors & Omissions insurance if same had been required of said employee or appointed officials.
4. A present, past or future Fund Commissioner, official or employee of the Fund shall not be entitled to a defense or indemnification from the Fund unless:
 - a. Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleadings, he or she delivers the original or exact copy to the Fund Chairman with a copy to the Fund attorney, selected by the Fund to handle such matters, together with a request that the Fund provide for his or her defense; and
 - b. In the event the Fund provides a defense or indemnification, he or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case; and
 - c. Except in those instances where a conflict of interest exists, as determined by an attorney selected by the Fund to handle such matters, the past, present or future Fund Commissioner, official or employee shall agree that the Fund and its counsel shall have exclusive control over the handling of the litigation.
5. The foregoing right of indemnification shall not be exclusive of any other rights to which any Fund Commissioner, official or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this Fund shall be in addition to and not in restriction or limitation of any other privilege or power which the Fund may lawfully exercise with respect to the indemnification or reimbursement of any Fund Commissioner, official or employee; except that in no event shall a Fund Commissioner, official or employee receive compensation in excess of the full amount of a claim and the reasonable costs and expenses incurred in defending such claim.
6. Expenses incurred by any Fund Commissioner, official or employee in defending an action, suit or proceeding may be paid by the Fund in advance of final determination of such action, suit or proceeding as authorized by the Fund in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification

retention program adopted by the Fund. All books, records, files and documents of the Fund shall be retained for not less than five years. The Fund's claims handling procedure shall provide for the prompt, fair, equitable and confidential settlement of claims and shall be administered in compliance with N.J.S.A. 17B:30-13.1 and 13.2, and N.J.A.C. 11:2-17 and 11:15-3.22.

B. Risk Management Plan

1. The Executive Director, under the direction of the Executive Committee, shall prepare or cause to be prepared a plan of Risk Management for the Fund pursuant to N.J.A.C. 11:15-3.6(d). The Risk Management Plan shall be adopted by resolution of the Executive Committee.
2. The Risk Management Plan and all amendments must be approved by the Commissioner and the Commissioner of the Department of Community Affairs before taking effect.

C. Servicing Organizations

1. The Fund may contract to have the following services performed:
 - a. Claims, adjusting, adjudication and administration;
 - b. Compilation of statistics and the preparation of assessment, loss and expense reports;
 - c. Preparation of reports required pursuant to N.J.S.A. 40A:10-36 et seq. and N.J.A.C. 11:15-3.1 et seq.;
 - d. Development of members' assessments and fees;
 - e. Cost containment services;
 - f. Legal services;
 - g. Risk selection and pricing;
 - h. Stop-loss and reinsurance producer services;
 - i. Actuarial services;
 - j. Internal auditing service;
 - k. Such other services as the Fund Commissioners/Executive Committee may deem necessary to properly manage the Fund.
2. No Servicing Organization or producer appointed by the Fund pursuant to N.J.A.C. 11:15-3.6(e)15, or their employees, officers or directors shall have either a direct or indirect financial interest in the Executive Director of the Fund or be an employee, officer or director of the Executive Director unless written notice of such interest has been provided to the Fund Commissioners and members. Further, no Administrator of the fund, or its employees, officers or directors shall be an employee of or have a direct or indirect financial interest in a Servicing Organization, Fund Coordinator, or Benefit Risk Manager appointed by that Fund pursuant to N.J.A.C. 11:15-3.6(e)15, unless written notice of such interest has been provided to the Executive Committee, Fund Commissioners and Executive Director.

The Fund shall offer health insurance coverages to the Fund members. Upon a majority vote of the Fund Commissioners, and the approval of the Commissioner, the Fund may also offer other employee benefits permitted pursuant to N.J.S.A. 40A:10-36, et. seq. At least thirty (30) days prior to the beginning of each Fund Year renewal, the Fund shall notify the Commissioner of any changes in coverage and benefit levels as may be determined and specified by the Fund and its members along with copies of written notice to affected persons.

Article V MEETING AND RULES OF ORDER

A. Meetings

1. **Annual Organization Meeting:** As soon as possible after the beginning of the year, the Fund Commissioners shall meet to elect officers and the Executive Committee, if any, to appoint professionals and to conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the clerks of participating local units at least two (2) weeks in advance.
2. **Regular Meeting:** The Fund Commissioners/Executive Committee shall establish a schedule of regular meetings to conduct the business of the Fund, which shall be at least quarterly. All Fund Commissioners may attend open or closed sessions of the Executive Committee, subject to the provisions of Article XIII, F (4) hereof concerning confidentially and the claims handling procedure. Fund Commissioners and Executive Committee members may attend a meeting via teleconference and/or video conferencing or other electronic meanings so long as they are able to hear and be heard during the conduct of the meeting.
3. **Special Meeting:** The Chairperson or three (3) Fund Commissioners may call a special meeting by notifying the Secretary at least three (3) days in advance. The Secretary shall notify the Fund Commissioners (or members of the Executive Committee) by telephone. If the Secretary is unable to reach a member as of forty-eight (48) hours before the meeting, the Secretary shall telephone another official of the local unit using the following order: Member's Clerk, and then the Business Administrator.
4. **Quorum:** The quorum for a meeting of Fund Commissioners shall be as follows:
 - a. A majority of the total Fund Commissioners unless the total number exceeds 25.
 - b. If the total number of Fund Commissioners exceeds 25 in number, then a quorum shall be 13 plus a sum equal to 20% of the number of members in excess of 25 rounded to the next highest number.
5. A quorum for Executive Committee meetings shall be four, including the Chairperson, Secretary and alternates.
6. Whenever an election is required, the Fund Chairperson may cause a paper ballot to be mailed to each Fund Commissioner which shall be counted at a time and place established by the Chairperson. In the event the number of valid ballots is less than a quorum, the vote shall be null and void. In the event the number of valid ballots is equal to or greater than a quorum the paper ballot shall be effective for effecting the election.
7. The Secretary shall cause written minutes to be maintained of all Fund meetings, and shall cause the minutes to be made available to the commissioner upon request.

1. Not later than November 30th of each year, the Executive Committee (or the Fund Commissioners if there is no Executive Committee) shall adopt by majority vote the budget for the Fund's operation for the coming fiscal year.
2. A copy of the Fund's proposed budget shall be sent to each participating local unit at least two (2) weeks prior to the time scheduled for its adoption. No budget or amendment shall be adopted until a hearing has been held giving all participating local units the opportunity to present comments or objections.
3. A copy of the adopted budget and actuarial certification shall be filed within thirty (30) days of its adoption with the governing body of each participating local unit, the Commissioner and the Department of Community Affairs.
4. An adopted budget may be amended by majority vote of the Executive Committee (or the Fund Commissioners if there is no Executive Committee) after giving the participating local units two (2) weeks' written notice and conducting a hearing on the proposed amendment.
5. A copy of any amendment to the Fund budget shall be filed quarterly with the governing body of each member local unit.
6. A copy of any amendment to the Fund budget shall be filed with the Commissioner and the Commissioner of the Department of Community Affairs within thirty (30) days of the adoption of any budget amendment which either singly or cumulatively with other adopted budget amendment changes the total budget five (5%) percent from the original or latest filed amended budget.

Article VII ASSESSMENTS

A. Monthly Assessment

1. Monthly Assessment Rates

By November 1st of each year, the Executive Director shall prepare for review by the Executive Committee (or Fund Commissioners if applicable) monthly per capita assessment rates by line of coverage for each member. The Executive Committee may also adopt a capping formula, which distributes the increase in the monthly assessments so that no member's per employee rates increase by more than the average Fund-wide increase plus a percentage specified by the Executive Committee. Each member's monthly assessment per capita rates shall be certified by majority vote of the Executive Committee to the governing body of each participating local unit at least one (1) month prior to the beginning of the next fiscal quarter. For budget purposes, the Fund will also compute and communicate each member local unit's maximum cost based on the Fund's aggregate stop loss excess insurance (if any).

2. Adjusted Monthly Assessment

- a. The Executive Director shall compute the monthly assessment for each member unit by multiplying the member's latest census by its latest employee census. Whenever a change in a member's plan design is approved, the Executive Committee shall modify that member's monthly per capita assessment rate in accordance with the recommendation of the actuary.

REFUNDS

- A. Any monies for a Fund Year in excess of the amount necessary to fund all obligations for that Fund Year as certified by an actuary, may be declared to be refundable by the Fund in accordance with the regulations promulgated by the Department. No retiree or other individual directly billed by the Fund for coverage including COBRA and conversion shall be eligible for refunds.
- B. A refund for any Fund Year shall be paid only in proportion to the member's participation in the Fund for such year. Payment of a refund for a year is not contingent on the member's continued membership in the Fund after that year.
- C. The Fund may apply a refund to any arrearage owed by the member to the Fund. Otherwise, at the option of the member, the refund may be retained by the Fund and applied toward the member's next assessment.
- D. The Executive Committee may appropriate a portion of any refund to the appropriate contingency account subject to the provision of N.J.A.C. 11:15-3.13(b).

Article IX STOP-LOSS INSURANCE AND/OR REINSURANCE

- A. Where self-insured, the Fund shall provide a plan for specific and/or aggregate stop-loss insurance or reinsurance in a form and amount acceptable to the Commissioner from an insurer, health joint insurance fund, or other entity authorized or admitted to provide such coverage in the state pursuant to law.
- B. If due to condition in the commercial insurance market, specific and/or aggregate insurance or reinsurance is either not available or the pricing is such that, or for other valid reasons, in the judgment of the Executive Committee, it would be in the best interest of the Fund not to carry such specific and/or aggregate insurance or reinsurance, and if the Fund's actuary certifies that the retention is in accordance with sound actuarial principles, the Executive Committee may apply to the Commissioner for a waiver of the requirements of N.J.A.C. 11:15-3.23.
- C. If the waiver referred to in B above is granted by the Commissioner and results in a revision(s) and/or amendment(s) of either the Plan of Risk Management or the Budget, they shall not be effective until they have been approved by the Commissioner and the Commissioner of the Department of Community Affairs.
- D. Certificates of stop-loss insurance and/or reinsurance showing policy limits and other information shall be available for inspection by each Fund member and shall be filed with the Commissioner.
- E. Any proposed change in the terms or limits of stop-loss insurance and/or reinsurance shall be submitted to the Department and the Department of Community Affairs for approval at least thirty (30) days prior to the effective date of the proposed change.

Article X TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS

- A. Establishment of Trust Fund Accounts
 - 1. By resolution, the Fund shall designate a public depository or depositories for its monies pursuant to N.J.S.A. 40A:5-14. The resolution shall also designate a person to be custodian of the funds for the Fund and shall authorize the custodian to invest temporarily free balances of any claim or administrative accounts periodically as authorized by law.

2. The investment and interest income earned by the investment of the assets of each Claim or Loss Retention Account shall be credited to each account by Fund Year.
3. The investment and interest income earned by investment of the assets of the Administrative Account and Contingency Account shall be credited to that Account.
4. With the prior approval of the Commissioner and the Commissioner of Community Affairs, the Fund may join together with other joint insurance funds to implement a joint investment and cash management program as permitted pursuant to N.J.S.A. 40:8A-3.

C. Disbursements

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the Fund's assets shall certify the availability of sufficient unencumbered funds in the account to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims and expenditures of funds must be approved by a majority vote of the Fund's Commissioners or the Executive Committee.
3. Notwithstanding subsections 1 and 2 above, the Fund may provide for the expeditious resolution of certain claims pursuant to N.J.A.C. 11:15-3.21(b) by designating the Fund's Executive Director or other Service Organization as "certifying and approving officer" pursuant to N.J.S.A. 40A:5-17. The Fund may authorize the certifying and approving officer to approve for payment any or specified claims in an amount not to exceed an amount approved by the Commissioner in the Plan of Risk Management. The Fund shall establish such other procedures and restrictions on the exercise of this authority, as the Fund may deem appropriate. The authority of the certifying and approving officer may be revoked at any time.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the Fund's assets directing that a check for payment be prepared.
5. The certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Executive Committee at their next scheduled meeting. If any claim approved and paid by the certifying and approving officer is not approved by the Executive Committee, they shall direct that appropriate action shall be taken.
6. Each request for payment must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and must carry the certification of some officer, or duly designated agent or employee of the Fund having knowledge of the facts that the goods have been received by or the services rendered to the Fund. In the case of claims or losses to be charged against any loss fund, the Fund's Claim Administrator shall certify as to the claims' correctness and validity.
7. All claims shall be paid by check or, subject to approval of the procedure by the Commissioner, by wire transfer of funds to the Third Party Claims Administrator. Each check shall be signed by two persons designated by the Fund Commissioners or the Executive Committee.

D. Periodic Review of Pending Claims. All pending claims will be reviewed not less than monthly. The TPA shall submit a report to the Fund not less than quarterly.

E. Approval of Payments. The Fund shall specify in the contract the TPA's claims payment authority.

F. Confidentiality

1. As mandated by New Jersey Law, Employee claims information is privileged and confidential and shall not be included as a part of any open public record.
2. Fund Commissioners and the officials of the member local unit shall not have access to any employee claim information which reveals the identity of any individual plan participant.
3. All claims are to be filed, and all inquiries are to be handled, directly with the Third Party Administrator. All employees of the Third Party Administrator shall execute a non-disclosure statement to protect the identity of the plan participants.
4. Only Executive Committee members and necessary Fund professionals shall participate in any closed session discussion of claims. These claims discussions, whether general or specific to a coverage dispute, shall at all times be confidential and anonymous so that the identity of the local unit and/or claimant cannot be ascertained. When necessary, as in a specific claim dispute, the anonymity of the claimant shall be assured by assigning a blind claim number and deleting all references to the individual's name and place of employment. The claimant may request that the claim dispute be handled with disclosure of his identity by submitting a written request for such disclosure to the Executive Committee.
5. Documents identifying the employee, or from which the employee's identity might be deduced, shall not be accessible to any persons other than the Third Party Administrator, Executive Director, Fund Coordinator, Fund Attorney, or duly appointed claim auditors when such records are needed to verify the accuracy of claim data as part of an audit.
6. Any person having access to claim information must sign a written non-disclosure statement.

G. Disputed Claims Appeal Procedures

1. If the plan participant is dissatisfied with the determination of the claim processor, the plan participant may appeal in writing the processor's determination to the TPA's Services Management Review Team, who shall notify the plan participant in writing of their determination. The plan participant (hereinafter sometimes referred to as "claimant") shall, at that time, be advised that the determination may be appealed to the Fund's Independent Review Organization ("IRO") and that, at the plan participant's written request, the appeal may be made with the identity of the plan participant revealed. The plan participant's identity shall be revealed only upon the written request of the participant. A copy of this communication with the plan participant's name shall be sent to the Executive Director.
2. The claimant may, in within four (4) months from the date of receipt of the notice, appeal an adverse determination concerning a claim by submitting a written request to appeal an adverse benefit determination and/or final internal adverse benefit determination made by the TPA and submitting the written request, with a copy of the determination letter issued by TPA to the Executive Director.
 - a. The Executive Director will conduct a preliminary review within five (5) business days of the receipt of the request for an external review. There is no right to an external review if (i)

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Article XIV
COMPLAINT HANDLING PROCEDURES
(Other Than Disputed Claims)

- A. Whenever any interested party shall submit a complaint in writing to the Fund, the Executive Director or any member of the Fund, a copy thereof shall be forthwith communicated to the Executive Committee for consideration at their next regularly scheduled meeting, unless the complaint is received seven (7) business days or fewer prior to the next meeting, in which case it shall be considered at the next ensuing meeting.
- B. At said meeting, the Executive Committee shall consider the complaint, and by recorded vote take such action as might be appropriate.
- C. The complaining party, through the Executive Director, shall receive written notice of the Executive Committee's findings. The written notice to the complaining party may, where appropriate, include an opportunity for the complaining party to have a hearing concerning its complaint before the Executive Committee.
- D. The Fund shall keep a separate record of each complaint. This record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of each complaint, and the time it took to process each complaint.
- E. For purposes of this article "complaint" means any written communication primarily expressing a grievance.
- F. Confidentiality -
 - 1. As mandated by New Jersey Law, all employee complaint information is privileged and confidential and shall not be included as a part of any open public record.
 - 2. Fund Commissioners and officials of the member local unit shall not have access to any employee complaint information which reveals the identity of any individual plan participant.
 - 3. All complaints are to be filed, and all inquiries are to be handled, directly with the Executive Director. All employees of the Executive Director shall execute a non-disclosure statement to protect the identity of plan participants.
 - 4. Only Executive Committee members and necessary Fund Professionals shall participate in any closed session discussion of complaints. These complaint discussions, whether general or specific, shall at all times be confidential and anonymous so that the identity of the local unit and/or complaining employee cannot be ascertained. When necessary, the anonymity of the complaining employee shall be accomplished by assigning a blind complaint number and deleting all references to the individual's name and place of employment. The complaining employee may demand that the matter be handled with disclosure of his identity by so indicating in writing to the Executive Committee.
 - 5. Documents identifying the employee, or from which the employee's identity might be deduced, shall not be accessible to any persons other than the Executive Director, or Fund Attorney.
 - 6. Any person having access to complaint information must sign a written non-disclosure statement