

**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 19, 2017**

**Members participating:** Herbert Ames; Mary Beaumont (arrived at 10:12 a.m.); Gary Cupo; Margaret Koller; Lauren Lalicon; Ulysses Lee (United/Oxford); Nicholas Peterson (Horizon) (arrived at 10:25 a.m.); Brendan Peppard (DOBI); Tom Pownall (Aetna); Tony Taliaferro (AmeriHealth); Dutch Vanderhoof.

**Others participating:** Ellen DeRosa, Executive Director; Rosaria Lenox, Managing Financial Officer; Jeffrey Posta, Deputy Attorney General.

**I. Call to Order**

E. DeRosa called the meeting to order at 10:00 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 Comments**

There were no public comments

**III. Minutes of the March 15, 2017 Meeting**

**M. Koller made a motion, seconded by D. Vanderhoof to approve the open session minutes of the March 15, 2017 meeting. By roll call vote, the motion carried, with L. Lalicon and U. Lee abstaining.**

**IV. Staff Report**

*Expense Report*

R. Lenox presented the expense report for April 2017, totaling \$95.02, attributable to costs for legal notices. R. Lenox noted that the Board has sufficient funds in the checking account to pay the expenses without a transfer from the Board’s money market account.

**B. Peppard made a motion, seconded by Tom Pownall, to approve payment of the April expense report. By roll call vote, the motion carried.**

**V. Report of the Finance and Audit Committee (FAC) – FY2018 Budget and Assessment**

*FY2018 Budget*

R. Lenox reported that the Finance and Audit Committee met and discussed a proposed budget for fiscal year 2018. She presented the FY2018 budget recommended by the FAC, noting proposed increases in the following budgeted expenses:

- Audit fees
- Salaries, due to an intent to hire a person to perform the duties of C. Hill, who retired in February, but to classify the position as a secretary, and seek a permanent hire, rather than using the clerk-typist classification and trying to hire through the State-approved temp agency, which has proven unsuccessful in recent months
- Fringe and overhead which are percentages of salaries

**H. Ames made a motion, seconded by M. Koller, to approve the budget of \$328,800.00, as presented. By roll call vote the motion carried.**

*FY2018 Assessment*

R. Lenox then presented the FAC-recommended assessment to fund the 2018 budget, reminding the Board that carriers are being assessed based on 2016 market share.

E. DeRosa called the Board's attention to the assessment liability for Health Republic which is in liquidation. She said she received a proof of claim form from the liquidator and would file a proof of claim for the \$5,528.09 due from Health Republic.

**D. Vanderhoof made a motion, seconded by M. Beaumont, to approve the assessment, as presented. By roll call vote the motion carried.**

**VI. Draft Notice of Adoption of the policy form amendments to implement P.L. 2017, c. 28 (Substance Use Disorder)**

E. DeRosa presented a draft notice of adoption of amendments to the SEH policy forms to comply with P.L. 2017, c. 28. She stated that a public hearing was held on April 11, 2017 as required by the SEH Board's expedited rulemaking requirements for policy forms, but that no one came to the public hearing. She explained that written comments were submitted by one commenter by the April 18, 2017 comment deadline. She further explained that the commenter had two comments, one expressing support for the Board's proposal, and the second suggesting that the 48-hour notice required of facilities be expanded to allow "as soon thereafter as the exigencies of the situation allow." E. DeRosa summarized the draft response to that comment as being that the 48-hour notice requirement is set forth in statute at P.L. 2017, c. 28 and therefore no change could be made to the notice requirement.

**G. Cupo made a motion, seconded by M. Koller, to adopt the policy form amendments substantially as drafted, including the response to the comments. By roll call vote, the motion carried.**

E. DeRosa stated that she would notify the Board members when the notice of adoption is filed with the Office of Administrative Law, and would have the information posted on the Board's

website. E. DeRosa said a Bulletin with the compliance and variability rider text will be issued after the adoption is filed.

**VII. Public Comments**

There were no public comments.

**VIII. Other – Annual Financial Disclosures**

E. DeRosa reminded Board members that the Financial Disclosure Statement filing is due no later than May 15, 2017. She encouraged Board members to take the online ethics training, available on the State Ethics Commission's website.

**IX. Close of Meeting**

**T. Taliaferro made a motion, seconded by N. Peterson, to adjourn the meeting. By roll call vote, the motion carried,**

*[The meeting adjourned at 10:29 A.M.]*