

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
July 15, 2020

Members participating: Herb Ames; Robert Benkert (Oxford); Natalie Bernardi (Cigna); Gary Cupo; Philip Gennace (DOBI); Laura Gunn; Margaret Koller; Taylor Kopelan (Horizon); Rich Loconte (Oscar); Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, 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 10:00 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.

E. DeRosa noted that, pursuant to P.L. 2020, c. 2, as a result of the state of emergency and public health emergency declared by Governor Murphy on March 9, 2020 through Executive Order 103 (subsequently extended by Executive Orders 119, 138, 151, and 162, the last being issued on July 2, 2020) due to the COVID-19 pandemic, the SEH Board’s regularly scheduled meeting is being held entirely telephonically rather than at the Board’s offices in Trenton. She stated that, in accordance with P.L. 2020 c. 11, electronic notice of the change in the meeting and the means by which the public could attend the meeting telephonically was posted on the Board’s website, and issued electronically to all known interested parties.

Members of the public were asked to identify themselves, and are listed at the end of these minutes.

II. Public Comments

There were no public comments.

III. Review of Minutes of June 17, 2020

T. Pownall made a motion, seconded by M. Koller, to approve the minutes of the meeting of June 17, 2020, without amendment. By roll call vote, the motion carried, with T. Taliaferro abstaining.

IV. Report of Staff – *Policy Form Amendments; Expense Report; Fund Transfer; Alternative Coverage Options*

Policy Form Amendments (Rule Proposal)

E. DeRosa explained that she updated all relevant materials for the rule proposal, DAG Posta reviewed the information, and the proposal is now with the DOBI Office of Regulatory Affairs for

further shepherding through the various review processes prior to submission for proposal publication.

Expense Report for July and Fund Transfer

R. Lenox presented the July expense report, totaling \$233.82, for SEH Board's share of the cost of check stock ordered for both the SEH Program and the Individual Health Coverage Program. She stated that the IHC Board will pay the full amount, and that the SEH Board could offset the SEH Board's share of the cost against the amount due from the IHC Board for monthly share expenses, to make things a bit simpler administratively.

R. Lenox stated that all assessments to fund the Board's budget had been collected (totaling about \$330,000), and staff is recommending transferring \$100,000 from the DOBI account to the SEH Board's Wells Fargo Money Market account to earn interest. She recommended leaving at least \$150,000 in the DOBI account to cover certain operating expenses, including fringe, which still has not been fully determined.

T. Taliaferro made a motion, seconded by H. Ames, to offset the July expense against amounts due from the IHC Board, and to transfer \$100,000 from the SEH Board's DOBI account to the SEH Board's Wells Fargo Money Market account to earn interest. By roll call vote, the motion carried.

Alternative Small Employer Coverage Options

E. DeRosa reminded carriers that she is still seeking information from Board members about year-end 2019 enrollment in alternative small employer coverage arrangements, and that she anticipated such data also being updated for the end of calendar year 2020. She stated that she is still missing some significant information, and will be reaching out to those carriers that had not yet submitted information. She noted that SEH enrollment is now lower than the same-quarter IHC enrollment, and the Board needs to try to understand more precisely whether small employers are primarily maintaining some form of coverage, how so, and the reasons they are not remaining in the fully-insured small employer market.

T. Taliaferro stated that the Board has a responsibility to be aware of significant developments in the small employer market, and the impact such developments have on the markets generally, so it is important to gather information to keep the Board appropriately informed, and as a basis for the Board to develop strategies, if necessary, to address various issues in the market(s). Others noted some caution should be used no matter how the Board may proceed based on any information gathered, to consider the impact of the most recent events (COVID-19, for example), as well as long-term and short-term results, to try to enhance stability for small employers, and to avoid taking actions that may destabilize options for small employers.

E. DeRosa indicated that, no matter what conclusions are drawn or strategies developed, they need to be based on data that is currently lacking.

M. Koller reminded Board members that the Rutgers Center for State Health Policy had a forum scheduled for July 16 (Restoring & Sustaining Small Employer Health Insurance Coverage in Post-Pandemic New Jersey), noting several of the expected speakers, including Linda Schwimmer,

President of the Health Care Quality Institute (HCQI), who is also a participant in Senator Vitale's insurance working group.

V. Public Comments

Joan Fusco asked when the May minutes would be posted. Staff responded that a request had been made to post the minutes, but obviously, it had not occurred, so follow-up would be necessary.

Linda Schwimmer stated that the HCQI recently issued a paper discussing possible steps to be taken to increase enrollment in insurance, recognizing that the numbers in the most recent quarters may be exacerbated by the pandemic, but that the economic issues related to the pandemic are not the root cause of the significant downturns in commercial enrollment. She indicated the HCQI would not have been able to write its paper without significant data and other input from the various payors, and suggested that the information from carriers, at the least, should be reported automatically to the Boards and the DOBI, rather than the agencies being required to ask for it.

VI. Close of Meeting

M. Koller made a motion, seconded by L. Gunn, to close the meeting. By roll call vote, the motion carried.

[The meeting adjourned at 10:25 A.M.]

Public known to be in attendance:

- Joan Fusco
- Suzanne Fitzgerald, Savoy Associates
- Linda Schwimmer, HCQI
- Brittany Lee, HCQI
- Hunter Griffin, NJBIA