

**RESOLUTION**  
of the  
**BOROUGH OF NEW PROVIDENCE**  
Resolution No. 2016-200

Council Meeting Date: 06-13-2016

Date Adopted: 06-13-2016

TITLE: RESOLUTION AUTHORIZING AGREEMENT BETWEEN THE BOROUGH OF NEW PROVIDENCE AND BROWN AND BROWN BENEFIT ADVISORS FOR PUBLIC EMPLOYEE TRUST SERVICES

Councilperson Muñoz submitted the following resolution, which was duly seconded by Councilperson Galluccio.

BE IT RESOLVED by the Mayor and Council of the Borough of New Providence, in the County of Union and State of New Jersey, that they do hereby approve and authorize an agreement between Brown and Brown Benefit Advisors and the Borough of New Providence for Public Employee Trust Services, in the form attached hereto.

BE IT FURTHER RESOLVED by the Mayor and Council of the Borough of New Providence in the County of Union and State of New Jersey, that they do further authorize and direct the Borough Administrator and Borough Clerk to execute same on behalf of the Borough of New Providence.

APPROVED, this 13<sup>th</sup> day of June, 2016.

RECORD OF VOTE

	AYE	NAY	ABSENT	NOT VOTING
GALLUCCIO	X			
GENNARO	X			
KAPNER	X			
MADDEN			X	
MUÑOZ	X			
ROBINSON	X			
MORGAN			TO BREAK COUNCIL TIE VOTE	

I hereby certify that the above resolution was adopted at a meeting of the Borough Council held on the 13<sup>th</sup> day of June, 2016.

Wendi B. Barry, Borough Clerk

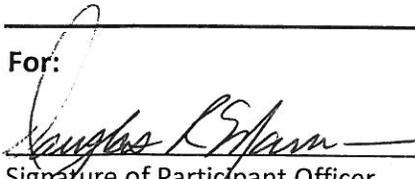
## THE PUBLIC EMPLOYER TRUST AGREEMENT

The New Providence Borough, as a current participant in the Public Employer Trust (herein after known as "Trust"), for the policy period beginning July 1, 2016 through June 30, 2017 understands and agrees to the following:

- The monthly premium statements mailed to the participant, by the insurance company, should be submitted with the billed premiums within the thirty-day grace period. Any changes to be made to the billed amount will be adjusted by the carriers on future bills.
- The insurance company is responsible to provide the participant with an ample supply of descriptive material for distribution to its eligible employees.
- The insurance company will provide a direct claim system, which will process claims between the employee's home address and the insurance company claim office.
- Any future rate adjustments will be based upon the claim experience of the Trust. As such, no separate experience records will be available or obtainable on any one participant.
- The participant may discontinue its involvement in the Trust at the end of the policy period, providing 60 days' advanced written notice to the Administrator (B&B Benefit Advisors). All premiums must be paid in full prior to the cancellation date. Your group will automatically renew for the new policy period unless written termination is received as specified herein.
- Benefit Programs Adopted:  

Medical ( X ),    Prescription Drug (    ),    Dental (    ),    Vision (    )
- As Administrator, Brown & Brown Benefit Advisors reserves the right to make changes in insurance carriers for the Trust policies so long as the insurance carriers guarantee benefits are equal to or greater than current benefits.

For:

  
Signature of Participant Officer

DOUGLAS R. MARVIN  
Name of Participant Officer (typed)

Business Administrator  
Title or Position

5/16/16  
Date

The Public Employer Trust

  
Signature of B&B Benefit Advisors Representative

ANTHONY CARDELLA, JR.  
Name of Representative (typed)

SVP, EMPLOYEE BENEFITS  
Title

5/16/16  
Date



Renewal for Public Employer Trust  
CID multiple

Renewal Period: 7/1/2016 - 6/30/2017

Group Number(s): 10088448; 10088449; 10088450

Effective Date: 07/01/2016

Borough of New Providence PPO 15 PS Plan D  
Borough of New Providence FS Rx 20% Coinsurance

Estimated Current Enrolled Contracts	Estimated Current Annual Premium	Estimated Annual Renewal Premium	Estimated Annual Cost of Change	Estimated Percent Change
46	\$1,121,178.00	\$1,177,237.20	\$56,059.20	5.00%

**Current Rates**

Tier	Estimated Current Enrolled Contracts	Current Per Contract Rates			Total	Estimated Total Monthly Current Premium
		Medical	Drug			
One Adult	12	\$792.43	\$248.55		\$1,040.98	\$12,491.76
Adult/ Child	3	\$1,169.60	\$366.86		\$1,536.46	\$4,609.38
Adult/ Children	3	\$1,169.60	\$366.86		\$1,536.46	\$4,609.38
Two Adults	10	\$1,763.94	\$553.27		\$2,317.21	\$23,172.10
Family	18	\$2,053.17	\$643.99		\$2,697.16	\$48,548.88
Over Age Dependent	0					
						\$93,431.50

**Renewal Rates**

Tier	Estimated Current Enrolled Contracts	Estimated Per Contract Renewal Rates			Total	Estimated Total Monthly Renewal Premium
		Medical	Drug			
One Adult	12	\$832.05	\$260.98		\$1,093.03	\$13,116.36
Adult/ Child	3	\$1,228.08	\$385.20		\$1,613.28	\$4,839.84
Adult/ Children	3	\$1,228.08	\$385.20		\$1,613.28	\$4,839.84
Two Adults	10	\$1,852.14	\$580.93		\$2,433.07	\$24,330.70
Family	18	\$2,155.83	\$676.19		\$2,832.02	\$50,976.36
Over Age Dependent	0	\$560.80	\$175.91		\$736.71	
						\$98,103.10

National Access Rider

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Carrier Names		AmeriHealth	AmeriHealth	Aetna	CIGNA	Horizon	Oxford
		Current	Renewal	Proposed	Proposed	Proposed	Proposed
<b>Medical</b>		PPO	PPO	N/A	N/A	N/A	N/A
	# enrolled						
<b>Single</b>	12	\$792.43	\$832.05	Declined	Declined	Declined	Declined
<b>Husband/Wife</b>	10	\$1,763.94	\$1,852.14	to	to	to	to
<b>Parent/Child</b>	6	\$1,169.60	\$1,228.08	Quote	Quote	Quote	Quote
<b>Family</b>	17	\$2,053.17	\$2,155.83				
	45						
<b>Monthly Premium</b>		\$69,070.05	\$72,523.59				
<b>Annual Premium</b>		\$828,840.60	\$870,283.08				

Carrier Names		AmeriHealth	AmeriHealth	Aetna	CIGNA	Horizon	Oxford
		Current	Renewal	Proposed	Proposed	Proposed	Proposed
<b>Prescription Drug</b>		20% Coins.	20% Coins.	N/A	N/A	N/A	N/A
	# enrolled						
<b>Single</b>	12	\$248.55	\$260.98	Declined	Declined	Declined	Declined
<b>Husband/Wife</b>	10	\$553.27	\$580.93	to	to	to	to
<b>Parent/child</b>	6	\$366.86	\$385.20	Quote	Quote	Quote	Quote
<b>Family</b>	17	\$643.99	\$676.19				
	45						
<b>Monthly Premium</b>		\$13,930.43	\$14,626.99				
<b>Annual Premium</b>		\$167,165.16	\$175,523.88				

Carrier Names		AmeriHealth	AmeriHealth	Aetna	CIGNA	Horizon	Oxford
		Current	Renewal	Proposed	Proposed	Proposed	Proposed
<b>Medical - Retiree</b>		PPO	PPO	N/A	N/A	N/A	N/A
	# enrolled						
<b>Single</b>	2	\$586.40	\$615.72	Declined	Declined	Declined	Declined
<b>Husband/Wife</b>	1	\$1,172.80	\$1,231.44	to Quote	to Quote	to Quote	to Quote
	3						
<b>Monthly Premium</b>		\$2,345.60	\$2,462.88				
<b>Annual Premium</b>		\$28,147.20	\$29,554.56				

Carrier Names		AmeriHealth	AmeriHealth	Aetna	CIGNA	Horizon	Oxford
		Current	Renewal	Proposed	Proposed	Proposed	Proposed
<b>Prescription Drug - Retiree</b>		20% Coins.	20% Coins.	N/A	N/A	N/A	N/A
	# enrolled						
<b>Single</b>	2	\$248.55	\$260.98	Declined	Declined	Declined	Declined
<b>Husband/Wife</b>	<u>1</u> 3	\$553.27	\$580.93	to Quote	to Quote	to Quote	to Quote
<b>Monthly Premium</b>		\$1,050.37	\$1,102.89				
<b>Annual Premium</b>		\$12,604.44	\$13,234.68				
<b>Medical Annual Premium</b>		<b>\$1,036,757.40</b>	<b>\$1,088,596.20</b>	N/A	N/A	N/A	N/A
<b>\$ over Current Annual Premium</b>		N/A	<b>\$51,838.80</b>				
<b>% over Current Annual Premium</b>		N/A	<b>5.0%</b>				

*Census taken from March 2016 AmeriHealth billing statement.*



Renewal for Public Employer Trust  
CID multiple

Renewal Period: 7/1/2016 - 6/30/2017

Group Number(s): 10088448; 10088449; 10088450

Effective Date: 07/01/2016

Borough of New Providence PPO 15 PS Plan D  
Borough of New Providence FS Rx 20% Coinsurance

Estimated Current Enrolled Contracts	Estimated Current Annual Premium	Estimated Annual Renewal Premium	Estimated Annual Cost of Change	Estimated Percent Change
46	\$1,121,178.00	\$1,177,237.20	\$56,059.20	5.00%

Current Rates

Tier	Estimated Current Enrolled Contracts	Current Per Contract Rates		Total	Estimated Total Monthly Current Premium
		Medical	Drug		
One Adult	12	\$792.43	\$248.55	\$1,040.98	\$12,491.76
Adult/ Child	3	\$1,169.60	\$366.86	\$1,536.46	\$4,609.38
Adult/ Children	3	\$1,169.60	\$366.86	\$1,536.46	\$4,609.38
Two Adults	10	\$1,763.94	\$553.27	\$2,317.21	\$23,172.10
Family	18	\$2,053.17	\$643.99	\$2,697.16	\$48,548.88
Over Age Dependent	0	-	-	-	-
					<b>\$93,431.50</b>

Renewal Rates

Tier	Estimated Current Enrolled Contracts	Estimated Per Contract Renewal Rates		Total	Estimated Total Monthly Renewal Premium
		Medical	Drug		
One Adult	12	\$832.05	\$260.98	\$1,093.03	\$13,116.36
Adult/ Child	3	\$1,228.08	\$385.20	\$1,613.28	\$4,839.84
Adult/ Children	3	\$1,228.08	\$385.20	\$1,613.28	\$4,839.84
Two Adults	10	\$1,852.14	\$580.93	\$2,433.07	\$24,330.70
Family	18	\$2,155.83	\$676.19	\$2,832.02	\$50,976.36
Over Age Dependent	0	\$560.80	\$175.91	\$736.71	-
					<b>\$98,103.10</b>

National Access Rider

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



Renewal for Public Employer Trust  
CID multiple

Renewal Period: 7/1/2016 - 6/30/2017

Group Number(s): 10088488

Effective Date: 07/01/2016

Borough of New Providence PPO 15 PS Plan D Carveout  
Borough of New Providence FS Rx 20% Coinsurance

Estimated Current Enrolled Contracts	Estimated Current Annual Premium	Estimated Annual Renewal Premium	Estimated Annual Cost of Change	Estimated Percent Change
3	\$40,751.64	\$42,789.24	\$2,037.60	5.00%

Current Rates

Tier	Estimated Current Enrolled Contracts	Current Per Contract Rates		Total	Estimated Total Monthly Current Premium
		Medical	Drug		
One Adult	2	\$586.40	\$248.55	\$834.95	\$1,669.90
Adult/ Child	0	\$1,172.80	\$553.27	\$1,726.07	-
Adult/ Children	0	\$1,172.80	\$553.27	\$1,726.07	-
Two Adults	1	\$1,172.80	\$553.27	\$1,726.07	\$1,726.07
Family	0	\$1,172.80	\$553.27	\$1,726.07	-
Over Age Dependent	0	-	-	-	-
					<b>\$3,395.97</b>

Renewal Rates

Tier	Estimated Current Enrolled Contracts	Estimated Per Contract Renewal Rates		Total	Estimated Total Monthly Renewal Premium
		Medical	Drug		
One Adult	2	\$615.72	\$260.98	\$876.70	\$1,753.40
Adult/ Child	0	\$1,231.44	\$580.93	\$1,812.37	-
Adult/ Children	0	\$1,231.44	\$580.93	\$1,812.37	-
Two Adults	1	\$1,231.44	\$580.93	\$1,812.37	\$1,812.37
Family	0	\$1,231.44	\$580.93	\$1,812.37	-
Over Age Dependent	0	\$415.00	\$175.91	\$590.91	-
					<b>\$3,565.77</b>

National Access Rider

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**New Providence Borough**  
**Effective July 1, 2016**

Carrier Names		Delta	Delta	Delta	Horizon	Horizon
		Current	Renewal	Renewal	Proposed	Proposed
<b>Dental</b>			(1 year)	(2 years)	(1 year)	(2 years)
	# enrolled					
<b>Single</b>	21	\$46.72	\$44.38	\$46.72	\$33.99	\$35.35
<b>Family</b>	38	\$111.95	\$106.35	\$111.95	\$101.76	\$105.83
	59					
<b>Monthly Premium</b>		\$5,235.22	\$4,973.28	\$5,235.22	\$4,580.67	\$4,763.90
<b>Annual Premium</b>		\$62,822.64	\$59,679.36	\$62,822.64	\$54,968.04	\$57,166.76
<b>Dental Annual Premium</b>		\$62,822.64	\$59,679.36	\$62,822.64	\$54,968.04	\$57,166.76
<b>\$ over Current Annual Premium</b>		N/A	-\$3,143.28	\$0.00	-\$7,854.60	-\$5,655.88
<b>% over Current Annual Premium</b>		N/A	-5.0%	0.0%	-12.5%	-9.0%

*Census taken from March 2016 Delta Dental billing statement.*



**New Providence Borough  
Group No. 10195**

Renewal Date: July 1, 2016

One Year Renewal Rate Adjustment -5.00%  
Two Year Renewal Rate Adjustment 0.00%

	Current Rates	Renewal Rates (1 year)	Renewal Rates (2 years)	Enrollment
<b><u>Sublocations 01, 02</u></b>				
Single	\$ 46.72	\$ 44.38	\$ 46.72	22
Family	\$ 111.95	\$ 106.35	\$ 111.95	38
Annual Premium	\$ 63,383	\$ 60,214	\$ 63,383	60
\$ Change		\$ (3,169)	\$ -	

Prepared by Matthew Rohde, CLU®, RHU®

(revised)  
4/27/2016

### Carryover Max<sup>SM</sup>

A Delta Dental benefit feature that lets members carry over part of their unused standard annual maximum in one year to increase benefits for the following year and beyond.

### Qualifying for Carryover Max Benefits

Members must meet the following criteria to qualify for Carryover Max benefits:

- Enroll on or before the effective date of the Carryover Max benefit year. The benefit year to accumulate Carryover Max benefits are the same as the group's standard annual maximum (calendar year or contract year). Members enrolling after the effective date of the Carryover Max benefit period are not eligible to accrue carryover benefits until the start of the next benefit year.
- Use no more than 50% of the standard annual maximum during the benefit year.
- See a dentist during the benefit year for an exam or cleaning and submit a claim for these services. If a claim for an exam or cleaning is not received, any accumulated Carryover Max benefit will be lost.

Members meeting these criteria can accumulate 25% of the unused standard annual maximum. Members continuing to accumulate benefits can eventually have twice the standard annual maximum available. The accumulated amount can never exceed the standard annual maximum amount. Claims will always use the plan's annual maximum first. The accumulated benefit is applied when the standard annual maximum is exhausted.

### An Example of Carryover Max Benefits

Benefit Year	Standard Annual Maximum	Usage Limit: 50% of Standard Annual Maximum	Accumulation Limit: 25% of the Standard Annual Maximum	Maximum That Can Be Carried Over
Calendar Year Beginning 1/1/XX	\$1,500	\$750	\$375	\$500

#### Year 1:

The member is eligible on 1/1/XX. During the year, the member has a dental cleaning for \$80 and no other dental services. At the end of the year, the member has \$1,420 of the standard annual maximum remaining, and used less than the \$750 usage limit. This qualifies the member to accumulate a Carryover Max benefit for the following year. In this case, the member can accumulate 25% of the remaining maximum, or \$355 since \$355 does not exceed the carryover limit of \$500.

#### Year 2:

The available annual maximum is now \$1,855 (\$1,500 standard annual maximum plus \$355 accumulated Carryover Max benefit). This year, the member has a dental cleaning for \$80 plus \$300 in other dental services, totaling \$380. At the end of the year, the member has \$1,120 of the maximum remaining. The member used less than the usage limit of \$750 and had a dental cleaning, and qualifies for a Carryover Max benefit again. In this case, the member can accumulate 25% of the remaining maximum, or \$280 since it does not exceed the carry over limit of \$500.

#### Year 3:

The available annual maximum is now \$2,135. Accumulations will continue in a similar manner unless:

- The member does not receive an exam or cleaning during the benefit period, in which case the entire accumulated benefit is lost;
- The accumulated benefit equals the standard annual maximum (\$1,500 in this example), in which case the member will have a \$3,000 annual maximum available.
- The member is no longer eligible with Delta Dental of New Jersey. Benefits are not transferable.

Questions? Please contact our Customer Service Agents at 1-800-452-9310.



Horizon Blue Cross Blue Shield of New Jersey

*Making Healthcare Work.*

May 2, 2016

Anthony Ciardella  
Brown & Brown Benefit Advisors  
5 Regent Street, Suite 523  
Livingston, NJ 07039

Re: Borough of New Providence Dental Plan

Dear Tony,

Based on the information submitted, including benefit summaries, regarding the Borough of New Providence current Dental program, Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ) agrees to provide benefit levels (i.e., deductibles, coinsurance amounts, plan limits and maximums) that are equal to or better than their current Delta plans with one exception. They have a carry-over maximum benefit, which allows members that have unused annual maximum (under 50%), to carry over \$375 into the next calendar year. We cannot administer this benefit, so we agree to increase the annual maximum to account for the \$375, for a total of \$1875 per member per year.

Please note that this does not include provider networks and Horizon BCBSNJ will administer the benefit plan in accordance with its own dental policies, protocols and utilization management practices. Additionally, we will administer the program in accordance with the contract as negotiated with the group.

We understand there exists ample potential for misunderstanding during the transition to any new carrier. Be assured that our Business Team Leaders are prepared to work with you and your members to identify and resolve any specific issues we encounter as we transition your dental plan to Horizon BCBSNJ.

If you have any questions or concerns, I am available at your convenience. Thank you for considering Horizon Blue Cross Blue Shield of New Jersey.

Sincerely,

Joseph E Fortney



Horizon Blue Cross Blue Shield of New Jersey

## Proposal Rates for Borough of New Providence

Effective 07/01/2016 through 06/30/2017

<b>HORIZON DENTAL DOP_ORTHO</b>	
<b>BENEFITS</b>	<b>100%-50%-50%</b>
Preventive & Diagnostic	100%
Basic Restorative**	50%
Endodontics	50%
Periodontics	50%
Oral Surgery	50%
Prosthodontics	50%
Crowns	50%
Deductible (3 per family)	\$50/\$100
Benefit Period Maximum	\$1,875
Strong Smile	No
Ortho. Dep. Child(ren) to age 19	50%
Adult Orthodontia	Not Covered
Orthodontia Life Time Maximum	\$1,500
<b>RATES</b>	
Single	\$33.99
Family	\$101.76
<b>ASSUMED ENROLLMENT</b>	
Single	21
Family	38
<b>MONTHLY PREMIUM</b>	<b>\$4,580.67</b>
<b>ANNUAL PREMIUM</b>	<b>\$54,968.04</b>

### PROPOSAL TERMS AND CONDITIONS:

#### GENERAL:

- (1) The above rates and benefits were based on the information submitted at the time this proposal was evaluated. Subsequent to the release of this proposal, Horizon BCBSNJ reserves the right to re-evaluate our proposed rates and benefits as a result of a change in the information supplied at the time this quote was evaluated such as:
- The receipt of additional information that could have an impact on the rates and/or benefits offered.
  - A change in benefit levels and/or other terms of the contract or administration agreement (e.g. Government mandated benefits).
  - A 10% size change and/or shift in enrollment between contract types.
  - Non Voluntary groups require 75% employee participation and a minimum employer contribution equal to the Single rate or 50% of premium.
  - There is a six month waiting period for all major services for Virgin Groups.
  - Only full-time employees are eligible for a dental plan. Full-time employment is defined as a minimum of 30 hours per week, subject to the employer's practice. Seasonal or temporary employees are not eligible.
  - If you don't apply for coverage when first eligible, you must wait for an open enrollment period that is at least 12 months after the last time you could have obtained coverage. Exceptions include life event changes, i.e. marriage, newborns.
  - Rates are based on the enrollment of 59 contracts.
- (2) Additional Benefit Information:
- ~ Deductible applies to all services, except P&D on our Horizon Dental Option, Horizon Dental PPO, Horizon Healthy Smiles and Horizon Healthy Smiles Plus products.
  - ~ Horizon Dental Option and Horizon Dental PPO include three cleanings per year.
  - ~ Missing Tooth, 4th Quarter Carryover, Implants, Posterior Composite and TMJ are not covered.
  - ~ Out-of-network covered services for Horizon Dental Option are paid at **80th** percentile FH.
  - ~ \*Amalgam, retention pins, sedative fillings, pulp vitality tests, and denture adjustments are covered at 100%. For remaining basic and major services (including orthodontia) the member pays a discounted fee for service. Please refer to the Horizon Dental PPO Access Fee Schedule.
  - ~ \*\*Refer to your benefit summary. *If applicable, some services are paid at a different coinsurance percentage.*
  - ~ Dependent Children of enrolled employees covered to age **23**, full-time students covered to age **23**.

#### COMMISSION:

The above rates include a 8.0% broker commission.

Horizon BCBSNJ administers payment of broker commissions on Contract Holder's behalf to Contract Holder's commissioned broker. Broker commission noted herein is specifically directed, approved, and authorized by Contract Holder and Horizon BCBSNJ provides only administrative services in making broker payment and does not independently make commission payments. Contract Holder acknowledges that broker commissions are paid by its own funds and that it remains responsible to fund such commissions either as included in the premium rates or self-funded fees. Where Contract Holder approval is not received within 45 days of the effective/renewal date, Horizon BCBSNJ shall cease all administration of broker commission payments on behalf of Contract Holder and premium rates or self-funded fees shall be reduced accordingly. Additionally, Contract Holder is solely responsible for contracting with its commissioned broker and Horizon BCBSNJ is not a party to such relationship between Contract Holder and its commissioned broker.

#### REQUIRED SIGNATURE:

The rates and other information set forth in this proposal are subject to final approval and acceptance by Horizon BCBSNJ.  
I represent that by signing this document that I have the legal authority to accept these terms.

#### GROUP OFFICIAL NAME & TITLE:

\_\_\_\_\_  
(PLEASE PRINT)

#### GROUP OFFICIAL SIGNATURE & DATE:

Carrier Names		VSP	VSP
		Current	Renewal
<i>Vision</i>			
	# enrolled		
<i>Single</i>	13	\$7.28	\$7.28
<i>Husband/Wife</i>	11	\$15.65	\$15.65
<i>Parent/Child</i>	2	\$15.65	\$15.65
<i>Family</i>	<u>21</u>	\$15.65	\$15.65
	<b>47</b>		
<i>Monthly Premium</i>		\$626.74	\$626.74
<i>Annual Premium</i>		\$7,520.88	\$7,520.88
<i>Dental Annual Premium</i>		\$7,520.88	\$7,520.88
<i>\$ over Current Annual Premium</i>		N/A	\$0.00
<i>% over Current Annual Premium</i>		N/A	0.0%

*Census taken from May 2016 VSP billing statement.*