

**MINUTES OF THE MEETING
OF THE
NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM
BOARD OF DIRECTORS
MARCH 2, 1994
OFFICES OF THE DEPARTMENT OF INSURANCE
TRENTON, NEW JERSEY**

The New Jersey Small Employer Health Benefits Program Board of Directors met on Wednesday, March 2, 1994 at the Offices of the Department of Insurance in the Mary C. Roebing Building in Trenton, New Jersey. Members of the Board present at the meeting were Melanie Willoughby, Frederick Title, Anne Bossi, Dave Lasaracino, Ken Robinson and Barbara Vivona (NJ Dept. of Health). Also present were Valerie Bollheimer (Deputy Attorney General), Kevin O'Leary (Deputy Attorney General), Paul Wolcott (Communications Consultant), Chanell McDevitt (NJ Department of Insurance) and James Donnellan (Interim Administrator). Acting Chairperson, Melanie Willoughby, stated that the meeting was being held pursuant to the Open Public Meetings Act and that all required notices of the meeting had been published and filed in accordance with the requirements of the Act. Melanie Willoughby called the meeting to order at 9:40 A.M. She reminded persons present at the meeting that she was acting as Chairperson of the Board in Maureen Lopes's absence.

Melanie discussed the matter of Kevin O'Leary's appointment to the position of Executive Director of the Individual Health Coverage Program and the Small Employer Health Benefits Program. Melanie communicated that the Governor's Office had given approval for the Boards to proceed in moving forward with the hiring of Kevin. She also said that approval had been given for the Small Employer Health Benefits Program Board to engage the services of a Communications Consultant. The Board had previously selected Wolcott/Thomas (specifically Paul Wolcott) to assume this position. Melanie said that the Board will send letters to those candidates for the Executive Director's position and Communication Consultant's job who were not selected for the positions to inform them of this fact.

Kevin O'Leary communicated that he was waiting for official word of his becoming the Executive Director and for a move date to be established. He indicated that his temporary headquarters would be in the Mary Roebing Building.

Kevin recommended that he begin the search for two assistants to help support the Programs. The Board unanimously concurred with Kevin's recommendation and suggested that he begin the search immediately. Kevin was asked by the Board to bring his thoughts concerning final candidates for the positions to the Board for review, but the

Board left Kevin with the responsibility of conducting the recruitment and screening process. Fred Title suggested that among the resumes received for the Executive Director position there might be some qualified candidates to fill the assistant positions.

Melanie mentioned that she had received some comments on the final Buyers' Guide draft that was released for review at the last Board meeting. She asked if there were any additional comments that Board members had. Noting that several parties indicated that comments would be forthcoming, Melanie asked that comments be directed to her before the next Board meeting. The Board as a whole noted that publication of a Buyers' Guide was not a logical step until the Legislature reached a final conclusion on any changes it was going to make to P.L. Chapter 162.

Melanie announced that Leon Moskowitz had resigned from the Department of Insurance. She said that both Charlie Wowkanech and Maureen Lopes had written a letter to the Governor's Office emphasizing that Leon functioned as an extremely valuable resource for both the Individual and Small Employer Boards. They suggested that he be approached by the new Administration and asked to remain available to the Boards as well as to the Department of Insurance.

Melanie raised the issue of legislative activity and the Board's desire to respond to the same. Melanie agreed to coordinate a conference call to discuss legislative issues with the legislative work group of the Board. It was suggested that the legislative work group review the any willing provider legislation currently pending in the State. The Board agreed that this issue should be added to the agenda for the legislative work group's conference call.

The Board unanimously voted to propose the new regulations concerning non-member status and market share reporting that were presented at the meeting. The Interim Administrator was asked to arrange for the proposed regulations to be mailed to all carriers and interested parties.

Several Board members asked for additional time to review the multiple employer arrangement regulation, hence this piece of regulation was removed from the regulations being proposed. This regulation will be reviewed and proposed at the Board's next meeting (March 16). Comments on the regulation should be sent to Valerie Bollheimer.

Jim Donnellan, the Interim Administrator, made a proposal to the Board concerning generating operating expenses to pay for the Program's 1993 legal expenses, expenses of the Executive Director/administrative expenses and communication expenses. Jim suggested the six carrier Board members excluding Prudential make an advance payment toward their 1994 administrative expense assessment in the amount of \$35,000 per carrier. Prudential was not included in this process in recognition of the fact that it has already

extended monies to the Program in its role as Interim Administrator. This advance payment is to be billed in accordance with the model invoice attached to these minutes.

The total funds generated by the advance payment effort would total \$210,000 and would give the Program sufficient operating monies to function until assessment monies from other carriers would be received (approximately May/June, 1994). It should be understood that a reconciliation will occur to adjust a Board member's actual assessment versus the amount of the advance payment. The Board voted unanimously to have the advance payment request billed in the amount of \$35,000 per carrier. The Interim Administrator was asked to mail bills to the carrier Board members.

Melanie communicated that Aetna plans to have its claims systems modified to accommodate the use of the PHCS profile for use in usual and prevailing determinations by April 15, 1994. The Board had previously asked Aetna to furnish a time frame for compliance with use of the PHCS profile for New Jersey.

No new news was reported concerning the Subsidized Health Insurance Program.

Ken Robinson asked two questions of the Board. The questions Ken asked and the responses offered by the Board appear below.

- Can carriers add information required for Life and Accidental Death & Dismemberment (AD&D) coverages to the standard employee applications designed by the Board?

No. Since tie-in sales are prohibited and the Board does not have authority over Life and AD&D coverages, the position expressed by the Board was that this information should not be added.

- Do carriers have to get all the standard small employer forms (e.g., employee applications, small employer certification and small employer application) from their in force business upon conversion to a standard small employer health benefits plan.

The Board's position was that it did not view individual employee enrollment applications as necessary, however the Board did see a need for the other forms.

Being no more business before the Board, the meeting was adjourned at 11:00 A.M.

RECORDER OF THE MINUTES:

James F. Donnellan, Interim Administrator
c/o The Prudential
200 Wood Avenue South, Iselin, New Jersey 08830
(908) 632-4888