

**FINAL  
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  
December 17, 2008**

**Members participating by phone:** Thomas Collins; Gary Cupo; Darrel Farkus (United/Oxford); John Foley (CIGNA); Sandy Herman (Health Net); Margaret Koller; William Manning (Aetna); Christine Stearns; Jim Stenger; Tony Taliaferro (AmeriHealth); Michael Torrese (Horizon); Joseph Tricarico (DHSS).

**Members participating in person:** Gale Simon (DOBI)

**Others participating:** Rosaria Lenox, Program Accountant; DAG Vicki Mangiaracina (DLPS – *by phone*); Chanell McDevitt, Deputy Executive Director.

**I. Call to Order**

R. Lenox 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. She stated that, because most members were participating by phone, all votes would be by roll call.

**II. Public Comments**

There were no public comments.

**III. Reconstitution of the Legal Committee**

R. Lenox reminded Board members that the Board had not reconstituted the Legal Committee at the Annual Meeting. She noted that the Board has only 15 seated directors, which means a committee may have no more than seven members or must provide notice of their meetings and allow public access in accordance with the Open Public Meetings Act. Brief discussion ensued, during which some Board members indicated they would prefer more diversity on the committee, which currently has 5 carriers on it. However, the Board deferred action on the issue, because not all of the carriers currently participating on the Legal Committee were represented at the Board meeting. Board members were requested to be prepared to take action in January.

**IV. Minutes**

The Board considered the minutes of October 22, 2008.

**M. Torrese made a motion, seconded by J. Stenger, to approve the minutes of the October 22, 2008 meeting with amendments. The Board voted unanimously in favor of the motion.**

## **V. Report of Staff**

### *Expense Report*

R. Lenox presented the December expense report, with expenses totaling \$3,447.76.

**D. Vanderhoof made a motion to approve the December expense report, which M. Koller seconded. The Board voted unanimously in favor of the motion.**

### *Supplemental Code of Ethics*

Staff and Board members discussed the need for the Board to take official action to adopt the Uniform Code of Ethics and the Supplemental Code of Ethics, now that the Supplemental Code of Ethics was approved by the State Ethics Commission. There was brief discussion about whether the survey/reporting form had always been a part of the SEH Board's code (it has been for a number of years), and whether Board members need to report activities taking place in other states – the consensus being that the report is not limited to New Jersey activity.

**T. Collins made a motion to adopt the Uniform Code of Ethics as supplemented by the SEH Board Supplemental Code of Ethics reviewed and approved by the State Ethics Commission. G. Cupo seconded the motion. The Board voted unanimously in favor of the motion.**

### *Rule Proposal*

R. Lenox noted that a public hearing on the proposed readoption with amendments of the SEH rules had taken place immediately prior to the Board's meeting, from 9:30 A.M. to 10:00 A.M., but despite one attendee, who indicated he had submitted comments in writing already, there were no public comments made at the meeting. It was noted the public comment period ends just prior to the Board's previously-agreed upon meeting date in January, which had prompted E. DeRosa to suggest by email movement of the meeting to a later date, so that she would have the opportunity to summarize any comments received and distribute the summary for Board review prior to meeting in January.<sup>1</sup>

## **VI. Finance & Audit Committee (FAC)**

### *Financial Statements*

R. Lenox presented the SEH Board's first quarter 2009 (1Q09) financial statements, including a Statement of Net Assets, Statement of Changes in Net Assets, Statement of Cash Flow and a comparison of Budgeted to Actual Expenditures. She noted that actual expenditures are running under budget thus far.

### *Audit RFP*

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<sup>1</sup> The notice for the SEH Board's scheduled 2009 meeting dates set the meeting on January 28, 2009 following a poll of the Board members after the October 22, 2008 meeting.

R. Lenox reported the Bid Evaluation Committee met on December 4, 2008 to review two bids that submitted RFPs for audit services for the 2006 through 2008 fiscal years. The Bid Evaluation Committee recommended Withum, Smith + Brown's proposal over Vijay Sammy's proposal (at 300 points to 160 points). R. Lenox stated that the Finance and Audit Committee considered the Bid Evaluation Committee's report and recommended awarding the contract to Withum, Smith + Brown.

**D. Vanderhoof made a motion, seconded by S. Herman, to award a contract for services to audit the SEH Program's financial activity in fiscal years 2006 through 2008 to Withum, Smith + Brown. The Board voted unanimously in favor of the motion.**

**VII. Public Comments**

There were no public comments.

**IX. Close of Meeting**

**G. Simon offered a motion to adjourn the Board meeting, which was seconded by T. Collins. The Board voted unanimously in favor of the motion.**

*[The meeting adjourned at 10:25 A.M.]*