

FLORENCE TOWNSHIP FIRE DISTRICT NO. 1
BOARD OF FIRE COMMISSIONERS
WORKSHOP MEETING JULY 22, 2013

Board Chairman Scott Arnold called the workshop meeting of the Board of Fire Commissioners of Florence Township Fire District No. 1 to order at 6:30pm. The following statement of compliance with the New Jersey Open Public Meetings Act was read by the chairman:

“This meeting is being held in accordance with the New Jersey Open Public Meetings Act. Notice of this meeting has been sent to and published in the Burlington County Times and the Register News. It has also been published at the township municipal building and on the fire district’s website.”

We saluted the flag and roll call was taken.

ROLL CALL: Present – S. Arnold, C. Bauer, B. Mayer, R. Roberson, and W. Rzomp
Absent – None

Also in attendance were Battalion Chief Mullen, Chief Scully, and Florence Township Mayor Craig Wilkie (who arrived later).

OLD BUSINESS:

1. Virtua Transport Agreement Renewal – This is an annual agreement with Virtua. A motion was made by Commissioner Mayer and seconded by Commissioner Rzomp to renew the Virtua Transport Agreement. Motion carried unanimously.
2. Bid for EMS Billing and Collection Services – The bids were reviewed by administrative staff and by Solicitor Gaskill. Solicitor Gaskill sent an email to the Board with his comments and recommendation. Commissioner Mayer had spoken with Carolyn Taylor and she recommended the same company. There were several deficiencies from the one bidder. We have had no problems with the current vendor. DM Medical Billings bid came in at 6%, 6%, and 6%.
A motion was made by Commissioner Mayer and seconded by Commissioner Rzomp to accept DM Billing as our Billing and Collection Service.
Roll call vote: Chairman Arnold – yes; Commissioner Bauer – yes; Commissioner Mayer – yes; Commissioner Roberson – yes; and Commissioner Rzomp – yes.
Motion carried unanimously.

NEW BUSINESS:

1. New Healthcare Plan – Commissioner Arnold reported that he received a phone call from Mayor Wilkie which was followed up by a letter from Florence Township Administrator Richard Brook. Effective October 1, 2013, Florence Township will be switching to AmeraHealth Network and another carrier for prescriptions. The Township council authorized the Township’s withdrawal from SHEP last week and will become effective the end of September. Mr. Brook was unavailable for B/C Mullen to speak with him. Commissioner Bauer brought up a concern that the township contracts allow them to do this, but do our contracts with our people allow this, or are we locked in to the contract? B/C Mullen will provide a copy of the

contract for the Board. B/C Mullen reported Marc Stranko, the shop steward, is on vacation this week, but he has informed the other two employees. Commissioner Rzomp expressed concerns that it limits us now because it is less than 60 days out of having it transferred; and that we don't know what it is going to cost us now. It's in the middle of a budget year and it is going to cost us more money. Commissioner Mayer reported that they (the Township) had been working on this since at least May. Commissioner Arnold read a section from the letter stating "This is essentially a self-insured health coverage program. Employees can still retain their current doctors and the co-pays will not increase with the switch. This is important because the Township has to offer its employees the equivalent or better in order to make the switch." Commissioner Arnold believes that our contracts read the same. "The switch does not necessarily save money, but it offers a potential to realize a savings in the future." Commissioner Mayer commented that even if they stayed where they were, they would save a whole bunch of money this year based on what the employees now have to pay in. B/C Mullen provided a copy of the contract to the Board.

Mayor Wilkie has arrived at 6:40 pm to answer questions.

Commissioner Arnold reported that our contract does not read the same as the police and we have to contact the union to give them a heads-up. Our contract does not state "equal to or better". The contract basically states that it has to stay the same through the term of the contract.

Mayer Wilkie explained they have a letter to the employees that states "equal to or better." Any doctor that they are seeing who may not be in the AmeriHealth network, because we are creating this hit for Florence, they will then contract with that doctor. They have at least one case where an employee is going to a doctor and currently pays out of network costs. That employee will no longer have to do that. They will pay the in-network cost with this program. For the employee, there will be no change because we are creating our own plan. The employee may actually save money. Mayer Wilkie continued to explain they have a commitment on the rates that will drop a little bit. There will not be a big savings in October when this kicks in. The savings will come in January when the state plan goes up 6 or 8 percent, our rates are guaranteed through next September. The plan is, budget wise, to budget as if going back into the state in October, November and December. This way he has that caveat and not sitting with a budget crisis. The hope is through managing this ourselves, we don't have to increase the rates as much. One of the brokers when he made his presentation recommended employees go to an Ameri-Urgent Care facility instead of going to the emergency room, because it would be cheaper. Employees can still go to the emergency room if they are more comfortable doing that. Hopefully if we are saving a lot of money, we can offer them a better dental plan. The medical and prescription plans will be switched over effective October 1. Dental will stay the same because that is a separate program. The Fire District employees are welcome to attend the workshop meetings at the township, or they will schedule separate meetings if they need to.

Commissioner Mayer inquired why the District is just finding out and not earlier.

Mayer Wilkie stated it was dumbfounded on his part. They started having meeting with their employees back in April and beginning of May.

Commissioner Arnold reported that Richard does not know if we can join the SHEP on our own. One of our insurance experts told us that if we are in, we may get hit big time. Mayer Wilkie said there is no official number out there yet, but he is

hearing 6-8 percent, which is better than what they have been. They've been 10-12 percent. What he's heard from the union, CWA, is 6 and 8 is not bad. But we have a 2% cap on the tax levy. Rates will be locked in until next September and then we will see somewhat of an increase. We have an umbrella built into this, so that if one of our employees needs major health issues, there is a re-insurance that will cover that employee so it won't kill our losses. And also, if there are a lot of losses, the umbrella covers that, so we are able to protect ourselves. His basis for even looking at health insurance is because it is the largest item next to salaries. There are two ways to lower these costs. One, you shop the program. Where he is employed, he has moved five times in six years. What has happened is when he moved from AmeriHealth into the state plan, he got better rates. The following year, Horizon actually undercut themselves in order to get him out of the state plan. And then AmeriHealth came through and Aetna through the South Jersey HIP, and undercut Horizon. So once you are out there, you are competitive. One of the reasons why we are in the AmeriHealth network is because when they asked Aetna about numbers, Aetna said we have this many employees in the state health benefits, why are we going to offer them that money. So they didn't offer it. So next year when we are on our own for a year, the broker will make it a number from Aetna saying "We can do better, here" and try and cut the cost. It is that, or you turn around and reduce your benefits. And right now in this economy, people will give up their raises in order to keep their health benefits. So by shopping this, South Jersey HIP where the school is at, they quoted us the previous two years prior to his coming in, and they weren't competitive with the state. We had a "trust", and if you went into the trust, you would not know your individual health experience. What drives your rates when you are on the competitive market is what your experience is. Right now, we are not judged by our experience because we are with the state. The state just looks across the board and gives everybody the same percentage increase. We may be at 20% on the experience rating and other districts at 2%, and we are only getting the 6. His hope is that we are less than 6 and 8, and we can control our costs. This was the only option he had to get the town out of the state to where we could possibly control our rates. This is not a cost savings now. It is a cost management savings for possibly the future. Our three went in July 1 for management or non unit people, and our CWA are at year two. The fire district people are probably similar to that, year two and three, and next year they kick in the full percent increase. So he's doing whatever he could do to avoid increases. The new insurance is AmeriHealth PPO, which was Pennsylvania Blue Cross/Blue Shield. When they were operating in New Jersey, someone probably complained they couldn't operate in both states, so they created and called themselves AmeriHealth. Mayer Wilkie stated they have a letter from the broker AJM stating whoever your doctor is now, will be your doctor then. The broker will be able to directly negotiate with doctors that are not in the AmeriHealth network. If the employee is paying out of network out of pocket now, they will be paying in network then. Commissioner Arnold asked that Mr. Brook keep B/C Mullen in the loop for next year.

MEETING OPEN TO THE PUBLIC:

A motion was made by Commissioner Rzomp, and seconded by Commissioner Roberson to open the meeting to the public. Motion carried unanimously.

1. There was no public comment.

A motion was made by Commissioner Bauer, and seconded by Commissioner Rzomp to close the public portion of the meeting. Motion carried unanimously.

CLOSED SESSION:

A motion was made by Commissioner Roberson, and seconded by Commissioner Rzomp to go into the closed session portion of the meeting. Motion carried unanimously.

- Personnel – Resignation

A motion was made by Commissioner Roberson and seconded by Commissioner Mayer to go back into regular session. Motion carried unanimously.

Back to NEW BUSINESS:

2. Commissioner Arnold read aloud a letter of resignation from EMS B/C Popso, that was addressed to Chief Scully, effective date of July 18, 2013.

GOOD OF THE BOARD:

1. None.

ADJOURNMENT:

A motion was made by Commissioner Bauer seconded by Commissioner Rzomp to adjourn the meeting. Motion carried unanimously.

Respectfully submitted,
Carolyn H. Taylor