

**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  
February 16, 2005**

**Members participating:** Tom Collins; Gary Cupo; Darrel Farkus (United); John Foley (CIGNA); Jack Kalosy (HealthNet); Margaret Koller; Ulysses Lee (Guardian); Vicki Mangiaracina (DOBI); Mary McClure (Aetna); Jim Stenger; Christine Sterns; Tony Taliaferro (AmeriHealth); Mike Torrese (Horizon); Joseph Tricarico, Jr. (DOHSS); Dutch Vanderhoof; Beth Ward.

**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 10:00 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.

The Board introduced Margaret Koller as a member of the public at large and Beth Ward, representing organized labor.

**II. Public Comments**

No audience members asked to address the Board.

**III. Review of Minutes**

*Minutes of January 12, 2005*

**M. Torrese offered a motion to approve the minutes of the Open Session of the January 12, 2005 SEH Board meeting. D. Vanderhoof seconded the motion. The Board voted in favor of approving the motion with B. Ward and C. Stern abstaining.**

**IV. Staff Report**

**V. Mangiaracina offered a motion to approve the payment of the expenses specified on the February 2005 expense report. M. McClure seconded the motion. The Board voted unanimously in favor of approving the motion.**

*Legislative Update*

W. Sanders briefly summarized a number of bills that have been introduced that would affect the SEH Program.

A. 3379 Provides participation credit for persons covered under Medicaid, including NJ FamilyCare.

A. 3759 Requires dependent coverage to be provided up to age 30 and specifies that carriers may charge an additional premium and a service charge not to exceed 3% of premium

A. 3648 Requires plans that provide an extension of coverage for full-time students to provide the same extension for part-time students.

A. 3719 Requires the DOBI to develop a standard Explanation of Benefits form.

A. 2006 Allows for a purchasing alliance in the individual market.

#### *Quarterly Enrollment Reports*

W. Sanders noted that enrollment reports for 2Q04, 3Q04 and 4Q04 were included in the Board materials.

#### *SEH Election*

W. Sanders noted that nomination forms for an HMO seat and a small employer seat were included in the Board materials. Only members of the Program may submit nominations and vote in the April election. The HMO seat is currently held by CIGNA and the small employer seat is currently held by J. Stenger.

#### *Optional Benefit Rider Filings*

E. DeRosa said the two optional benefit rider filings submitted to the Board had been withdrawn from consideration.

### **V. Legal Committee**

#### *Draft State Continuation Bulletin*

W. Sanders said the Legal Committee considered a draft bulletin that discusses State Continuation as provided in P.L. 2004, c. 162, effective March 7, 2005.

W. Sanders explained that the law will require the Board to amend the standard plans such that standard plans issued or renewed on or after March 7, 2004 will include continuation rights consistent with the requirements of P.L. 2004, c. 162. He said carriers would be permitted to use the compliance and variability rider to issue the new provision after it has been proposed and adopted.

The Board did not favor including information in the Bulletin to specify how to determine the due date for a continuee's premium.

**M. McClure offered a motion to issue the Bulletin on State continuation, as amended. J. Foley seconded the motion. The Board voted in favor of the motion with D. Vanderhoof abstaining.**

*Draft "Offer" Bulletin*

W. Sanders said the Legal Committee continued to discuss a draft Bulletin relating to what constitutes "offering" coverage, replacement of coverage and adding new plans, and issuing coverage to cover out-of-State employees. He gave the Board copies of the applicable sections of the statute and regulations.

The DOBI indicated it would enforce its own regulation regarding how to handle rate quoting errors and asked that text describing how DOBI examines errors need not be included in the Bulletin.

In order to make it easier to determine when an employer last amended a plan, the Board suggested the Employer Certification could be modified to ask if the employer has amended any plan within the past 12 months.

**T. Taliaferro offered a motion to issue the Bulletin, as drafted. J. Kalosy seconded the motion.**

D. Vanderhoof said he believed the Legal Committee was incorrect in interpreting the statute as regards the ability to purchase a plan of lesser actuarial value.

**The Board voted in favor of the motion with D. Vanderhoof opposed and C. Stern abstaining.**

**VI. Public Comments**

No comments were offered.

**VII. Close of Meeting**

**J. Kalosy offered a motion to adjourn the Board meeting. T. Collins seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.**

*[The meeting adjourned at 11:53 a.m.]*