

**DRAFT Minutes of the Small Employer
Health ("SEH") Benefits Program
Board Meeting, December 15, 1993**

Directors: E. Crandall, D. Lasaracino, M.
Lopes, Chair, B. Manning, L.
Moskowitz, J. O'Connor, K. Robinson,
D. Swords, F. Title, M. Willoughby

Deputy Attorney General V. Bollheimer

Other Attendees: List maintained in records of NJDOI

1. Call to Order

The meeting was called to order at 9:29 am. A statement of compliance with the Open Public Meetings Act was delivered by M. Lopes, who noted that a quorum was present.

A resolution was then read aloud, pertaining to the need for the Board to discuss the terms and conditions of employment and legal advice, by which the Board agreed to continue its meeting in Executive Session, at 9:49 am.

MINUTES FROM EXECUTIVE SESSION
December 15, 1993

Several items were brought to the attention of the Board: 1) a memo that describes both the SEH and Essential Health Services programs, for the purpose of hiring an Executive Director, 2) the 1994 SEH calendar, and 3) that the DAG has not yet rendered an opinion on the viability of 1-life groups under the Act. On point #3, V. Bollheimer asked whether the Board had a preference. L. Moskowitz also raised the issue of how a dual-choice setting (between an HMO and another plan) would be affected by the interpretation proffered by E. Crandall that no such group could exist. The Board extensively discussed this issue, but agreed to postpone a decision until, at least, the next meeting, at which time the DAG shall render her opinion.

2. Communication Activities

M. Willoughby reported on planned communication activities. She noted that the terms and conditions of employment for a communications consultant were included in a joint RFP, with P. Wolcott serving on an interim basis. The criteria for selection include:

- contacts
- office in Trenton
- no conflicts
- contacts with legislation (and respected)
- relationship with press corps
- track record of delivery

She estimated the average cost to be between \$4-6k per Board. For both Boards, this figure is based on a 20-hour work week, not including meetings.

After some discussion, M. Willoughby made a motion, seconded by E. Crandall, to retain Wolcott/Thomas for \$4k per month for 1 year, beginning as soon as the hiring can be approved. The motion was carried unanimously; and L. Moskowitz assured that C. Wowkanech, Chair of the IHC Board, would make the same motion to that Board.

The Board ended its Executive Session at 10:15 am.

MINUTES FROM OPEN SESSION
December 15, 1993

The Board returned to Open Session at 10:17 am.

M. Lopes moved to adopt a resolution which would allow the Board, notwithstanding the hiring freeze, to print its Buyers' Guide. The motion was seconded by M. Willoughby, and carried.

3. Adoption of Minutes

M. Lopes moved to adopt the October 6 minutes, as amended, as well as the approved November 3 minutes. This motion was seconded by M. Willoughby, and carried.

4. Report on the Budget

J. Donnellan presented a draft budget to the Board. M. Lopes will deliver an official budget to the 1/6 meeting.

5. Report on Regulations

The Board members each received a regulation packet. With respect to the risk-assuming/reinsuring regulations, C. McDevitt reported that amendments were being forwarded this date; the comment period would close on 12/30, and would be adopted on 12/31. If no affirmative election is made by 11/3, then the carrier defaults to reinsuring status for a 2-year period. The Board discussed that approval of risk-assuming status is retroactive to date of election, and that a carrier may market products even if it is not (yet) approved for risk-assuming status.

The Board reviewed the status of its regulations. A technical amendment to Exhibits G and Y was proposed.

On motion of L. Moskowitz, seconded by M. Willoughby, the Board adopted that technical amendment to the regulations.

On motion of E. Crandall, seconded by M. Willoughby, the Board adopted the Commissioner's 12/3 letter.

The Board discussed its standards for review, in particular regarding alternative utilization review provisions. It discussed that a committee would be formed for the purpose of determining whether any proposed alternative is "at least as favorable" as the standard policy language and, therefore, meets the Board's standards. The Board also discussed the proposed certification

form, on which carriers may rely until the expiration of the comment period.

After further discussion, and on motion of M. Willoughby, seconded by E. Crandall, the Board adopted the standards of review.

The Board discussed a number of other regulatory issues, including union employee counting, pre-ex treatment of pregnancies, and the reconstitution of the regulation drafting subcommittee for the purpose of reviewing non-standard policies.

On motion of K. Robinson, seconded by D. Lasaracino, the Board agreed to reconstitute the regulation drafting subcommittee for the purpose of reviewing non-standard policies.

The Board had an extensive discussion of the issue of carriers amending anniversary dates. Several views were expressed, including whether the law permits this, whether it distinguishes between changes made before and after 1/1/94, and whether the Board wishes to take a position on these issues. In the context of these issues, it was noted that, although several bills had been proposed, it is unlikely that any legislative change to the Act would be passed during the "lame duck" period. L. Moskowitz expressed that the Board should reach a consensus on its views with respect to these issues.

At this time, and on motion by K. Robinson, seconded by M. Willoughby, the Board adopted a Resolution to continue its business in Executive Session at 11:45 am., for the purpose of obtaining advice of counsel.