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BERGEN COUNTY  
BOARD OF CHOSEN FREEHOLDERS  
HACKENSACK, NEW JERSEY  
WORK SESSION  
WEDNESDAY, FEBRUARY 3, 2016  
COMMENCING AT 4:40 P.M.

FREEHOLDERS PRESENT:

- STEVEN A. TANELLI, CHAIRMAN
- TRACY S. ZUR, VICE CHAIRWOMAN
- JOHN A. FELICE, CHAIRMAN PRO TEMPORE
- DR. JOAN M. VOSS
- MAURA R. DeNICOLA
- THOMAS J. SULLIVAN

FREEHOLDERS ABSENT:

- DAVID L. GANZ

KIM O. FURBACHER, C.C.R., R.M.R.  
P.O. BOX 213  
ROCHELLE PARK, NEW JERSEY 07662-0213  
201-226-9218

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ALSO PRESENT:

LISA SCIANCALEPORE  
CLERK TO THE BOARD

STEPHANIE GALLINA  
ADMINISTRATIVE ASSISTANT

EDWARD J. FLORIO, ESQ.  
FREEHOLDER COUNSEL

DR. DOMINIC J. NOVELLI  
COUNTY ADMINISTRATOR

JARED LAUTZ  
DIRECTOR OF COMMUNICATIONS & POLICY

JOHN DANUBIO  
DEPUTY DIRECTOR OF COMMUNICATIONS & POLICY  
and DIRECTOR OF POLICY RESEARCH

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I N D E X

PAGE NO.

4:41 PM PUBLIC COMMENT 6

Chuck Powers 6

4:46 PM REVIEW OF RESOLUTION 10

4:58 PM PRESENTATION: HEALTH X SOLUTIONS 22

Michael S. McGrath, Senior Vice President  
Employee Benefits Division  
The Fedeli Group

Leo Duval, Data Analyst  
Employee Benefits Division  
The Fedeli Group

Paul A. Liva, Jr., MBA, Managing Director  
Health X Solutions

Jeffrey S. Liva, M.D., M.P.H., M.S.  
Health X Solutions

5:27 PM PRESENTATION: UPDATE ON SUPERSTORM  
SANDY PROGRAMS 49

Adrienne Laneave, Public Affairs Specialist  
U.S. Small Business Administration  
Office of Disaster Assistance

1                   CHAIRMAN TANELLI: The meeting is  
2 called to order.

3                   Before we begin our meeting, I'd ask  
4 everyone to please take a moment to silence their  
5 phones.

6                   Will the Clerk please read the Sen.  
7 Byron Baer Open Public Meetings Act.

8                   MS. SCIANCALEPORE: In accordance with  
9 Section 5 of the Sen. Byron Baer Open Public Meetings  
10 Act, adequate notice of this meeting has been  
11 provided in the Annual Notice Schedule, which  
12 contained the time, date, and location of this  
13 meeting, copies of which Notices were forwarded to  
14 the official County newspapers, to wit: The Herald  
15 News; The Record; and the Star Ledger, and a copy of  
16 which was posted on the bulletin board in the Bergen  
17 County Justice Center and Administration Building,  
18 One Bergen County Plaza, Hackensack, New Jersey, and  
19 filed with the Office of the Bergen County Clerk.

20 ROLL CALL:

21                   CHAIRMAN TANELLI: Please call the  
22 roll.

23                   (At this point in the proceeding roll  
24 call is taken with Freeholders DeNicola, Felice,  
25 Sullivan, Voss, Vice-Chairwoman Zur, and Chairman

1 Tanelli present, with Freeholder Ganz absent.)

2 PLEDGE OF ALLEGIANCE:

3 CHAIRMAN TANELLI: Please rise for the  
4 pledge.

5 Freeholder Felice, will you lead us.

6 FREEHOLDER FELICE: Thank you, Mr.  
7 Chairman.

8 (At this point in the proceeding all  
9 rise for a recitation of the Pledge of Allegiance,  
10 led by Freeholder Felice.)

11 CHAIRMAN TANELLI: Quick announcement.

12 This Friday is the 13th anniversary of  
13 National Wear Red Day, held on the first Friday in  
14 February, to raise awareness of the No. 1 and No. 5  
15 killer of women - heart disease and stroke.

16 The Bergen County Department of Health  
17 Services, Office of Health Promotion, encourages all  
18 employees and/or residents to "go red" on Friday and  
19 wear something red.

20 Please join us Friday at 12:30 on the  
21 steps of the first floor lobby for a group picture  
22 with the County Executive and the Board of Chosen  
23 Freeholders. There will be educational information  
24 available, as well as an opportunity to have your  
25 blood pressure checked in the Wellness Room, 465,

1 from 1:00 to 2:00 p.m.

2 4:41 PM PUBLIC COMMENT:

3 CHAIRMAN TANELLI: Can I have a motion  
4 to open to the public?

5 FREEHOLDER VOSS: So moved.

6 FREEHOLDER SULLIVAN: Second.

7 CHAIRMAN TANELLI: All in favor?

8 (All present Freeholders respond in the  
9 affirmative.)

10 CHAIRMAN TANELLI: Opposed?

11 (No response.)

12 CHAIRMAN TANELLI: The ayes have it.

13 We will now have a hearing of the  
14 general public, with a three-minute time limit in  
15 effect. The Board Attorney will keep the time.

16 Anyone wish to speak?

17 Mr. Powers?

18 MR. POWERS: Actually, thank you,  
19 Jared, for giving me a head's up on the agenda for  
20 today. It didn't actually make it to the website.  
21 Lisa usually does a fantastic job, but that was not  
22 on the website today.

23 CHAIRMAN TANELLI: What wasn't on the  
24 website today?

25 MR. POWERS: The agenda.

1                   CHAIRMAN TANELLI:   Okay.   I'm sorry.

2                   MR. POWERS:   I understand you're having  
3 a presentation on health care issues that apparently  
4 Freeholder Felice has proposed.

5                   I'm hoping that, as you think through  
6 health care issues in respect of the employees here  
7 in the county, you think about the relationship of  
8 those policies to the potential for municipalities as  
9 well to participate in whatever you find to be the  
10 most cost-effective approach.

11                   It's a really important issue.   You may  
12 have been watching the discussion going on in  
13 Teaneck, that whole question about whether or not the  
14 waiver policy works.   There was a requirement in the  
15 municipal best practices list this year for all  
16 municipalities to have had an adequate and complete  
17 discussion of waiver policies.   It's very complex  
18 business.   I certainly know that in Teaneck we did  
19 not have that, but I'm not sure whether or not if any  
20 council currently trying to understand that would be  
21 able to understand it.

22                   Sen. Weinberg actually has a proposal,  
23 which apparently has bipartisan support, to deal with  
24 that waiver issue.

25                   But this fundamental question of

1 whether or not there are ways in which municipal  
2 public employees can participate in what it is that  
3 the county does, in finding out what is the most  
4 cost-effective way of moving forward with the state  
5 health benefits program, as most municipalities have  
6 it, or, as you folks do, with another provider, and  
7 the way in which those things interact with each  
8 other is extremely important. And we hope that, as  
9 you hear whatever you hear today and move forward on  
10 that, that those are policies that you think about.

11 Thank you.

12 CHAIRMAN TANELLI: So just to let you  
13 know, in regards to the agenda today, we are just  
14 going to have two presentations, but it was brought  
15 to our attention that the BCUA wanted us to take an  
16 action, which we thought we had already made under  
17 Chairwoman Voss, as far as sending their opinion back  
18 down for more investigation.

19 Some concerned citizens had come to our  
20 meeting to talk about the medical waste. Chairwoman  
21 Voss had sent a letter asking them to re-examine it.  
22 They felt that that wasn't adequate. We just found  
23 that out yesterday. We wanted to move on it quickly,  
24 because it's already been close to a year, there's  
25 really no agenda today, so that's why it wasn't

1 posted.

2 MR. POWERS: Okay. Thank you.

3 CHAIRMAN TANELLI: Anyone else?

4 (No response.)

5 CHAIRMAN TANELLI: Take a motion to  
6 close?

7 FREEHOLDER VOSS: So moved.

8 VICE-CHAIRWOMAN ZUR: Second.

9 CHAIRMAN TANELLI: All in favor?

10 (All present Freeholders respond in the  
11 affirmative.)

12 CHAIRMAN TANELLI: Opposed?

13 (No response.)

14 CHAIRMAN TANELLI: The Ayes have it.  
15 We'll wait for the Clerk.

16 FREEHOLDER FELICE: Mr. Chairman, if I  
17 may, before you ask the first group of gentlemen to  
18 come up and speak about health-related matters and  
19 their organization, I just want to say that I've had  
20 the pleasure of working with Dr. Liva, Paul, and got  
21 the opportunity to meet with some of their colleagues  
22 just before.

23 Health care is my profession and my  
24 passion. Certainly we have to look at ways to  
25 improve the lives of our employees and family

1 members, while looking at the ever-rising cost of  
2 health care, and also the way in which our employees  
3 live their lives, and in a positive way, in a  
4 fruitful way, in a way that's going to be beneficial  
5 to the organizations that they work for, and for the  
6 people that love them and their family members.

7           So I hope this is enlightening. I feel  
8 very strongly that we need to open every door, when  
9 it comes to how we provide health care and guidance,  
10 and that this body and the administration looks at  
11 this in a very detailed manner and takes heed of  
12 this, so we can move forward in providing improved  
13 care for our employees and for their families.

14           Thank you, Mr. Chairman.

15           CHAIRMAN TANELLI: Thank you,  
16 Freeholder.

17 4:46 PM REVIEW OF RESOLUTION:

18           CHAIRMAN TANELLI: So we're up to  
19 resolutions. We will now review this.

20           Will the Clerk please read the  
21 resolution by title.

22           MS. SCIANCALEPORE: "Resolution  
23 concerning the Bergen County Solid Waste Management  
24 Plan."

25           VICE-CHAIRWOMAN ZUR: May I sponsor

1 that?

2 CHAIRMAN TANELLI: Sure.

3 I'll second that.

4 FREEHOLDER FELICE: I'll second that,  
5 since I'm on that committee.

6 FREEHOLDER VOSS: Why don't we do that  
7 as a Body of the Whole, because we worked on that for  
8 such a great while.

9 CHAIRMAN TANELLI: Body of the Whole?

10 FREEHOLDER DeNICOLA: I do have a  
11 couple of questions, when we get to that point.

12 CHAIRMAN TANELLI: Okay. Discussion?

13 FREEHOLDER DeNICOLA: Thank you,  
14 because I just read it before.

15 In the first paragraph, it says,  
16 "Whereas, the Board of Chosen Freeholders of the  
17 County of Bergen," I think, "has received  
18 information."

19 Is that information Bob Feinberg's  
20 testimony, is that what we're referring to here?

21 MR. FLORIO: No, the reference actually  
22 is based upon the several citizens who have appeared  
23 before the Board at various times expressing concern  
24 about the medical waste component of the solid waste.

25 FREEHOLDER DeNICOLA: Right.

1                   Mr. Feinberg was one of them, who they  
2                   elected among themselves to be the spokesperson that  
3                   night.

4                   MR. FLORIO:   Yes, the spokesperson.

5                   And that triggered, I guess there were  
6                   a couple of appearances here.

7                   FREEHOLDER DeNICOLA:   Right.

8                   MR. FLORIO:   Subsequent to that time,  
9                   in the middle or toward the end of December, at the  
10                  direction of Chairwoman Voss, a letter was sent to  
11                  the --

12                  FREEHOLDER DeNICOLA:   Right, to  
13                  follow-up.

14                  MR. FLORIO:   -- BCUA, which basically  
15                  says most of what's on the resolution.

16                  FREEHOLDER VOSS:   Right.

17                  MR. FLORIO:   So that letter is  
18                  incorporated into that resolution, which is what the  
19                  investigatory portion of the resolution deals with.

20                  FREEHOLDER DeNICOLA:   Asking the BCUA  
21                  to hold the hearing?

22                  MR. FLORIO:   Yes.

23                  FREEHOLDER VOSS:   Yes.

24                  FREEHOLDER DeNICOLA:   And then  
25                  referring to that part, Page 2, "Now, therefore, be

1 it resolved" --

2 MR. FLORIO: Yes.

3 FREEHOLDER DeNICOLA: -- so in the  
4 first paragraph -- there are five -- No. 1 calls upon  
5 the BCUA to hold hearings on the methods utilized to  
6 determine -- will that be the only thing that will be  
7 addressed at the hearing? Will it actually be the  
8 Prospect Avenue care center or will it just be that  
9 specific subject of the method itself?

10 MR. FLORIO: There would be no reason  
11 for the BCUA to be restricted to limiting a hearing  
12 to one purpose. If issues were raised before them as  
13 they were proceeding through their process, they have  
14 the discretion to undertake whatever hearings or  
15 presentations are necessary for them to execute their  
16 charge.

17 FREEHOLDER DeNICOLA: Then could I ask,  
18 respectfully, could we include language to that  
19 effect --

20 MR. FLORIO: Sure.

21 FREEHOLDER DeNICOLA: -- in the No. 1?

22 MR. FLORIO: Yes.

23 FREEHOLDER DeNICOLA: So that it  
24 doesn't look like we're only asking for that narrow  
25 issue to be the reason for the hearing.

1                   And then in No. 2 as well, it talks  
2 about the method to determining whether it's being  
3 utilized anywhere else in the United States in the  
4 same manner as contemplated in the Bergen County  
5 Solid Waste Management --

6                   MR. FLORIO: That's a typo. I crossed  
7 it out three times, it kept coming back into the  
8 thing. I crossed it out three times.

9                   FREEHOLDER DeNICOLA: Okay.

10                  MR. FLORIO: It was in the first  
11 paragraph three times too, but I was able to  
12 eliminate that one.

13                  FREEHOLDER DeNICOLA: So should it be  
14 "the"?

15                  MR. FLORIO: "The," yes.

16                  FREEHOLDER DeNICOLA: So can we have a  
17 copy of that amendment then as well?

18                  CHAIRMAN TANELLI: Just one second.

19                  Counselor, as far as making the  
20 modifications to No. 1, we sent a letter addressing  
21 the concerns that were brought to us --

22                  MR. FLORIO: Right.

23                  CHAIRMAN TANELLI: -- by the citizens,  
24 and the letter and this resolution reflect the  
25 concerns. So I don't want to start dictating to the

1 BCUA on what the hearing should be and what they  
2 should be doing, I wanted to just bring it to their  
3 attention what was brought to us.

4 MR. FLORIO: Right.

5 CHAIRMAN TANELLI: So I don't know if  
6 I'm in favor of modifying No. 1, only for the fact  
7 that that's what they came here concerned about,  
8 sterilization methods, not anything else.

9 FREEHOLDER DeNICOLA: But they were  
10 also concerned about that particular method being in  
11 their neighborhood and being associated, and in the  
12 memo that David Ganz had sent to us with the minutes  
13 of the meeting that we had with them from 2014, he  
14 talks about that, and he also talks about the City of  
15 Hackensack and their manager recommending that the  
16 application be denied.

17 CHAIRMAN TANELLI: So the two issues  
18 in, in my opinion, I don't know if the other  
19 Freeholders agree, there were two issues, one was  
20 they don't want it there at all.

21 FREEHOLDER VOSS: Right.

22 FREEHOLDER DeNICOLA: Right, and they  
23 spoke to us about it as well.

24 CHAIRMAN TANELLI: So the BCUA made the  
25 recommendation to this Board, and once they started

1 to come and express their concerns, that's when we  
2 decided we had the ability, from counsel's guidance,  
3 to send it back to them to re-review it and hold  
4 hearings.

5 FREEHOLDER VOSS: Right.

6 CHAIRMAN TANELLI: So I don't know if  
7 we need to be specific about anything except for what  
8 they came here -- they're reviewing the method. If  
9 the methods don't work, they still have to come up  
10 here to be approved, it's still going to be up to us  
11 to ultimately vote on this. We're asking them to  
12 review the sterilization methods and make a new  
13 recommendation to us whether to do it or not, and  
14 that's when we'll have an opportunity to then review  
15 what their hearings say.

16 FREEHOLDER DeNICOLA: And I understand  
17 what you're saying, I just don't want the hearing to  
18 preclude those residents from speaking about the  
19 entire issue and only speaking about the  
20 sterilization method.

21 FREEHOLDER VOSS: Chairman?

22 CHAIRMAN TANELLI: Freeholder.

23 FREEHOLDER VOSS: I think in the  
24 letter, we indicated that the people who were very  
25 concerned would have opportunity to speak to the

1 board about all of their concerns. And one of my  
2 concerns is that this type of equipment is not used  
3 in heavily residential areas, because I researched a  
4 lot of this before I wrote the letter. And so that  
5 was one of the major concerns that everyone had,  
6 that, you know, it was in rather rural areas, and I  
7 think there's only one or two in the whole United  
8 States.

9 FREEHOLDER DeNICOLA: Right. Exactly.  
10 But maybe the letter should be attached  
11 to the resolution then, because --

12 CHAIRMAN TANELLI: I mean, if we want  
13 to change it, we can change the resolution on the  
14 table, if everyone is okay with the amendment.

15 You want to read the amendment?

16 MR. FLORIO: Something to the extent  
17 that the BCUA shall, in its discretion, conduct any  
18 investigation or hearing it deems necessary to handle  
19 this matter in a manner that is complete.

20 FREEHOLDER DeNICOLA: Okay. That would  
21 be fine.

22 And the reason why is, in light of the  
23 tense of some of the sentences, like No. 3, "The BCUA  
24 should determine what type of controls will be  
25 implemented by Prospect Heights Care Center," which

1 is presupposing that the application is going to be  
2 approved and this method is going to be in place.

3 MR. FLORIO: That paragraph is lifted  
4 directly from the letter that was sent in December,  
5 that's why it's there, the manner in which it's  
6 presented.

7 FREEHOLDER DeNICOLA: The letter from  
8 the Chairwoman?

9 MR. FLORIO: Yes.

10 FREEHOLDER DeNICOLA: But the  
11 application has not been approved yet by the BCUA,  
12 right?

13 CHAIRMAN TANELLI: I understand they  
14 sent it to us for approval.

15 FREEHOLDER VOSS: And we sent it back  
16 to them. We did not approve it.

17 MR. FLORIO: And these are the reasons  
18 why.

19 FREEHOLDER DeNICOLA: Right.

20 FREEHOLDER FELICE: We didn't act on  
21 it.

22 FREEHOLDER VOSS: We said it's in their  
23 ballpark.

24 CHAIRMAN TANELLI: One at a time.

25 FREEHOLDER DeNICOLA: Yes, okay.

1                   But what I'm saying is, given the  
2 language of paragraph three, it presupposes that the  
3 application will be approved, and that this hearing  
4 is only to determine what type of controls will be  
5 implemented.

6                   MR. FLORIO: So we'll change "will" to  
7 "would."

8                   FREEHOLDER DeNICOLA: "Would" would be  
9 better, right.

10                  FREEHOLDER VOSS: Okay.

11                  FREEHOLDER DeNICOLA: And then just in  
12 paragraph four, the first question, should that be a  
13 question or is that a statement?

14                  Do you see, Mr. Florio, first sentence?

15                  MR. FLORIO: In paragraph four?

16                  FREEHOLDER DeNICOLA: Yes.

17                  MR. FLORIO: So you want to change the  
18 "is" --

19                  VICE-CHAIRWOMAN ZUR: No, change the  
20 question mark.

21                  FREEHOLDER DeNICOLA: Just change the  
22 question mark to a period.

23                  MR. FLORIO: Oh, sure.

24                  FREEHOLDER DeNICOLA: Right.

25                  VICE-CHAIRWOMAN ZUR: Or put "and if,"

1 and then combine the two sentences into one.

2 FREEHOLDER DeNICOLA: The two sentences  
3 are fine, but the first one should be a period, and  
4 then the second one a question mark.

5 MR. FLORIO: Those changes are easy.  
6 What we can do then is the language that I just read,  
7 potentially expanding the scope of the BCUA's  
8 inquiry, would be paragraph five, and the present  
9 paragraph five would be changed to six, so there  
10 would be six paragraphs --

11 FREEHOLDER DeNICOLA: Okay.

12 MR. FLORIO: -- as we would read this  
13 into the record.

14 FREEHOLDER DeNICOLA: Okay. That would  
15 be good then.

16 So just to make certain that all the  
17 citizens can speak to all the points they brought up  
18 to us, and not to presuppose that this is going to go  
19 through.

20 MR. FLORIO: That seems fine.

21 So with the changes that we've  
22 addressed and are now part of the record, the  
23 resolution is sponsored by the Body of the Whole.

24 FREEHOLDER VOSS: Yes.

25 MR. FLORIO: And following the vote,

1 assuming that it is passed by a majority of the  
2 Board, I'll present a cleaner copy of the second  
3 page.

4 FREEHOLDER DeNICOLA: Great. Okay.  
5 Thank you.

6 CHAIRMAN TANELLI: Anybody else?

7 FREEHOLDER SULLIVAN: Just to be clear,  
8 you're adding No. 5 to the language that you wrote?

9 MR. FLORIO: Yes.

10 FREEHOLDER SULLIVAN: So that's not  
11 replacing any language anywhere else?

12 MR. FLORIO: No.

13 FREEHOLDER SULLIVAN: You're just  
14 making it new?

15 MR. FLORIO: That's an addition, yes.

16 FREEHOLDER SULLIVAN: I don't know if  
17 it's necessary, but okay. Good.

18 CHAIRMAN TANELLI: Okay. Please call  
19 the roll.

20 (At this point in the proceeding roll  
21 call is taken and Resolution 112-16 is passed by a  
22 vote of six in favor, with Freeholder Ganz absent.)

23 4:45 PM PRESENTATION: HEALTH X SOLUTIONS:

24 CHAIRMAN TANELLI: We will now have our  
25 two presentations.

1                   Our first presentation will be from  
2 Paul Liva of Health X Solutions regarding health  
3 claim analytics and accountable health population  
4 management.

5                   FREEHOLDER FELICE: I said my piece on  
6 the record, so we can maximize the time.

7                   MR. McGRATH: Good evening.

8                   My name is Mike McGrath.

9                   This is Paul Liva.

10                  This is Dr. Jeff Liva.

11                  My associate, Leo Duval.

12                  Leo and I win the award for traveling  
13 the longest distance to be here today, we're from  
14 Cleveland, Ohio.

15                  FREEHOLDER DeNICOLA: Oh, my!

16                  CHAIRMAN TANELLI: Wow!

17                  MR. McGRATH: Thank you for having us.

18                  It's our pleasure to be here.

19                  FREEHOLDER DeNICOLA: Sorry for the  
20 weather.

21                  MR. McGRATH: Well, we didn't have much  
22 better when we left.

23                  We are employee benefit consultants,  
24 and we work in conjunction with Dr. Liva and Paul on  
25 a very innovative and unique program. We provide,

1 our company, specifically The Fedeli Group, provides  
2 consultative services to the municipal and public  
3 sector industries. Simply stated, we consult with  
4 city governments, county governments, other  
5 governmental agencies all across the country.

6 The gentleman's comments earlier really  
7 rang true, because we do a lot of consolidative work  
8 and recommend often that, when there are economies of  
9 scale, where you can lend services, it makes the most  
10 sense.

11 The area that we specialize in is  
12 advising and working with municipalities on better  
13 understanding the cost drivers within their health  
14 care plans, their employee benefit programs.

15 For too many years, there has been a  
16 disconnect between the data side, the clinical side,  
17 and how the employees actually access care.

18 We're very excited that Dr. Liva and  
19 myself joined up about two years ago and said how can  
20 we leverage his expertise and do what we do together,  
21 to go to employers, and, in this case, Bergen County,  
22 to propose a model that will allow you to truly  
23 understand what are the cost drivers within your  
24 population beyond just a financial picture that your  
25 insurance company or provider provides today, and

1 empower employees and the administration to better  
2 plan on how to access benefits, how to access quality  
3 care, and how to manage chronic conditions, when  
4 somebody has some. And it's probably a better  
5 question of when, not if, because I think a lot of  
6 the data suggests that that is going to happen.

7           What we have put before you today, and  
8 I'm not going to ask everybody to take time to go  
9 through it, but certainly as a leave behind is our  
10 analytics reporting capabilities model.

11           What our form does is utilize a program  
12 called "Navigator M.D." Leo and other associates in  
13 my office have specific backgrounds in economics and  
14 statistics and underwriting to truly get at the  
15 clinical side of what's going on within your  
16 population. We are able to help employers understand  
17 to what degree things like diabetes, hypertension,  
18 depression, osteoarthritis, are having within your  
19 population.

20           I believe historically employers have  
21 looked anecdotally at the information, Blue Cross and  
22 Blue Shield paid X claims on your behalf, you guys  
23 paid X premium, are we doing well, are we not doing  
24 well. And every year, somebody comes to you and  
25 says, guess what, the cost of the health care is

1 going up five percent, six percent, eight percent.

2 For the municipalities that I serve and  
3 the public sector clients that I serve, that's an  
4 unsustainable model.

5 What we are proposing is a model that  
6 would allow our organization to accept data feeds  
7 from your vendors and report back to you a high  
8 level, executive level analysis, that helps stratify  
9 the impact of chronic conditions within your  
10 population.

11 What that does is create a benchmark to  
12 allow us to begin moving forward, and in a year, two  
13 years, three years and beyond, say how effective are  
14 the programs that you implement, with Dr. Liva or any  
15 other initiatives or vendors that you choose.

16 So if we put in a program for diabetes  
17 or if we're asking employees to be more accountable  
18 for their own health care, we have a benchmark to  
19 truly report back to you how effective are those  
20 programs.

21 We believe that our model has a true  
22 return on investment that traditionally wellness  
23 programs can't articulate in true dollars and cents.  
24 In fact, we're very careful not to sit in front of  
25 any employer and say, if you spend \$300,000, we're

1 going to save you a million.

2           What we do, rather, is propose a model  
3 where we can show you directional improvements, by  
4 reducing the gaps in care for people that have  
5 diabetes.

6           What's that mean?

7           If I'm a diabetic, if I'm not following  
8 certain protocols, I'm three times more expensive  
9 than somebody that doesn't have diabetes or somebody  
10 who is managed.

11           We're proposing a model, with  
12 Dr. Liva's help, to allow your employees to have a  
13 resource to better manage their conditions.

14           These are proven data sets that we've  
15 been working on with many municipalities, with  
16 clients your size and larger, for years. And we  
17 believe that this is a sustainable approach to  
18 managing your health care data and making actionable  
19 decisions based on what's happening within your  
20 population.

21           We intend, with your approval and the  
22 approval of the administration, to roll this program  
23 out in phases.

24           Phase I would include a comprehensive  
25 dump of data from your existing vendors, which would

1 allow us to truly report back to you every aspect of  
2 your health care plan in a HIPAA protected format.  
3 We will be looking at aggregated information.

4 I'm not going to get reports back that  
5 says Paul has this, Jeff has that, Leo has this, but  
6 it allows us to help you understand which cost  
7 drivers are most important.

8 From there, we would be then able to  
9 engage and create a sustainable health care model,  
10 with Dr. Liva's assistance, that would allow  
11 employees that have chronic conditions and have  
12 concern and want to manage their conditions better,  
13 to have a resource available to them through the  
14 county and other organizations to truly address their  
15 conditions.

16 Jeff, if you can add something on the  
17 clinical side and what you've been able to accomplish  
18 for other organizations, it would be great.

19 DR. J. LIVIA: To give you a little  
20 background on me, I'm a third generation physician.  
21 The Liva family is the second oldest family to  
22 practice at Hackensack Hospital. My grandfather was  
23 the first person to do an EKG in the State of New  
24 Jersey, and we've really been health-oriented. And I  
25 decided to go the public health route. I act as

1 corporate medical director to companies, Mercedes  
2 Benz, Coach USA, Academy Bus, Benjamin Moore.

3           Some of the things that I have done  
4 over the years is get involved in managing the  
5 populations' health. And one of the areas where  
6 we've really spent a lot of time is in the regulatory  
7 industry, as far as DOT, for, like I said, Coach USA,  
8 Academy Bus, and what I found is when people know  
9 what their problems are, and their physicians can  
10 work with those individuals, we get better results.

11           And, unfortunately, in this day and  
12 age, the health literacy rate is not very high.  
13 People are not aware of diabetes, what diabetes is,  
14 for the most part, what hypertension is, what the  
15 values are.

16           To give you some numbers from the  
17 American Heart Association, roughly a third of the  
18 country has hypertension. Of that third, only half  
19 know they have a problem. Of the half that know that  
20 they have a problem, only half go see the physician,  
21 and of the half to go see the physician, half are  
22 properly treated. So leaves a real big gap.

23           Diabetes is the same situation, where a  
24 lot of people, they don't feel well, they don't go to  
25 see the physician or they're not properly managed.

1 And that's one of the things that we have done, I've  
2 done as medical director, is to make sure the  
3 physicians and the individuals come to consensus on  
4 how to manage a problem.

5 One of the things we also do is make  
6 sure people are aware of where they should be. A lot  
7 of times a person will go to the physician and say  
8 everything is okay, but they are not sure where the  
9 numbers should be. And that's one of the things that  
10 we have to do, is to try to educate people where the  
11 numbers have to be. And I've kind of been in the  
12 adversarial position where the doctors are not doing  
13 what they're supposed to be doing, and I have to call  
14 the physicians and say, look, you know, it's time to  
15 either refer the patient or you got to change your  
16 style on how you're managing the patient, and we  
17 found very good results with that, and we have high  
18 compliance in our groups, especially the  
19 transportation industry. Because you get a company,  
20 you know, like Academy Bus here in New Jersey, they  
21 have 2,000 employees up and down the East Coast, they  
22 have to run an operation, they have to meet the  
23 rules, and they need drivers. So my job is to make  
24 sure the people can drive. And they have to drive  
25 safely, and what that means is they need to take care

1 of their medical problems. And I do whatever is  
2 possible, whatever is needed, to require them to do  
3 that. Most of the time, it involves interacting with  
4 a physician to make sure they're doing what they're  
5 supposed to be doing. It's an advocate position,  
6 which I would say, as medical director.

7 And my background, not only am I a  
8 physician, I also have a master's in public health  
9 from Columbia, I also have a master's in industrial  
10 health from the University of Michigan, and I'm board  
11 certified in preventable medicine, which there's only  
12 about a thousand of us in the country. It's the  
13 smallest recognized American board. To give you an  
14 idea, there's one per every 300,000 here in the  
15 United States. If you go to countries like Sweden,  
16 and Norway, there's one every 5,000.

17 What we do is we look at the oversight  
18 of health, and that's really what we do.

19 MR. DUVAL: To just bridge the gap  
20 between the two groups, with the high level analytics  
21 database that Mike brings, we can make that  
22 actionable. A lot of times you get this data and  
23 it's just data.

24 Our goal, bringing in the medical team,  
25 is to take this stratified data targeted results and

1 then reach out to these patients. What we find is  
2 that through a medical director, through a patient  
3 advocate, and through our care team, we get the  
4 buy-in from a lot of normal corporation employees,  
5 because they feel more comfortable, they feel that  
6 they have someone that's on their side.

7 We're not here to deny a service.  
8 We're not here to try to get a service done. We're  
9 trying to get the best care for the person at that  
10 time. So we listen to the patient, we take that  
11 extra five minutes, that a doctor these days does not  
12 really have, to sit in with the patient on the phone,  
13 "Explain to me what's going on."

14 We can also drill into areas where we  
15 see there's gaps or potential high risk, and reach  
16 out and educate that person a little bit more, be  
17 ahead of the curve. So it's really making this data  
18 that everyone always wants. But without the medical  
19 team behind it to support the patients, the members,  
20 the employees, it's hard to make it actionable.

21 FREEHOLDER SULLIVAN: Mr. Chairman?

22 CHAIRMAN TANELLI: Freeholder Sullivan.

23 FREEHOLDER SULLIVAN: Getting back to  
24 working with the patient.

25 If the patient isn't compliant, let's

1 just say, do you charge them a higher premium or do  
2 you throw them out of the program, is that what it  
3 comes to?

4 DR. J. LIVIA: That's all plan design.  
5 One of the things we recommend is --

6 FREEHOLDER SULLIVAN: It seems like  
7 it's a two-tiered system, like if they don't comply,  
8 you're going to put them in a different category,  
9 they're going to have higher co-pays, they're going  
10 to be excluded from the plan. Is that the way it's  
11 going? Is that it?

12 DR. J. LIVIA: We're not looking to  
13 penalize them, but there are designs. In the  
14 Affordable Care Act, there is a provision in there  
15 where the employer can vary the premium that an  
16 individual pays based on compliance with the health  
17 care plan.

18 FREEHOLDER SULLIVAN: In The Affordable  
19 Care Act?

20 DR. J. LIVIA: In The Affordable Care  
21 Act, it's in there. It's actually been around since  
22 the early 2000s under HIPAA, actually that's where it  
23 first came out. Really, the goal is not to penalize  
24 anybody, but there has to be some motivation for the  
25 individual to realize, if I don't take care of

1 myself -- the whole goal here is for people to  
2 recognize they have disease, to go see their  
3 physician and it's properly taken care of. And  
4 there's only two reasons why it doesn't get properly  
5 taken care of, it's either the physician's not doing  
6 the job or the person is not doing the job.

7 FREEHOLDER SULLIVAN: Let me just give  
8 you a little background. I come from a single mother  
9 who had to work two different jobs. She had  
10 diabetes, understood, but she didn't have the time to  
11 do all of this stuff, and you're going to penalize  
12 someone who has to work two jobs? Sometimes they're  
13 not able to go get this care that you're talking  
14 about, and I think that with this plan, we're kind of  
15 beating up on the people that have to work pretty  
16 hard to make ends meet, and now it seems like we're  
17 going to bite them again. That's the impression I'm  
18 getting from your plan.

19 DR. J. LIVA: To address your mother's  
20 situation, I don't know what type of diabetes she  
21 has, whether she had type 1, which is insulin  
22 dependent, or type 2.

23 FREEHOLDER SULLIVAN: Type 2, which  
24 turned into type 1.

25 DR. J. LIVA: Right.

1           A lot of times, these people are not  
2 managed well, they're not on the right medications,  
3 the doctor is not doing the right thing, so it's not  
4 like you have to go see the doctor every week or  
5 every two weeks, the idea is to make sure --

6           FREEHOLDER SULLIVAN: Well, I don't  
7 want to penalize her for being a busy person, having  
8 to take care of seven kids, and it seems to me that's  
9 what your plan does.

10           MR. McGRATH: No. In fact, because of  
11 our background with the public sector, we're very  
12 sensitive to existing collective bargaining  
13 agreements and we know it's not as simple as coming  
14 in and saying, "Hey, if you don't do this, we will  
15 change the plan design."

16           We have had employers that have gone  
17 the reward route, and we certainly have had employers  
18 that have gone the other route, where they staggered  
19 the plans.

20           First of all, employers have to offer  
21 benefits to employees, you can't make somebody not  
22 eligible from participating. In no way is our  
23 proposal today suggesting that there would be a  
24 two-tiered system. What we're really promoting is an  
25 advocacy program that probably doesn't exist today.

1 Accountable care organization models, which were born  
2 out of the Affordable Care Act, suggest that health  
3 care systems and providers that are part of this  
4 mechanism spend five times more with their patients  
5 than the normal doctor does, which is an average of  
6 about seven minutes. What we're proposing is to  
7 create a model where that single parent that's  
8 working two jobs has more access to health care, not  
9 less access to health care. And whether that is  
10 working with Dr. Liva to identify physicians that  
11 have later hours, that have flexible hours, that's  
12 what we're getting at.

13 We want to be very clear that we're not  
14 proposing a model that penalizes employees. The  
15 first step is understanding the advocacy that is  
16 available that probably is not available today.

17 FREEHOLDER FELICE: I think, if I can  
18 just clarify too?

19 CHAIRMAN TANELLI: Yes.

20 FREEHOLDER FELICE: Thank you,  
21 Mr. Chairman.

22 It's not the outcome, because some  
23 people are very hard to manage with diabetes, for a  
24 number of reasons, morbidities, they have  
25 cardiovascular disease, they have other issues, and a

1 wide variety of that, but it's about participating.  
2 You know, good health comes from maybe that doctor  
3 you're going to isn't the right doctor to go to.  
4 Maybe the institution they're going to is not the  
5 best institution to go to. And cost has really maybe  
6 not has a lot to do with outcomes.

7           So I think that certainly we don't want  
8 to make this, you know, mandatory, if you don't get  
9 better, you're going to be penalized. I think that's  
10 not the philosophy, from what I'm getting at from my  
11 discussion with Dr. Liva, it is more that there are  
12 these services provided and we ultimately want a  
13 better quality of life for that individual. But  
14 certainly your concern is very well put, Tom.

15           MR. McGRATH: In fact, I think to add  
16 on to that, The Affordable Care Act is very clear  
17 that it doesn't allow employers to do that, employers  
18 need to make what is known as a "reasonable  
19 alternative."

20           I'm standing before you, a guy who is  
21 6'2" and weighs 240 pounds. I don't meet the  
22 National Institute of Health's guidelines of what a  
23 healthy BMI is, but I'm engaged with my doctor, and  
24 the fact that I'm working towards that for my  
25 employer allows me to get that credit, but we are not

1 instituting a punitive system at all.

2 CHAIRMAN TANELLI: Freeholder.

3 FREEHOLDER DeNICOLA: Thank you.

4 I wanted to follow-up on some of Tom's  
5 comments too.

6 Just briefly, looking through this, it  
7 looks like on average of total claims cost of an  
8 entity, 20 percent is manageable chronic conditions.

9 How do you get the buy-in on the part  
10 of the employee to better manage their chronic  
11 illnesses, because sometimes it is time and effort  
12 and even, you know, the ultimate outcome of an early  
13 death isn't always a motivator either for people. So  
14 have you seen successes?

15 And without penalizing people, how do  
16 you get them to take a more active role in better  
17 health?

18 MR. McGRATH: I'll take it from a  
19 nonclinical perspective first and from what our  
20 experience is. Again, I touched on briefly the  
21 introduction of the accountable care health care  
22 model, which the current Presidential administration  
23 was the sponsor of the Affordable Care Act, which  
24 puts forth, and what it essentially says is health  
25 care systems and physicians that have better outcomes

1 and demonstrate lower cost are actually compensated  
2 or reimbursed more from our insurance company. So  
3 what we're now seeing is that members, employees,  
4 dependents, are beginning to attribute to providers  
5 that are in that model. So if I go to Dr. Liva,  
6 and -- this is a fictitious example -- if Dr. Liva is  
7 a high performance physician with a health care  
8 system and I go to him, his reimbursement from Blue  
9 Cross and Blue Shield is predicated on him reaching  
10 out to me and saying, "Mike, you haven't had a  
11 colonoscopy."

12 Nobody wants to hear from the insurance  
13 guy, nobody wants to hear from the insurance company  
14 saying, hey, you didn't do these things, but who do  
15 we listen to? We do listen to our doctors.

16 So when my doctor calls me and says,  
17 you haven't been in to do these things, and, based on  
18 your age, we recommend that you do, let's get that  
19 scheduled, whatever that time is. So the attraction  
20 is that the physician is now incentivized for having a  
21 more compliant patient.

22 DR. J. LIVIA: Again, it goes back to  
23 the health care literacy, a lot of people don't have  
24 a clue where they should be, they think everything is  
25 fine. Once you start pointing out where they need to

1 be, then they understand and their physicians  
2 understand. That's one of the thing I've had is to  
3 educate people on where they should be for diabetes,  
4 where should they be for hypertension. A lot of  
5 people don't know.

6           And what's interesting is I have  
7 residents come out from Mt. Sinai, and we were doing  
8 an exam on a person, and she was shocked to know that  
9 this person didn't know where their blood sugar had  
10 to be, what the hemoglobin had to be, and not  
11 realizing it.

12           I think part of it is education, where  
13 there's so much stuff out there on the Internet,  
14 everything else, everyone is confused, but it has to  
15 be tailored to them. And once you start tailoring to  
16 them, they start listening. And if they understand  
17 what are the consequences of not taking care of this  
18 stuff, like you said, early death, a lot of times  
19 most common causes of kidney failure is uncontrolled  
20 hypertension, uncontrolled diabetes. And what I try  
21 to explain to patients is, look, we need to get this  
22 under control, it's better for you, and a lot of  
23 times they get really angry at the beginning, but  
24 then they come back. This happens to me several  
25 times a week. "Dr. Liva, I'm sorry I gave you a hard

1 time. I feel better. I didn't realize what I  
2 missed."

3 If they don't know what it's like, you  
4 don't know, but all of a sudden you start feeling  
5 better, and then they come back and they're like,  
6 wow, I should have done this. And a lot of times it  
7 becomes word-of-mouth, once the group starts  
8 understanding what's going on is that we're not here  
9 to penalize, we're here to be your advocate.

10 That's like one of the things I had  
11 with my Marcal project was basically, you know, the  
12 first six months I had to sit there, basically go in  
13 with a bulletproof vest. All the union members were  
14 like crazy, Dr. Liva is going to cut this and that.

15 After that period, it's like no one did  
16 anything until after they called me, "Dr. Liva, what  
17 should I do here?"

18 And the way it was good for everybody  
19 was, we got them to who I thought were the best  
20 doctors, the people who would do it right the first  
21 time, and that's really how you save money. You save  
22 money is if you do it right the first time.

23 Like one of the things, I've had this  
24 discussion with medical directors of these insurance  
25 carriers, your whole model is upside down, where you

1 have the primary care trying to take care of all of  
2 these medical problems. The primary care should be  
3 there to provide oversight, but it should be going to  
4 the specialist and it should be kicked back. What  
5 should happen is the primary should be modeling the  
6 person, and if the person gets out of whack, they  
7 should go to that respective specialist.

8           If you are suffering from hypertension,  
9 diabetes and asthma, they probably see three  
10 specialist physicians taking care of them, which that  
11 information should go back to the primary care  
12 physician. A lot of it is a health literacy piece,  
13 people just don't know, they don't know what the  
14 problems are.

15           And I deal with all different level of  
16 populations. I deal with people, some who can't  
17 speak English, who are new to this country, to CEOs  
18 of large corporations. And it's interesting, you  
19 know, the knowledge is really not there. People just  
20 don't understand where they have to be.

21           CHAIRMAN TANELLI: Let's just get back  
22 to a couple more questions, doctor, if you don't  
23 mind.

24           DR. J. LIVIA: Sure.

25           CHAIRMAN TANELLI: Freeholder Zur.

1                   VICE-CHAIRWOMAN ZUR: How do you get  
2 compensated, and how do you work with the current  
3 third party administrators that we have, as far as  
4 this is concerned?

5                   Because one of the things you also said  
6 about first referring to doctors who do it right, is  
7 there participation, how do you make that analysis?

8                   DR. J. LIVIA: Well, the way we get that  
9 analysis is by looking at what the outcomes are.

10 Like --

11                   VICE-CHAIRWOMAN ZUR: Get to the first  
12 question, as far as how do you get paid?

13                   DR. J. LIVIA: We get paid per member  
14 per month for the plan.

15                   VICE-CHAIRWOMAN ZUR: There's no cost  
16 for participation as far as the doctors? The doctors  
17 who you are participating with, who you make  
18 recommendations, is there a cost --

19                   MR. J. LIVIA: No, those are all the  
20 patients' doctors. What we do is, the system is,  
21 everyone should have their own doctor, choose their  
22 own doctor, whoever it is.

23                   We sit there, are advocates for the  
24 patient, getting information from Mike's group to  
25 tell us who has what, are they doing it, are they

1 meeting the treatment goals. Because right now you  
2 are able to get information from labs, you get  
3 information from the pharmacies, you get a lot of  
4 different information, and from that, we can sit  
5 there and start a conversation with the patient, with  
6 a physician, to see what we're seeing is how do we  
7 get to optimum health.

8 VICE-CHAIRWOMAN ZUR: What is the cost  
9 per patient for a group?

10 MR. McGRATH: Ours is straightforward,  
11 we have a per employee per month fee of \$3. We're  
12 proposing a fee for the data side, \$3 per employee  
13 per month, and there is a data bridge or established  
14 cost of \$5,000 to get the plan set up.

15 DR. J. LIVIA: And ours was \$15 per  
16 employee per month.

17 MR. DUVAL: With an initial \$50,000  
18 project setup fee.

19 FREEHOLDER SULLIVAN: It's \$3 or \$15?

20 MR. DUVAL: \$18 combined.

21 COUNTY ADMINISTRATOR NOVELLI: Per  
22 belly button?

23 MR. McGRATH: Per employee.

24 MR. DUVAL: Correct.

25 FREEHOLDER ZUR: Per month?

1 COUNTY ADMINISTRATOR NOVELLI: Can I do  
2 a follow-up --

3 FREEHOLDER ZUR? And \$50,000 --

4 CHAIRMAN TANELLI: Relax. One at a  
5 time, otherwise Kim will get violent.

6 (Laughter.)

7 VICE-CHAIRWOMAN ZUR: The \$50,000 is  
8 for what?

9 DR. J. LIVIA: Setup.

10 CHAIRMAN TANELLI: The Administrator.

11 COUNTY ADMINISTRATOR NOVELLI: My  
12 question is, obviously we have a sizable number of  
13 retirees that are covered under our plan.

14 Is this specifically designed for  
15 active employees or are you looking at the total  
16 number of belly buttons within our self-funded  
17 system?

18 MR. McGRATH: I believe initially our  
19 recommendation is to begin with the active employee  
20 population, and, perhaps, if it makes sense, after  
21 there is proof of the concept, to look at the retiree  
22 population.

23 CHAIRMAN TANELLI: Follow-up?

24 Are you good?

25 VICE-CHAIRWOMAN ZUR: And then would

1 there be an additional cost for adding on the  
2 different modules of employees afterwards or would it  
3 just be the straight per person?

4 DR. J. LIVIA: It would be just the  
5 straight per person per month. So if you added 100  
6 employees, it would just add that 15 and the 3.

7 VICE-CHAIRWOMAN ZUR: As far as the  
8 other question that I asked regarding how you  
9 interface with the third party administrator.

10 MR. McGRATH: I'll address that.

11 The Fedeli Group, our organization,  
12 creates a business associate agreement with you as  
13 the plan sponsor and your vendors, and we establish a  
14 secure 834 encrypted data feed that they would send  
15 to us on a monthly basis.

16 We have a history of working with all  
17 of the national insurance companies, including Blue  
18 Cross/Blue Shield plans.

19 CHAIRMAN TANELLI: I'm going to take  
20 one more question. It's already been a half an hour.

21 I'm going to ask, let Freeholder  
22 DeNicola go, then if you guys are okay, if you have  
23 business cards, where if some of the Freeholders have  
24 additional questions, maybe they could reach out to  
25 you.

1 MR. McGRATH: We've already provided  
2 them, yes.

3 FREEHOLDER DeNICOLA: You stated at the  
4 outset that you've been very successful in having  
5 companies and entities save money.

6 MR. McGRATH: Yes.

7 FREEHOLDER DeNICOLA: Given the \$18 per  
8 employee per month, and the startup costs, \$55,000  
9 combined, when would you see a return on that?

10 MR. FLORIO: Them or the county?

11 FREEHOLDER DeNICOLA: When would we,  
12 yes. When would there be a return on that, right?

13 The solicitor is out of order.

14 MR. McGRATH: It's a great question,  
15 and I need to be very clear.

16 The position that The Fedeli Group is  
17 at this table for today is purely on the analytical  
18 side of the table. We're charging you \$3 per  
19 employee per month to actually provide the ongoing  
20 analytics of the program.

21 FREEHOLDER DeNICOLA: Okay.

22 MR. McGRATH: From a clinical ROI  
23 perspective, that's where Dr. Liva and the clinical  
24 program is going to have to do that.

25 Now, if I can put another hat on for 10

1 seconds.

2 We are employee benefits consultants.  
3 I work with other organizations, that Dr. Liva is not  
4 a member of that consulting team. We have other  
5 large municipalities that we have seen the ROI, but  
6 we demonstrate it in different ways.

7 Perhaps if you want to give me an  
8 email, I can actually send you an email with more of  
9 the methodology on how we demonstrate that. I'm not  
10 avoiding or skirting the question, it's a lengthy  
11 answer.

12 FREEHOLDER DeNICOLA: Okay. Great.

13 Thank you.

14 VICE-CHAIRWOMAN ZUR: Can you actually  
15 forward that information to the Clerk, so it can be  
16 disseminated to all of us?

17 MR. McGRATH: Yes, ma'am.

18 COUNTY ADMINISTRATOR NOVELLI: You  
19 mentioned that you're working with other public  
20 sector entities.

21 Do you have entities here in Jersey?

22 MR. McGRATH: No.

23 COUNTY ADMINISTRATOR NOVELLI: Are  
24 there other county governments that are current  
25 clients?

1                   MR. McGRATH: Yes. Not in New Jersey,  
2                   though.

3                   COUNTY ADMINISTRATOR NOVELLI: Where  
4                   are your clients?

5                   MR. McGRATH: Ohio. We have more than  
6                   24 public sector clients.

7                   COUNTY ADMINISTRATOR NOVELLI: Are they  
8                   municipalities? Are they counties?

9                   MR. McGRATH: All the above,  
10                  municipalities, counties, transit authorities,  
11                  library systems, tax authorities, a variety.

12                  If you like, along with that email of  
13                  the question, I can break down the types of clients  
14                  that we're serving.

15                  CHAIRMAN TANELLI: Great.

16                  COUNTY ADMINISTRATOR NOVELLI: That  
17                  would be nice, if you can give us a reference list.  
18                  I would be interested in the number of lives that  
19                  each of those entities currently have.

20                  MR. McGRATH: Yes. It would be a  
21                  pleasure to do that.

22                  FREEHOLDER FELICE: Mr. Chairman, if I  
23                  can just, five seconds or less.

24                  CHAIRMAN TANELLI: Sure.

25                  FREEHOLDER FELICE: As health care

1 costs increase, I think it's about \$65 million out of  
2 a \$560 million budget, it is pressing upon the county  
3 to provide care for our employees and their families.

4 I think if we do nothing, I think  
5 there's more risk for us to just react. And I think  
6 that this is something, as someone in the health care  
7 area, we should look at.

8 I want to thank all my colleagues for  
9 listening and asking very pointed questions, because  
10 I think we got to act and move in the direction and  
11 be proactive of the health of our employees and their  
12 families or suffer the consequences of the claims or  
13 the physical results of not caring for ourselves, but  
14 also the financial.

15 Thank you, Mr. Chairman.

16 CHAIRMAN TANELLI: Thank you,  
17 Freeholder.

18 Thank you very much for your time. We  
19 appreciate it.

20 DR. J. LIVIA: Thank you very much.

21 5:27 PM PRESENTATION: UPDATE ON SUPERSTORM SANDY

22 PROGRAMS

23 CHAIRMAN TANELLI: Our second  
24 presentation will be Adrienne Laneave, from the Small  
25 Business Association, Office of Disaster Assistance,

1 with an update of federal Superstorm Sandy programs  
2 available to individuals and groups with unmet  
3 recovery needs.

4 MS. LANEAVE: Hi. How are you doing?

5 CHAIRMAN TANELLI: Good.

6 Thank you for your patience.

7 FREEHOLDER FELICE: You got a whistle  
8 there.

9 MS. LANEAVE: I know. I have my leash.  
10 You know, I have to identify myself as a federal  
11 employee (indicating).

12 Thank you for having me. Yes, my name  
13 is Adrienne Laneave. I am from the Small Business  
14 Administration, Office of Disaster Assistance.

15 I just wanted to give you a quick,  
16 brief update of what's going on.

17 Superstorm Sandy, part two, I should  
18 say.

19 Part one, I was here. I went through  
20 it with you guys. I was actually stationed down in  
21 Monmouth County, and I was brought up and spent five  
22 months in New Jersey, while we worked through that  
23 recovery with FEMA and the SBA.

24 At the time, the SBA, we closed out  
25 with well over \$500 million in improvement loans, and

1 now we're back.

2                   What's happened recently, and you may  
3 have heard some of this, you may not, but this is why  
4 I'm here. The President has reopened the declaration  
5 for Superstorm Sandy to allow homeowners, renters,  
6 businesses, including not-for-profits, the  
7 opportunity to go ahead and apply for these low  
8 interest loans to assist them in any additional unmet  
9 needs.

10                   Now, one of the questions that I get a  
11 lot is that, you know, what is an unmet need?

12                   Well, for homeowners, a good example  
13 is, at the time of the disaster, not only did we have  
14 Sandy hit, you also had the flood maps that were  
15 coming out, they were like half approved and they  
16 finally got accepted, but they really hadn't worked  
17 down the food chain through the administrative  
18 process.

19                   Now that all that's done, people are  
20 realizing, hey, I still need to elevate my house, but  
21 instead of doing it 10 feet, which is what I was  
22 previously advised it would be, I got to jack it up  
23 14 feet.

24                   That's a big price difference.

25                   They also at the time, there was a lot

1 of craziness, including with the insurance companies,  
2 whether or not there would be grants; if there was  
3 grants, where they were going to come from for  
4 businesses, and how it was going to be applied.

5 Now that a lot of that has shaken loose  
6 again, we have people who have this unmet need.  
7 Their insurance company paid them \$100,000, turns out  
8 they need \$150,000, they're \$50,000 short.

9 So Sen. Menendez went in and he  
10 requested Congress to open this. This is how this  
11 all started. And he was recently on the news. We  
12 did a press conference last Friday. In fact, some of  
13 you may have seen that. We got some great attention  
14 on that, good media coverage, and I'm excited.

15 So what we're doing is we are now back  
16 on the ground. We have a crew right now from the  
17 SBA's ODA, Office of Disaster Assistance, not just  
18 our normal SBA, assisting people throughout the  
19 counties. We are in the emergency manager's office  
20 right now, we have the crew there, to assist those  
21 people who need some assistance, to help get their  
22 applications done. If not, they can always go  
23 online.

24 Now, when I'm talking about this  
25 program, I'm talking about low interest loans. And

1 these loans for homeowners can be up to \$200,000, and  
2 the interest rate can be as low as 1.688 percent for  
3 terms up to 30 years.

4           When you think about that, that's not  
5 something you're getting on a credit card. And a lot  
6 of people went in and they were like, oh, my God,  
7 let's just put it on the credit card. And then  
8 they're like, no, wait a minute, we need a little bit  
9 more. Or they were going to the banks, and the banks  
10 wouldn't be able to help them out.

11           We offer the first \$25,000 of these  
12 loans is essentially a signature loan. I don't need  
13 collateral at that point in time.

14           Anything after that, if there is  
15 collateral there, I am required to take a position on  
16 it, a position, not first, second or third, it means  
17 any position on it, and if it's on the property  
18 that's been damaged, so be it. If there's something  
19 there, we'll just take a position and move on.

20           We are going to look at somebody's  
21 ability to repay, but we are not looking for the 800  
22 credit score. I have been in several disasters, I  
23 have yet to see anybody who has an 800 credit score,  
24 plenty of money, and all ready to go just the minute  
25 the disaster happens. You know, disasters, something

1 about them, they are always at the worst time.

2           The SBA knows that. So this money is  
3 not coming from a bank. Unlike our sister program  
4 that everybody knows, hey, you're here to help  
5 businesses, that's a loan guarantee program, that's  
6 working through the banks. This comes directly from  
7 the Treasury, so we get a little bit more leeway.  
8 There's no fee to apply, it takes about 20 minutes.  
9 There's no origination fee, no, you know, all those  
10 creative fees that banks have because they got  
11 shareholders to answer, we have taxpayers to answer  
12 to, so we don't have to do all that. It's a lot more  
13 streamlined, a lot more straightforward, and, again,  
14 there's no fee.

15           Just to give you an idea, we've been on  
16 the ground, we've started around December. We've  
17 already approved in the State of New Jersey over  
18 \$6.5 million that's been approved.

19           Bergen County, right now, we are at --  
20 and these numbers are a couple of days old, but  
21 they're the most accurate that I have -- about  
22 \$250,000 in your particular county, but then, again,  
23 keep in mind, your county wasn't as devastated as,  
24 say, like Monmouth County. You had damage, but it  
25 wasn't as much.

1                   FREEHOLDER VOSS: Right.

2                   MS. LANEAVE: The other thing to keep  
3 in mind is that for the businesses, we offer loans  
4 not only for the physical damage, which could be up  
5 to \$2 million, we offer what's called "Economic  
6 Injury Loans."

7                   And "economic injury" is something  
8 that's unique in the fact that, again, the shoreline  
9 was destroyed. There was a lot of rental properties.  
10 So while your residents themselves may not have  
11 suffered physical damage, they have rental properties  
12 over there, and now they can't rent those properties,  
13 but that's why we are here, we're a business, we can  
14 help them with the physical damage, as well as that  
15 loss of income.

16                   I cannot support somebody, I cannot  
17 give them a loan for something that's like, hey, we  
18 thought we'd get a million dollars because we had  
19 this cool local contract, that's profit. But what I  
20 can assist them for is, hey, I had to pay my  
21 employees, even though they couldn't get to the place  
22 or couldn't get out, that's an economic injury, I can  
23 assist them.

24                   So businesses that are still suffering,  
25 because they were supplying to the boardwalk before

1 that got damaged or they were getting ready or some  
2 of their stuff was coming in and out, so you see this  
3 sort of ripple effect. And we can come back and look  
4 at that damage and say, okay, we can see from your  
5 books that you were doing fine, everything was great,  
6 all of a sudden, boom, Sandy hit, now we're like up,  
7 we're struggling, no, we're down, we're up, no, now  
8 we're crashing. So you can see that on the books and  
9 we can be able to assist them. Again, this could be  
10 up to \$2 million for economic injury, \$2 million for  
11 physical damage, and for businesses, the interest  
12 rate can be as low as four percent. This is all in  
13 the packet I gave you, I gave you all the fancy  
14 stuff, but the first page there, that's the fact  
15 sheet, that's everything about the program. There's  
16 no hidden balls, there's not anything crazy about it,  
17 that's it.

18 So what I'm here for, not only to  
19 educate you, but I'm asking you for your assistance.  
20 I've got to get this message out to everybody that  
21 was affected, even if they didn't have the damage, to  
22 know that this tool is available. That's all I want  
23 them to know. And so I want to make sure that I'm  
24 educating you, keeping you informed on what we're  
25 doing in your county, as well as to ask that if you

1 have the opportunity or you know people, to help  
2 share this message.

3 I'm not getting as much traction with  
4 the media. This isn't sexy. Everybody knows this,  
5 everybody is tired of Sandy, we're tired. But this  
6 is what the program is, and it's a good program, and  
7 it's still finding needs.

8 CHAIRMAN TANELLI: I will discuss this  
9 with the administration and see if we can at least  
10 post a link and put the information up on the  
11 county's website.

12 MS. LANEAVE: Much appreciated.

13 Let's see, I'm trying to think. Are  
14 there any questions that you would have about the  
15 program?

16 COUNTY ADMINISTRATOR NOVELLI:  
17 Chairman?

18 CHAIRMAN TANELLI: Sure, Administrator.

19 COUNTY ADMINISTRATOR NOVELLI: I just  
20 wondered, how are you now publicizing this here in  
21 Bergen County? I mean, how are you able to get that  
22 information out to the folks that received about a  
23 quarter of a million dollars or 250?

24 MS. LANEAVE: We've been working with  
25 the media, as I said, with Sen. Menendez. We had

1 some great local media, FiOS News, FiOS Push Pause.  
2 So we have been working strongly with the media,  
3 especially with them being open. We are working  
4 with -- I am going around, and you'll have to forgive  
5 me, because I was in South Carolina up until about  
6 two weeks ago, so I've only hit the ground now, and I  
7 have six counties, but I am going to each and every  
8 borough, township, and speaking in every county  
9 meeting, to provide you guys information. I just got  
10 some flyers in four different languages, and they  
11 should be in every library, every town hall. I've  
12 got some great feedback by submitting to local  
13 municipalities in posting this information on  
14 websites and working with your Bergen County  
15 volunteers, which is the --

16 FREEHOLDER DeNICOLA: Yes.

17 MS. LANEAVE: I just met with Craig or  
18 actually Taz this morning, gave them some more  
19 flyers. I'm going to be speaking at their long-term  
20 recovery meeting tomorrow night. They're awesome.

21 Facebook is the new media format. So  
22 I'm all over Facebook, and I don't even know it. So  
23 that's where we've been pushing it a lot. So we're  
24 reaching out that way and just, you know, doing  
25 whatever we need to do, but that's generally where

1 I've started from in the last two and a half weeks  
2 for me being in this county.

3 CHAIRMAN TANELLI: If you don't mind,  
4 I'd like to open it for any questions that the  
5 Freeholders might have.

6 FREEHOLDER SULLIVAN: I just have a  
7 question.

8 You said there's two different loan  
9 rates, homeowners is lower, commercial business is  
10 more, is that what you said?

11 MS. LANEAVE: Correct.

12 FREEHOLDER SULLIVAN: So this isn't  
13 for, like some of the Sandy funds was just if this is  
14 your primary residence. So if you had a business,  
15 like if you were renting out a house and you lost,  
16 you can go here for aid as well?

17 MS. LANEAVE: Correct.

18 FREEHOLDER SULLIVAN: Because the other  
19 ones, it had to be your primary residence.

20 MS. LANEAVE: Correct.

21 When FEMA was on the ground, FEMA grant  
22 money would only cover primary residences. That's  
23 how we have to do our home loans, is as a primary  
24 residence; however, we had two things especially what  
25 happened at the shore, you had people who had a

1 secondary home that weren't covered, but they had a  
2 family member living in there.

3 Okay. Now I can try to get that in as  
4 a regular home loan, because an extended family  
5 member was living there. So I have option No. 1.

6 Okay. Option No. 2, I had this  
7 property out there but I was renting it, I was  
8 generating income. I don't care if anybody was in it  
9 at the time, but if you show me it was a rental at  
10 some point and you were rehabbing it, in the process,  
11 now I can throw it in as a business, that's how I can  
12 cover it.

13 The problem that comes in is probably  
14 if it was completely empty, nothing, it was just  
15 sitting there, that might be a problem.

16 FREEHOLDER SULLIVAN: If it was just  
17 your secondary home, then you can't help them?

18 MS. LANEAVE: Yes, then things get a  
19 little dicey. Usually I can find some way to cover  
20 it one way or another.

21 When original Sandy was happening, that  
22 was the FEMA grant program, because FEMA does have  
23 that restriction, and we do not, we are designed for  
24 that long-term recovery, and that's how I can throw  
25 that rental property in as a business.

1                   FREEHOLDER SULLIVAN:   Okay.   But for a  
2   second home or vacation home, it's still outside the  
3   criteria?

4                   MS. LANEAVE:   Second home, vacation  
5   that didn't have any family member in there, that's  
6   going to be problematic, but usually I tell people,  
7   if there's any option, go in and talk to our crew and  
8   there might be a way we can put it under, one way or  
9   another.   We're going to try everything we possibly  
10   can.

11                  FREEHOLDER SULLIVAN:   Thank you.

12                  CHAIRMAN TANELLI:   Anybody else?

13                  FREEHOLDER DeNICOLA:   I just wanted to  
14   say, this is great, and I'm sure you know that the  
15   majority of the towns or the damage that we saw here  
16   in Bergen was Moonachie and Little Ferry, and there  
17   are many businesses there that are still suffering.  
18   They lost everything, including their customer base,  
19   once they rebuilt their businesses.

20                  MS. LANEAVE:   Yes.

21                  FREEHOLDER DeNICOLA:   So I don't know  
22   if door-to-door might be an issue too, because  
23   they're clearly in one contained area.

24                  MS. LANEAVE:   Yes.   That's next on the  
25   list.   I have six counties, once I'm hitting the high

1 level, I'm working my way down, I will get there  
2 eventually.

3 FREEHOLDER DeNICOLA: It is just you  
4 then?

5 MS. LANEAVE: It is. I am a one woman  
6 show, but we have six people in the -- five -- I'm  
7 losing track, we have about five people in the State  
8 of New Jersey and we've split it up, so I do have the  
9 most northern counties. And, as I said, I just hit  
10 the ground running a couple of weeks ago, but, yeah,  
11 eventually I will get there, but right now it's just  
12 chambers. My chambers of commerce, I swear I think  
13 they hate me already, because I'm like, get this  
14 information out.

15 Small business development centers,  
16 which is another thing I should point out is that we  
17 are partnering with those local small business  
18 development centers, and one of the nifty thing about  
19 this program is for those businesses that have  
20 suffered the physical or even economic injury, when  
21 they come in and they meet with our team, they're  
22 also given a list of the small business development  
23 centers. So not only do they come in and get federal  
24 loan money, they're getting partnered with your local  
25 contacts, with our teams that are local, they're here

1 forever, that then can turn around and refer them out  
2 and can then work with them. So not only do they  
3 emerge from the storm and from this disaster, but  
4 they come out in better shape than when they started,  
5 because they've gotten that connection. And somebody  
6 says, hey, by the way, I need to -- you know, we look  
7 at their paperwork, hey, you know, you can benefit  
8 with a nice little business plan, have you thought  
9 about this. We can work with them. Without, you  
10 know, fees, to help them develop a business plan. So  
11 now they're growing their business, not just from the  
12 disaster, with those local connections. And that's  
13 an important factor. So, yes, we are working with  
14 them.

15 FREEHOLDER DeNICOLA: Good.

16 MS. LANEAVE: Eventually, yes, I will  
17 be knocking on doors.

18 FREEHOLDER DeNICOLA: So you met with  
19 Vince Vicary? They're at Bergen Community College  
20 Small Business Development.

21 MS. LANEAVE: Yes, yes, yes.

22 FREEHOLDER DeNICOLA: They're not  
23 located in our building here.

24 MS. LANEAVE: Yes. I was going, that  
25 name sounds familiar. I think I have.

1                   FREEHOLDER DeNICOLA: They have a big  
2 network too, which is good.

3                   MS. LANEAVE: So all of our small  
4 business development, of course, we are working, we  
5 had Tom Teeno, who is the director, we have regional  
6 directors, all of that information is getting  
7 disseminated down, so we're really excited with that  
8 partnership. But I will periodically, of course,  
9 send emails to you as updates happen, should anything  
10 change.

11                   The declaration right now is open for  
12 the remainder of the year. It closes on  
13 December 1st. So we've got time. We encourage  
14 people, hey, we're on the ground, might as well use  
15 this plan.

16                   CHAIRMAN TANELLI: Thank you.

17                   MS. LANEAVE: Thank you for your time.

18                   CHAIRMAN TANELLI: I just want to enter  
19 into the record, before we adjourn, Mr. Powers,  
20 you're right, the Clerk was on top of this, it was  
21 sent to the administration to be posted earlier  
22 today, it just didn't make it to the agenda.

23                   The agenda was posted. Like I  
24 mentioned, there was no resolution until late this  
25 afternoon.

1                   So without any other further business,  
2 I'll take a motion to adjourn.

3                   FREEHOLDER VOSS:    So moved.

4                   FREEHOLDER DeNICOLA:   Second.

5                   CHAIRMAN TANELLI:   All in favor?

6                   (All present Freeholders respond in the  
7 affirmative.)

8                   CHAIRMAN TANELLI:   We are adjourned.

9                   (Whereupon, the Work Session is  
10 adjourned at 5:44 p.m.)

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C E R T I F I C A T I O N

I, KIM O. FURBACHER, License No. XIO1042, a Certified Court Reporter, Registered Merit Reporter, Certified Realtime Court Reporter, and Notary Public of the State of New Jersey, hereby certify that the foregoing is a verbatim record of the testimony provided under oath before any court, referee, board, commission or other body created by statute of the State of New Jersey.

I am not related to the parties involved in this action; I have no financial interest, nor am I related to an agent of or employed by anyone with a financial interest in the outcome of this action.

This transcript complies with Regulation 13:43-5.9 of the New Jersey Administrative Code.

\_\_\_\_\_  
KIM O. FURBACHER, CRCR, CCR, RMR  
License #XIO1042, and Notary Public  
of New Jersey

My Commission Expires:  
7/11/19