

Draft

**MINUTES OF THE MEETING  
OF THE NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD  
AT THE OFFICES OF THE NEW JERSEY DEPARTMENT OF INSURANCE  
TRENTON, NEW JERSEY  
JULY 27, 1994**

**Directors present:** Maureen Lopes, Chair (NJBIA); Dana Benbow (Prudential); Jim Brown (Aetna); Bill Caldwell (DOH); Linda Ilkowitz (Guardian); Jane Majcher (HLFA); Amy Mansue (HIP Rutgers); Dennis Marco (BCBSNJ); Leon Moskowitz (DOI); Edward Tobin (NY Life).

**Others present:** Kevin O'Leary, Executive Director; Wardell Sanders, SEH Program Assistant Director; Susan Church, IHC Program Assistant Director; DAG Valerie Bollheimer (DOL); Paul Wolcott, Wolcott/Thomas.

**I. Call to Order**

M. Lopes called the meeting to order at approximately 9:40 a.m. and announced that notice of the meeting had been published in three newspapers and posted at the Department of Insurance and the Office of the Secretary of State in accordance with the Open Public Meetings Act. A quorum was present.

**II. Report of the Legal Committee**

The Executive Director reported that the Board received a comment on the Board's proposed amendment to N.J.A.C. 11:21-7.4 which amendment would prohibit a carrier, its affiliates or subsidiaries, or other persons or entities with which the carrier has has a contractual relationship with respect to that small employer's self-funded plan, from providing administrative services and stop loss or excess risk insurance to a small employer's self-funded plan. The Executive Director distributed copies of the comment to the Board and the matter was referred to the Legal Committee for review.

J. Brown reported that the Legal Committee met to discuss Requests for Non-Member Certification. He asked the Board for guidance on the meaning of N.J.S.A. 17B:27A-25(d) which provision exempts certain carriers from the Act. The Board discussed the provision and determined that the number 49 in the provision refers to certificate holders and that the term "association of employers" should be defined consistent with Department of Insurance regulations. The Board instructed the Executive Director to draft a regulation consistent with the Board's interpretation of the Act so that all Requests for Non-Member Certification are treated similarly and consistent with the requirements of the Act.

A copy of the Attorney General's letter of advice concerning the applicability of the Act to municipalities was redistributed to the Board.

### III. Report of the Policy Forms Committee

A draft the Notice of Action on Petition for Rulemaking responding to a rulemaking request from the New Jersey Optometric Association was distributed. L. Moskowitz suggested that the term "policyholder" be changed to "covered person."

\* A. Mansue made a motion to submit the draft Notice of Action on Petition for Rulemaking as amended to the OAL for publication, Dana Benbow seconded, and the motion was approved unanimously by voice vote.

M. Lopes raised the issue of whether, under the current definition of "dependent," a married couple working for the same small employer would be required to obtain coverage independently. After some discussion, M. Lopes asked the carrier representatives of the Board to provide the Board with some explanation as to why this practice was necessary and whether they would recommend its continuation.

L. Moskowitz indicated that he would look into the status of the Commissioner's review of the policy form amendments.

### IV. Legislative Amendments

M. Lopes raised the issue of providing credit for coverage under certain non-small employer health benefits plans and whether this issue should be addressed by legislative amendment. The Board determined that the issue of what prior coverage should be credited should await advice from DAG Bollheimer in executive session.

### V. Communications Workplan

P. Wolcott reported that he would be providing SEH Program information to approximately 700 business organizations. He noted that this mailing would be a good opportunity to survey the organizations and asked for input as to what information the Board would find useful. M. Lopes noted that it would be useful to see if the organizations had newsletters and whether they would print SEH Program information. P. Wolcott also reported that M. Lopes, the Executive Director, and he had met with four of the five largest broker organizations in the State.

The Board recessed from approximately 11:05 a.m. until 11:20 a.m.

\* D. Benbow made a motion to enter executive session for the purpose of receiving legal advice from counsel concerning the ability of the Board to provide credit toward pre-existing conditions limitations, A. Mansue seconded the motion, and the motion was approved unanimously by voice vote.

The Board announced in open session that it would not be repropoing N.J.A.C. 11:21-7.8, "Preexisting conditions standards."

## VI. Report of the Executive Director

The Executive Director reported that the Board staff was currently copying information packets (including statutes, regulations, Buyers' Guides, Q & As, etc.) for the broker organizations mentioned by P. Wolcott. He also indicated that he spoke to the New Jersey Association of Health Underwriters recently. The Executive Director pointed out that the rating factors regulation would be effective on September 11, 1994 rather than September 15, 1994 as original indicated.

The Executive Director presented the Board with an Expense Report. D. Benbow recommended that item number 9, a bill from the Office of the Attorney General, be forwarded to the Legal Committee for review before any action by the Board.

\* D. Benbow made a motion to permit the Executive Director to make payments to the entities listed in the Expense Report as indicated, except for item 9, D. Marco seconded the motion, and the motion was approved unanimously by voice vote.

\* D. Benbow made a motion to permit the Executive Director to make payments of \$500 and under without specific approval from the Board in instances when the Board does not meet for a period greater than 30 days, D. Marco seconded the motion, and the motion was approved unanimously by voice vote.

M. Lopes asked the Board if it would be willing to sponsor her attendance at a seminar entitled "Technology Assessment: Setting Priorities for Healthier Communities." D. Benbow noted that, without addressing the merits of the instant request, the Board should develop a procedure for such requests in general and further noted that the Board's presence at certain seminars, either through a Board member or staff, is important where the interests of the Program are at stake. A. Mansue and D. Marco added that Board staff should be considered for appropriate seminars to provide the staff with opportunities for career growth. L. Moskowitz suggested that the Board staff contact the Group Health Association of America, the National Association of Insurance Commissioners, the Health Insurance Association of America, and the American Manufactures Association to place the Board on their mailing lists.

The Executive Director recommended that the Board pay Prudential for services rendered as Interim Administrator.

\* A. Mansue made a motion to pay Prudential, D. Marco seconded, and the motion was approved by voice vote with D. Benbow abstaining.

The Executive Director reported that the Commissioner had asked if the SEH and IHC Programs would be willing to participate with the Department of Insurance at the State Fair by staffing an information booth. The Executive Director indicated that he had agreed to this request.

The Executive Director reported that assessments would soon be ready and might have to be adjusted to reflect payments made to Prudential for services as Interim Administrator. The Board agreed that a luncheon for Jim Donellan, the Interim Administrator, should be scheduled for August 17, 1994, after the Board meeting.

L. Moskowitz asked the Board staff to look into the in-house mailing capabilities of the Essential Health Services Commission and noted that the Commission charges a fee for its mailings.

#### VII. September Meeting Date

The Board agreed to change the date of its September meeting from September 21, 1994 to September 20, 1994 at 9:30 a.m. (12th Floor of the Department of Insurance).

#### VIII. Review of Minutes

\* A. Mansue made a motion to approve the draft minutes of the July 13, 1994 meeting as amended, D. Marco seconded the motion, and the motion was approved with J. Majcher abstaining.

#### IX. Close of Meeting

The meeting was adjourned.