

**MINUTES OF THE MEETING OF THE
NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD
AT THE OFFICES OF THE
NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
TRENTON, NEW JERSEY
April 17, 2002**

Members participating: Raymond Bascio/Loretta Curry (Horizon BCBSNJ); Gary Cupo; Darrel Farkus (Oxford); Larry Glover (arrived at 10:10 a.m.); John Kilgallin (CIGNA); Sandy Herman (Guardian); Vicki Mangiaracina (DOBI); Mary McClure (Aetna USHealthcare); Bob Shalongo (United); Jim Stenger; Tony Taliaferro (AmeriHealth); Dutch Vanderhoof; Bonnie Wiseman (DOHSS).

Others present: Ellen DeRosa, Deputy Executive Director; DAG Prince Kessie (DOL); Joanne Petto, Assistant Director; Wardell Sanders, Executive Director.

I. Call to Order

W. Sanders called the meeting to order at 10:05 a.m. W. Sanders announced that notice of the meeting had been published in three newspapers and posted at the Department of Banking and Insurance (“DOBI”), the DOBI website, and the Office of the Secretary of State in accordance with the Open Public Meetings Act. Roll call was taken. A quorum was present.

W. Sanders introduced Jim Stenger who was elected during the March meeting to be a Board member representing small employers. W. Sanders introduced Vicki Mangiaracina, Special Deputy Commissioner, who will be representing the Commissioner of Banking and Insurance on the Board.

II. Public Comments

W. Sanders asked if any member of the public wished to address the Board. No comments were offered.

III. Minutes

March 20, 2002

M. McClure offered a motion to approve the minutes of the Open Session of the March 20, 2002 Board meeting. T. Taliaferro seconded the motion. The Board voted in favor of the motion with J. Stenger and V. Mangiaracina abstaining.

IV. Staff Report

Expense Report (see attached)

G. Cupo offered a motion to approve the payment of the expenses specified on the March 20, 2002 expense report. S. Herman seconded the motion. The Board voted unanimously in favor of approving the motion.

Proposal of Purchasing Alliance Regulation

W. Sanders reported that the DOBI regulation on purchasing alliances was published in the April 1, 2002 *New Jersey Register*. Comments are being received until May 31, 2002.

Rule Adoption of Coordination of Benefits Regulation

E. DeRosa said the DOBI adopted a new regulation on coordination of benefits. She noted that the new regulation addresses coordination among various types of managed care plans. She said the new regulation will require the Board to amend the coordination of benefits text in the standard plans. The operative date is January 1, 2003.

CMS Bulletin on HIPAA

W. Sanders noted that a copy of a recent program memorandum from CMS was included in the Board packets.

Comments in Response to the SEH Forms Proposal

E. DeRosa referred the Board to her memo of April 16, 2002 in which she gave an overview of the myriad comments that were received in response to the Board's rule proposal. She noted that only three carriers commented on the proposed changes. She said many of those comments were technical in nature or requested that additional changes be made. E. DeRosa said the comments from current and former legislators focused on coverage for autism and pervasive developmental disorder. She said the recurring theme was that the Legislature intended that benefits be provided without application of any internal limits. E. DeRosa said a number of organizations provided comments. For example, many county level offices of ARC wrote to oppose the use of a formulary and preapproval process for prescription drugs, cutbacks in coverage for private duty nursing and home health care, and the limitations on coverage for speech, physical and occupational therapy. The other organization that provided many comments was Resolve which is an organization supporting and educating couples who are infertile. A number of members of Resolve requested that coverage be extended for treatment of infertility. Several suggested that it should be available as a rider. The remaining comments generally addressed the cutbacks on coverage for home health care and private duty nursing, with some comments opposed to the limited benefits for various therapy services.

E. DeRosa suggested that given the volume of the comments it might be most efficient for the Policy Forms Committee to consider the comments and prepare recommendations for the Board. After some discussion, the Board agreed.

E. DeRosa reminded the Board that if the Board wishes to make any substantive changes as a result of the comments that were received, the Board would need to re-propose the changes.

Exhibit CC Filings

J. Petto said SEH carriers were required to file Exhibit CC by March 1, 2002. She said that although all carriers filed, she was waiting for corrected reports from two carriers.

Outreach

J. Petto said she addressed a group of caseworkers at the DOHSS regarding the reform markets.

W. Sanders reported that he spoke to a group at the Urban Institute in Washington, DC about New Jersey's individual market on April 16, 2002. He noted that the sponsor paid for the trip. He said the group was searching for a mechanism to address the insurance needs of the 55-64 year old population. He said the group noted this was a vulnerable age range. He said three states have developed an extended COBRA package to bridge the period until eligibility for Medicare. W. Sanders said Georgetown University would be publishing a paper.

V. Report of the Legal Committee

W. Sanders said the Committee met to discuss the timing of the enrollment period. Does an enrollment period for a new group begin 30 days prior to the effective date or on the effective date? The Committee said the enrollment period should begin on the effective date. The Board accepted the Committee's recommendation.

D. Vanderhoof asked if the Committee considered rating issues, wondering if a carrier could re-rate the case if an enrollee were to enroll after the effective date. W. Sanders said that was not part of the inquiry that was raised. W. Sanders noted, however, that a carrier could re-rate if that practice would be consistent with the carrier's rate filing.

VI. Designation of Committees

The Board reviewed the membership of the Committees as they are currently constituted. D. Farkus said he would supply the names of new Oxford representatives for both the Policy Forms Committee and the Finance and Operations Committee. R. Bascio said he should be named as a new representative on the Marketing Committee.

D. Vanderhoof offered a motion to re-constitute the Committees with the changes as noted. M. McClure seconded the motion. The Board voted unanimously in favor of the motion.

VII. Close of Meeting

M. McClure offered a motion to adjourn the Board meeting. B. Wiseman seconded the motion. The Board voted unanimously in favor of the motion. [The meeting adjourned at 11:00 a.m.]

Attachments: Expense Report; Committee List