

**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
May 25, 2005**

Members participating from Trenton by phone: James Rhodes (AmeriHealth); Gale Simon (DOBI).

Members participating from other locations by phone: Tom Collins; Gary Cupo; Darrel Farkus (United); Jack Kalosy (HealthNet); Margaret Koller; Ulysses Lee (Guardian); Mary McClure (Aetna); Kevin Rooney (CIGNA); James Stenger; Mike Torrese (Horizon); Joseph Tricarico (DOHSS); Dutch Vanderhoof.

Others participating: Ellen DeRosa, Deputy Executive Director; DAG Karyn Gordon (DOL); Rosaria Lenox, Program Accountant; Wardell Sanders, Executive Director.

I. Call to Order

J. Stenger called the meeting to order at 10:05 a.m. W. Sanders announced that notice of the meeting had been published in two 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. W. Sanders took roll call. A quorum was present.

Since the agenda was brief, W. Sanders said the meeting was set up to allow for telephone participation. He asked persons speaking to identify themselves.

II. Public Comments

J. Stenger asked if any member of the public wished to address the Board. No audience members asked to address the Board.

III. Review of Minutes

Minutes of April 20, 2005

M. McClure offered a motion to approve the minutes of the Open Session of the April 20, 2005 SEH Board meeting, as amended. T. Collins seconded the motion. By roll call vote the Board voted in favor of approving the motion with J. Stenger, J. Rhodes and J. Tricarico abstaining.

IV. Staff Report

Expense Report

D. Vanderhoof offered a motion to approve the payment of the expenses specified on the May 2005 expense report. M. Torrese seconded the motion. By roll call vote, the Board voted unanimously in favor of approving the motion.

Fund Transfer

R. Lenox explained that staff salaries are paid from the SEH account which is reimbursed monthly by the IHC Board. She said the SEH account balance was sufficient to cover expenses through May 2005. She recommended that the Board transfer \$40,000 from the Board's account at Wachovia to the Department for salaries and benefits through June 2005.

J. Stenger offered a motion to approve the transfer of \$40,000 from the Wachovia account to the Department for salaries and benefits through June 2005. D. Vanderhoof seconded the motion. By roll call vote the Board vote unanimously in favor of the motion.

SEH Election

W. Sanders said the ballots for the election for the HMO seat which is currently held by CIGNA and the small employer seat which is currently held by J. Stenger were received. Both CIGNA and J. Stenger were running unopposed. CIGNA was elected to the seat for the HMO and J. Stenger was elected to the seat for the small business.

2005 Premium Comparison Survey

W. Sanders said a draft of the 2005 premium comparison survey was included in Board meeting materials. He asked that any comments be forwarded to him.

Board Committees

The Board reviewed the membership on the various committees and discussed additions and deletions.

Policy Forms Committee:

Aetna Health, Inc.
DOHSS
Oxford Health Plans
DOBI
Health Net, Inc.
AmeriHealth Insurance Company of NJ
Horizon Blue Cross Blue Shield of NJ
CIGNA (new member)

Legal Committee

Aetna Health, Inc.
DOBI
Oxford Health Plans
Horizon Blue Cross Blue Shield of NJ
Guardian Life Insurance Company
AmeriHealth Insurance Company of NJ

Finance and Operations Committee

DOBI
Guardian Life Insurance Company
AmeriHealth Insurance Company of NJ
Horizon Blue Cross Blue Shield of NJ
Oxford Health Plans

Marketing Committee

Horizon Blue Cross Blue Shield of NJ
Dutch Vanderhoof
Gary Cupo
Aetna Health, Inc
Oxford Health Plans
Margaret Koller (new member)
Health Net Inc. (new member)

D. Vanderhoof expressed interest in becoming a member of the Legal Committee. The Board asked DAG K. Gordon to research whether a Board member who is not an attorney may participate on the Legal Committee.

M. McClure offered a motion to constitute the Committees with additions, as noted. J. Rhodes seconded the motion. By roll call vote the Board voted unanimously in favor of the motion.

Legislative Update

W. Sanders summarized the provisions of A. 3359.

Optional Benefit Rider Filings

E. DeRosa said she received a revision to a previously filed optional benefit rider from AmeriHealth.

J. Rhodes recused himself with respect to the rider filing from AmeriHealth Insurance Company citing a conflict of interest since the matter related to a filing submitted by his employer, AmeriHealth Insurance Company.

E. DeRosa briefly discussed the AmeriHealth Insurance Company rider that would add a limited vision benefit. She recommended that the filing be found complete.

J. Stenger offered a motion to accept the staff recommendation and find the AmeriHealth rider filing complete. G. Simon seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

V. Legal Committee

State Continuation

W. Sanders said the Legal Committee considered a couple of questions concerning state continuation as it exists pursuant to P.L. 2004, c. 162.

W. Sanders said the Committee believes that for continuees entitled to 29 months of continued coverage due to disability, employers who charge 150% of premium, as permitted under the law, would keep 50% of premium and remit 100% of premium to the carrier. He said this is consistent with what occurs for groups subject to COBRA.

W. Sanders said the Committee believes that the continuation provisions under P.L. 2004, c. 162 are triggered for an inforce group the first time after March 7, 2005 that the group plan is re-rated.

Forms Proposal

W. Sanders said the Legal Committee suggested that the Board proceed to propose changes to the continuation provisions of the standard plans and handle the forms changes that will be required as a result of guidance given by EBSA as reported during the May 25, 2005 meeting, with the next forms change.

G. Simon offered a motion to propose amendments to the SEH plans to address the continuation provisions required by P.L. 2004, c. 162. M. Koller seconded the motion. By roll call vote the Board voted unanimously in favor of the motion.

VI. Close of Meeting

J. Rhodes offered a motion to adjourn the Board meeting. M. Torrese seconded the motion. By roll call vote the Board voted unanimously in favor of the motion.

[The meeting adjourned at 10:55 a.m.]