

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
April 20, 2022

Members participating: Herb Ames; Robert Benkert (United); Alison Birzon (Cigna); Gary Cupo; Laura Gunn; Randi Imbriaco (Oscar); Margaret Koller; Taylor Kopelan (Horizon); Thomas Pownall (Aetna Health); Gale Simon (DOBI); 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 10:01 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, as subsequently extended,¹ 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 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.

E. DeRosa determined that a quorum was present, and that voting would be by roll call.

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

II. Special Announcements – Kevin O’Leary; Annual Financial Disclosures

Kevin O’Leary

E. DeRosa reported that she had received information regarding the unexpected death in the first week of April of Kevin O’Leary through one of his daughters. She explained that K. O’Leary had been the SEH Program’s first Executive Director, and served in that capacity for both the IHC Program and the SEH Program from March 1994 through early 1997. It was noted that K. O’Leary

¹ Pursuant to N.J.S.A. 26:13-3(b), a Public Health Emergency lasts for 30 days unless extended, while States of Emergency declared in accordance with N.J.S.A. App A:9-33 et seq. remain in effect until declared ended by a subsequent executive order. The Public Health Emergency was continuously extended through multiple executive orders until E.O. 244 (Murphy), issued June 4, 2021, declared the Public Health Emergency ended. However, Governor Murphy has not yet ended the State of Emergency established by E.O. 103 (Murphy). Thus, the Board continues to meet remotely, and public access is limited to telephonic means. (Notably, E.O. 280, issued January 11, 2022, resulted in another Public Health Emergency due to COVID-19, which was extended by E.O. 288 on February 10, 2022, then lifted by E.O. 292 on March 4, 2022.)

had served as one of the Deputy Attorneys General for the two programs prior to becoming Executive Director, and was the face of the two programs in their early days.

Annual Financial Disclosure Statements

E. DeRosa informed the Board that the DOBI has a new Ethics Officer, Kimberly Williams, and that she may be reaching out to Board members to remind them of their obligation to file the annual financial disclosure statements for Special State Officers by May 15 to avoid any potential penalties.

III. Public Comments

There were no public comments.

IV. Minutes of March 16, 2022

T. Pownall made a motion, seconded by M. Koller, to approve the minutes of the meeting of March 16, 2022 without amendment. By roll call vote, the motion carried, with L. Gunn and G. Simon abstaining.

V. Financial and Audit Committee (FAC) Report – FY2021 Program Audit; Final Administrative Assessment for FY2021; Draft Budget for FY2023; Administrative Assessment for FY2023; Financial Statements for FY2022Q2

FY2021 Program Audit

R. Lenox reported the FAC met with WithumSmith+Brown (WSB) to discuss WSB's audit findings and the draft audit report of the financial statements for the fiscal year ended June 30, 2021. She stated that WSB was issuing an unqualified opinion, as there were no findings of significant or material deficiencies. The FAC members had no questions.

Final Administrative Assessment for FY2021

R. Lenox indicated that the FAC recommended the Board issue the final administrative assessment for FY2021, now that the audit for FY2021 had been completed. She explained that the final assessment is a reconciliation of the original assessment, which was based on the calendar year 2019 net earned premium as determined from the Exhibit CCs for that year and budgeted expenses totaling \$290,930, while the final assessment is based on the calendar year 2020 net earned premium (determined from the Exhibit CCs) and actual audited expenses of \$274,393. She noted the difference results in the Board owing refunds totaling \$18,303.06 to six carriers, including interest of \$14.43, while three carriers owe the SEH Program a total of \$1,751.63.

Draft Budget for FY2023

R. Lenox presented the draft Budget for FY2023 reviewed and recommended by the FAC, totaling \$303,540.00, which is just slightly more than the FY2022 budget. She noted salaries are again for three full-time employees, but that the fringe is recommended to be budgeted at 62% for FY2023, because Treasury's most recent fringe assessment to the agencies had come in at 61%, which was higher than expected. M. Koller commented that the Center for State Health Policy at Rutgers University had decided to use the same estimate in its budget for the same reason.

Administrative Assessment for FY2023

R. Lenox stated the FAC also considered the administrative assessment for FY2023, based on its recommendation of the FY2023 budget totaling \$303,540.00. She explained that the FAC and staff recommended combining the administrative assessment for FY2023 with the final administrative assessment for FY2021, and issuing invoices (netting the results) to fund the FY2023 budget. She noted the assessment would be based upon the net earned premium reported in the 2021 Exhibit CCs.

H. Ames made a motion, seconded by T. Taliaferro to: approve the Final Administrative Assessment for FY2021; approve the draft budget for FY2023; approve the Administrative Assessment for FY2023 to fund the budget accordingly; and, authorize issuing invoices to carriers for the Final Administrative Assessment for FY2021 and the Administrative Assessment for FY2023. By roll call vote, the motion carried.

Financial Statements for FY2022Q2

R. Lenox presented the financial statements as of December 31, 2021, which were reviewed by the FAC, and briefly discussed the following:

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

She stated the Board is holding total funds of \$303,715, which includes \$77,182 for the Medicare Supplement Under 50 Program.

She noted with respect to the Comparison of the Budget & Actual Expenditures that the Board had budgeted for fringe at 55% of salaries, which had been based on 9 years of prior actual fringe rates, and seemed conservative when budgeted, but because Treasury presented agencies a fringe rate of 61.05%, the Board will be over-budget on this expense. She explained that other expenses are currently running under-budget, and she expects the program to end under-budget, but that it will be closer than anticipated.

VI. Public Comments

There were no comments.

VII. Close of Meeting

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

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

Public known to be in attendance:

- Suzanne Fitzgerald, Savoy Associates