

**APPROVED**

**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  
February 17, 1995**

**Members present:** Maureen Lopes, Chair; Melanie Willoughby, Vice Chair; Debbie Cieslik (BCBSNJ); James Donnellan (Prudential); Pamela Dickson (DOH); Timothy English (Guardian); Lena Fulton; Jane Majcher (Home Life); Mary Martin (NYLife); Leon Moskowitz (DOI); Amy Mansue (HIP of New Jersey); David Turner (Aetna); Dutch Vanderhoof.

**Others present:** Wardell Sanders, SEH Program Assistant Director; DAG Valerie Bollheimer (DOL); Ellen DeRosa, IHC Program Assistant Director; 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. Executive Session**

*\* D. Cieslik made a motion to move into executive session for the purpose of receiving legal advice on enforcement issues and issues regarding HMOs and POS. A. Mansue seconded the motion, and the motion was approved unanimously by voice vote.*

[The Board moved into Executive Session]

[L. Fulton left the Board meeting at the end of executive session.]

**III. Petition for Rulemaking: Optometric Association**

*\* L. Moskowitz made a motion to accept the recommendation of the Policy Forms Committee from the last meeting to deny the petition for rulemaking filed on behalf of the New Jersey Optometric Association. D. Cieslik seconded the motion, and the motion was approved unanimously by voice vote.*

#### IV. Communications Report

M. Willoughby distributed copies of a draft RFP for communication services. She said that the present contract would expire on March 1, 1995. She said that the Board needed to send out notice of the RFP to newspapers as soon as possible. She explained that the draft RFP was similar to the original RFP and highlighted the changes from the earlier version. Specifically, she noted that the list of duties had been changed and that the fee had been changed to a monthly fee. She further noted that the Board would need to develop a contract, separate from the RFP, for the person or entity chosen. The Board agreed that the RFP should have a return date of March 10, 1995. J. Majcher and A. Mansue volunteered to participate on an RFP task force to assist in the completion of the RFP process.

*\* L. Moskowitz made a motion to approve the draft RFP for communication services, with technical corrections to be made at a later time. A. Mansue seconded the motion, and the motion was approved unanimously by voice vote.*

P. Wolcott announced that a press release announcing the publication of the SEH Buyers' Guide had been distributed the day before. M. Willoughby then raised some issues about distribution of the Guide.

*\* D. Vanderhoof made a motion to provide the SEH Buyers' Guide free of charge to carriers. A. Mansue seconded the motion. A. Mansue moved to amend the motion, to limit the number of free copies provided to carriers. She then withdrew the amendment. D. Vanderhoof amended the motion to limit the number of free copies provided to carriers to 125% of a carrier's inforce small group contracts (both standard and nonstandard) as reported on the annual enrollment report, with additional copies available at cost from the printer, with new carriers being provided up to 1000 copies. L. Moskowitz seconded the motion, and the motion, as amended, was approved unanimously by hand vote*

*\* L. Moskowitz made a motion to permit small employers to receive up to five copies of the Buyers' Guide through the 800 number free of charge. D. Vanderhoof seconded the motion, and the motion was approved unanimously by voice vote.*

*\* L. Moskowitz made a motion to permit associations to receive copies of the Buyers' Guides free of charge, limited in quantity to the number of members which the association certifies that it has, further limited to one request per edition, with copies in excess of its certified membership available at cost to the association.*

The Board directed the staff to report on the number of Guides distributed and the cost the Guides on a quarterly basis and directed the staff to send an information memorandum to carriers outlining the Board's policies with respect to distribution of the Guide.

The Board indicated that brokers should receive copies of the Guide directly from carriers, but that brokers could receive copies of the Guide at cost directly from the printer.

The Assistant Director reported that the Department had completed its rule proposal regarding the SEH premium comparison survey. He said that it was scheduled to appear in the March 20, 1995 New Jersey Register. L. Moskowitz asked that the rule proposal be sent to all Board members.

## **V. Report of the Policy Forms Committee**

M. Lopes reported that the Policy Forms Committee, in consultation with the IHC Policy Forms Committee, had developed a work plan to review the SEH policy forms which work plan was set forth in a memorandum distributed to Board members prior to the meeting. She said that the timetable developed was designed to finalize changes to the forms by October 1, 1995, for an effective date of January 1, 1996. She said that while there was no statutory requirement to review the forms, it was her recommendation to review the forms every two years. She noted that the work plan calls for an informal hearing to be held the week of March 20, 1995 for the purpose of eliciting suggestions and specific language changes from the public. In addition, she noted that the work plan calls for an extra Board meeting to be scheduled for June for the sole purpose of discussing changes to the forms. D. Vanderhoof said that the Board should consider meeting more than once a month through September 1995 to meet the demands placed on the Board as a result of the review of its policy forms. He also volunteered to become a member of the Policy Forms Committee. M. Lopes said that two additional meetings would be added to the Board's existing schedule in April and May where the Policy Forms Committee will make recommendations to the Board, and that additional meetings could be added at a later date if necessary.

D. Vanderhoof suggested that the Board may want to consider starting every meeting with a fifteen minute period to take comments from the public, with comments limited to three minutes. M. Willoughby noted that other public bodies, especially in consumer affairs, provide such a vehicle for public comment. M. Lopes said that she would draft guidelines for receiving public comment and would fax the guidelines to the Board. The Board agreed that the comment period should not be used for discussion of specific matters or filings pending before the Board.

M. Lopes distributed to the Board a chart listing the optional benefit rider filings approved by the Board to date. A. Mansue asked that the staff to check on the status of optional benefit rider filings filed by HIP of New Jersey.

*\* A. Mansue made a motion to accept the recommendation of the Policy Forms Committee to find the BCBSNJ rider changing the family coinsured charge limit complete and in substantial compliance. L. Moskowitz seconded the motion, and the motion was approved with D. Cieslik and D. Vanderhoof abstaining.*

The Assistant Director reported that BCBSNJ had filed a second optional benefit rider filing which would change the network of providers. D. Cieslik said that BCBSNJ had certified that the rider would increase the actuarial value of the standard plans, and believed that an optional benefit rider filing was the appropriate method to permit a change in network. M. Lopes said that the issue was whether a change in the network of providers constituted a change in "coverage" as contemplated by the SEH Act [N.J.S.A. 17B:27A-19i(1)]. After some discussion, BCBSNJ agreed to withdraw the optional benefit rider from consideration.

The Assistant Director reported that HMO Blue had filed an optional benefit rider which would change the family coinsured charge limit. After some discussion, BCBSNJ agreed to withdraw the optional benefit rider from consideration.

M. Lopes said that the Policy Forms Committee would consult with DAG Bollheimer to develop a definition of "coverage" and would report back to the Board.

M. Lopes asked for comments on the draft change to the Waiver of Coverage Form submitted by Paulette Ryan of New York Life and distributed to the Board prior to the meeting. D. Vanderhoof said that the form was unclear with respect to credit for spousal coverage and suggested that the Waiver Form, the Board's current rule and the Employer Certification Form be reexamined to ensure consistency. He further raised the issue of whether employees serving an employer waiting period should be considered "eligible employees." M. Lopes indicated that in light of the concerns raised, the proposed changes to the Waiver Form should be tabled for later discussion.

## **VI. Report of the Assistant Director**

*\* L. Moskowitz made a motion to approve the expense report attached hereto as Exhibit 1. J. Donnellan seconded the motion, and the motion was approved unanimously by voice vote.*

The Assistant Director noted that the Board packets included a letter from Jim Brown, the Chair of the Legal Committee, regarding disability issues and said that the memorandum would be discussed at the March 15, 1995 Board meeting.

The Assistant Director reported that the fourth quarter enrollment report was due on February 14, 1995 and that some carriers indicated that they could not or did not capture the information concerning persons who were previously uninsured. After some discussion, the Board instructed the Assistant Director to send a letter to those carriers asking for a timetable for compliance, asking them to report this information as soon as possible, and that if the information for the fourth quarter could not be reported, to report the number of new issues. The Board also instructed the Assistant Director to provide a report of the fourth quarter enrollment figures for the next meeting.

## **VII. Minutes**

*\* A. Mansue made a motion to approve the minutes of the Board's January 18, 1995 meeting. M. Willoughby seconded the motion, and the motion was approved by voice vote with J. Majcher abstaining.*

T. English said that he had been asked by Linda Ilkowitz and Charlotte Furman to inform the Board that on February 16, 1995, the Executive Director had spoken at a meeting of the Society of Group Contract Analysts for approximately one hour and that the speech was both informative and excellent.

## **VIII. Close of Meeting**