

**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**  
**March 16, 2016**

**Members participating:** Herbert Ames; Mary Beaumont; Gary Cupo; Bob Benkert until 10:20, when Lisa Levine joined (United/Oxford); Brendan Peppard (DOBI); Nicholas Peterson (Horizon); Tony Taliaferro (AmeriHealth); Dutch Vanderhoof.

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

**I. Call to Order**

E. DeRosa called the meeting to order at 10:04 A.M. She announced that notice of the meeting was provided to three 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 some of the Board members were participating by phone.

**II. Public Comment**

There was no public in attendance.

**III. Minutes – February 17, 2016**

**D. Vanderhoof made a motion, seconded by M. Beaumont, to approve the minutes of February 17, 2016. By roll call, the motion carried.**

**IV. Staff Report**

*Expense Report – January*

R. Lenox presented the March expenses, totaling \$932, which was for actual charges from the Division of Law for 2QFY2016. She noted that the Board would need to approve the transfer of \$900 from the Money Market fund to the checking account to pay the expenses.

**D. Vanderhoof made a motion, seconded by B. Peppard, to approve the March expense report and the transfer of \$900 from the Board’s Wells Fargo Money Market account to its Wells Fargo Checking account in order to pay the expenses. By roll call vote, the motion carried.**

## **V. Report of the Finance & Audit Committee (FAC)**

### *Budget and Assessment for Fiscal Year 2017*

R. Lenox reported that the FAC met to discuss the budget for FY2017, and recommended a budget of \$262,850, which is less than what was budgeted for FY2015, but more than what she is currently projecting for actual expenditures in FY2016. She explained that the FY2017 budget is based on actual expenditures thus far for FY2016 and the FY2016 budgeted total (currently, R. Lenox is projecting FY2016 expenses will be about \$249,000, which is below budget), anticipated increases in audit fees, and anticipated increases in costs for the Division of Law, because of an extensive legal review necessitated for the readoption in 2017 of the Board's rules at N.J.A.C. 11:21. She noted she is anticipating a little decrease in fringe, but that the budget also includes 10% of staff salaries to cover costs charged by DOBI for various services, which are costs shared by all departments within the DOBI. She also noted that the assessment calculation for the FY2017 budget uses the net earned premium specified on the 2015 Exhibit CC (Market Share) filings. Following the audit of actual expenses for FY2017 and receipt of Exhibit CC filings for 2016, there will be a final reconciliation for FY2017.

**T. Taliaferro made a motion, seconded by H. Ames, to approve the budget as presented, and authorizing staff to assess carriers in order to fund the budget. By roll call vote, the motion carried.**

### *Reconciliation of administrative assessments for Fiscal Year 2015*

R. Lenox reported that the FAC discussed the final reconciliation of the administrative assessment for FY2015, explaining that the original (interim) assessment was based on 2013 Exhibit CC reports, while the reconciliation is based on 2014 Exhibit CC reports. She stated that the change in relative market share among the carriers between the two years, when applied against actual expenses for FY2015, will result in billing of some carriers a total amount of \$38,375.34, and refunding other carriers a total amount of \$110,562.56, in that order (issuing refunds only after amounts due to the program are collected). She explained that the difference is substantially based on variations in premium among carriers from year to year.

**H. Ames made a motion, seconded by M. Beaumont, to approve the final administrative assessment for FY2015, and authorizing staff to assess carriers for amounts due to the program, and issue refunds to carriers owed money from the program based on the final administrative assessment. By roll call vote, the motion carried.**

### *Financial statements for 2Q FY2016*

R. Lenox presented and discussed the second quarter financial statements for the program for FY2016, including: the Statement of Net Assets, the Statement of Changes in Net Assets, the Statement of Cash Flows, the Comparison of Budgeted to Actual Expenditures. She noted that the Board has incurred \$118,281 in expenses through the end of the first six months of the 2016 fiscal year, leaving \$171,069 in the budget, and stated that she anticipates that the program will come in under budget (at approximately \$249,000), particularly if fringe is lower than originally anticipated.

**VI. Public Comment**

There were no public comments.

**VII. Close of Meeting**

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

*[The meeting adjourned at 10:26 A.M.]*