

**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
August 1, 2007**

Members participating: Tom Collins; Gary Cupo; Darrel Farkus (United) (arrived at 10:12 a.m.); John Foley (CIGNA); Jack Kalosy (HealthNet); Margaret Koller; Ulysses Lee (Guardian) (arrived at 10:08 a.m.); William Manning (Aetna); Gale Simon (DOBI); James Stenger; Mike Torrese (Horizon); Dutch Vanderhoof.

Others participating: Ellen DeRosa, Executive Director; Rosaria Lenox, CPA, Program Accountant; DAG Vicki Mangiaracina (DLPS).

I. Call to Order

E. DeRosa called the meeting to order at 10:05 a.m. She 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. A quorum was present.

II. Public Comments

E. DeRosa invited public comments. None were offered.

III. Minutes

June 13, 2007

G. Cupo offered a motion to approve the minutes of the Open Session of the June 13, 2007 Board meeting, without amendments. T. Collins seconded the motion. The Board voted unanimously in favor of the motion.

IV. Staff Report

Expense Report

R. Lenox presented the expense report for August 2007.

J. Kalosy offered a motion to approve the payment of the expense specified on the August 2007 expense report. M. Koller seconded the motion. The Board voted unanimously in favor of the motion.

Enrollment Reports 1Q07

J. Stenger noted the drop in SEH enrollment and the increase in IHC enrollment. J. Stenger asked for an explanation of the significant SEH enrollment decrease in 1Q06, almost 12,888 lives, as compared to smaller decreases during other quarters.

Nominations for Board Seats

E. DeRosa noted that nominations for vacant Board seats had been sent out. The nomination period closes August 6, 2007 and the election will be held at the start of the September 19, 2007 Board meeting.

Rule Proposal

E. DeRosa reported that while the Board's proposal amending the standard plans and the regulations to address coverage for civil union partners had been sent to Governor's Counsel for review on May 31, 2007, the only response thus far has been from the Smart Growth Ombudsman stating that the proposal is not inconsistent with the State Development and Redevelopment Plan. The filing of the proposal with the Office of Administrative Law requires prior approval from Governor's Counsel and thus that filing is being held pending receipt of such approval.

V. Report of the Finance and Audit Committee

Auditors

R. Lenox reported that the Finance and Audit Committee met with auditors from McEnerney, Brady & Co. as required by Executive Order 122 before they began audit work. They are scheduled to begin field work on August 8, 2007.

3Q07 Financial Statements

R. Lenox reviewed the 3Q07 financial statements.

Reconciliations for 1993-1999

R. Lenox reviewed the reconciliation methodology used on each reconciliation spreadsheet for each calendar year. She then reviewed the Summary of Assessment Reconciliations spreadsheet. She noted that the SEH Board will be billing some carriers for a total of \$26,406.24. Most carriers, however, are due amounts from the SEH Board.

J. Kalosy offered a motion to approve the reconciliations for 1993 – 1999, as presented, and to pay amounts due to carriers and bill for amounts due from carriers. D. Vanderhoof seconded the motion. The Board voted unanimously in favor of the motion.

VI. Public Comments

Another opportunity was presented for public comments. None were offered.

VII. Close of Meeting

D. Vanderhoof offered a motion to adjourn the Board meeting. J. Kalosy seconded the motion, and the Board voted unanimously by roll call in favor of the motion.

[The meeting adjourned at 10:40 A.M.]