

FINAL
MINUTES OF THE 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
November 14, 2018

Members participating: Herb Ames; Natalie Bernardi (Cigna); Chrissy Buteas; Gary Cupo; Laura Hahn; Margaret Koller; Ulysses Lee (Oxford); Nicholas Peterson (Horizon); Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

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

I. Call to Order

E. DeRosa called the meeting to order at 10:03 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. Welcome of New Board Members

E. DeRosa welcomed Laura Hahn and Chrissy Buteas, both representing the interests of small employers, to the Board. Both were elected in the special election held in September to replace two small employer representatives who resigned earlier in 2018.

It was noted that Laura Hahn is a health care lobbyist with the New Jersey Chamber of Commerce, who has previous government work experience, while Chrissy Buteas is the Chief of Government Affairs with the New Jersey Business and Industry Association who has a background in health care, particularly home care and hospice issues.

IV. Minutes of October 17, 2018

M. Kohler made a motion, seconded by N. Bernardi, to approve the minutes of the meeting of October 17, 2018, without change. By roll call vote, the motion carried, with C. Buteas, L. Hahn, and T. Taliaferro abstaining.

V. Loss Ratio Report for CY2017

Gary Weiss, from the DOBI presented the 2017 New Jersey loss ratio report, previously distributed to Board members in draft. He noted the following:

- The loss ratio for the SEH market went down to 81.3% compared to 83.4% for 2016, and is down relative to each of the preceding years, starting with 2014.
- There are refunds owed in New Jersey for 2017, even though there were no refunds due under the federal Medical Loss Ratio formula. Specifically, Aetna, AmeriHealth HMO, CIGNA HealthCare and CIGNA Health & Life owe refunds, which must be paid no later than December 31, 2018.
- Enrollment in the SEH market has continued to decrease between CY2014 and CY2017.

E. DeRosa pointed out that, unexpectedly, the decline in enrollment has not led to a worsening of the loss ratio, but rather, the loss ratio has improved.

When asked whether there are any causes of the decline in the loss ratio, G. Weiss stated that he had no specific theories. He noted that despite the decline this year, in reality the loss ratio has hovered around 82% over the four year period.

VI. Advisory Bulletin (Compliance & Variability Riders)

E. DeRosa stated that she had received approval to issue the advisory bulletin containing text carriers must use on the Compliance & Variability Rider to amend in-force plans in 2019. She stated that the new information will be posted on the Board's website shortly.

VII. Public Comments

There were no public comments.

VIII. Close of Meeting

M. Kohler made a motion, seconded by N. Bernardi, to close the meeting. By roll call vote, the motion carried.

[The meeting adjourned at 10:20 A.M.]