

**FINAL**  
**MINUTES OF THE OPEN SESSION MEETING OF THE**  
**NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD**  
**AT THE OFFICES OF THE**  
**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE**  
**TRENTON, NEW JERSEY**  
**April 22, 2015**

**Members participating:** Herbert Ames; Charles Cerniglia (Oxford); Gary Cupo; Patrick Gillespie (Cigna); Nicholas Peterson (Horizon); Thomas Pownall (Aetna Health Inc.); Gale Simon (DOBI); Tony Taliaferro (AmeriHealth); Dutch Vanderhoof.

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Program Accountant; Eleanor Heck, Deputy Attorney General.

**I. Call to Order**

E. DeRosa called the meeting to order at 10:01 A.M. She announced that notice of the meeting was provided to two newspapers of general circulation and the State House Press Corps, and posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, and at the Office of the Secretary of State in accordance with the Open Public Meetings Act. Following a roll call, she determined there was a quorum present, and stated that all votes would be by roll call because many of the Board members were participating by phone.

**II. Public Comment**

There were no public comments.

**III. Minutes – March 18, 2015**

**D. Vanderhoof made a motion, seconded by G. Simon, to approve the minutes of March 18, 2015. By roll call vote, the motion carried.**

**IV. Staff Report**

*Expense Report*

R. Lenox presented the April expenses, totaling \$17.69, for the cost of printing the notice of proposed amendments to the SEH policy forms in one newspaper. She explained that public notices were printed in additional newspapers, but that the newspapers had not submitted their invoices yet.

**D. Vanderhoof made a motion, seconded by G. Cupo, to approve the April expense report. By roll call vote, the motion carried.**

## **V. Finance and Audit Committee (FAC) Report**

### *Financial Statements as of March 31, 2015*

R. Lenox asked whether there were any questions or concerns regarding the following quarterly statements (for 3QFY2015) included in the Board materials:

- Statement of Net Assets
- Statement of Changes in Net Assets
- Statement of Cash Flows
- Comparison of Budget and Actual Expenditures

The Board had no questions or concerns.

### *Final Assessment for FY2014/Assessment for FY2016*

R. Lenox reported that invoices were distributed for the final administrative assessment for FY2014, as were the invoices for the assessments for the FY2016 budget, and that the vast majority of carriers had already submitted payments.

## **VI. Rule Adoption**

E. DeRosa explained the purpose of the two amendments proposed to be made to the standard policy forms, which the Board could now take action to adopt. She stated that one proposed amendment would allow carriers to use either a plan year or calendar year basis for accumulation of expenses and benefit limits, primarily to accommodate employers that prefer the use of plan years to calendar years (usually because a plan year runs from the anniversary date of the policy, or some other 12-month period meaningful to the employer). E. DeRosa explained that the second amendment would add bracketed language that would permit carriers to exclude coverage of certain health care services for which federal funding is prohibited, as specified by Section 1303 of the Affordable Care Act (which is a necessity for a Multi-State Plan).

E. DeRosa stated that a public hearing was held on April 8<sup>th</sup>, and while there were two attendees, there was no testimony offered, and so no hearing officer recommendations made. She stated that written comments were subsequently submitted. She explained that two comments were supportive of the proposed amendments, but one expressed concern about the option for carriers to possibly split the accumulation of benefits and cost-sharing between calendar and plan years. She explained the drafted response suggested making no change to the proposed amendment upon adoption, because the language in the policy forms merely codifies what carriers have been doing for many years via optional benefit riders, without apparent complaint from employers or employees regarding confusion or improper payment of claims related to the accumulation of cost-sharing and benefit limitations across different time periods.

E. DeRosa also explained that the effective date would be immediate.

**D. Vanderhoof made a motion, seconded by G. Simon, to approve the adoption as drafted, continuing use of the Board's expedited rulemaking process. By roll call vote, the motion carried.**

**VII. Discussion topics**

E. DeRosa said she received a call from a carrier regarding the group application form, and changes the carrier thought might be appropriate for it, in light of several changes that have been or will be brought about by the Affordable Care Act. She suggested that other carriers consider whether there are any changes to this document that they might think appropriate and provide information to staff no later than by the June 17<sup>th</sup> meeting, in order for changes to be considered before the 2016 enrollment cycle begins.

**VIII. Public Comment**

There were no public comments.

**IX. Close of Meeting**

**P. Gillespie made a motion, seconded by D. Vanderhoof, to adjourn the meeting. By roll call vote, the motion carried.**

*[The meeting adjourned at 10:19 A.M.]*