

**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
November 17, 2010**

Members present by phone: Thomas Collins; Gary Cupo; Joyce Gralha (Horizon); Margaret Koller; Niranjan Rao, M.D.; Christine Stearns; James Stenger; Dutch Vanderhoof.

Members present in person: Darrel Farkus (United/Oxford); Thomas Pownall (Aetna); Neil Sullivan (DOBI); Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Rosaria Lenox, Accountant; Chanell McDevitt, Deputy Executive Director; DAG Eleanor Heck (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. She determined a quorum was present. She stated that votes would be by roll call because many members of the Board were participating by phone.

II. Public Comments

There were no public comments.

III. Minutes – September 15, 2010

T. Taliaferro made a motion, seconded by D. Farkus, to approve the open session minutes for September 15, 2010. By a roll call vote, the motion carried, with N. Rao and N. Sullivan abstaining.

IV. Staff Report

Expense Report

R. Lenox reported that the September expenses totaled \$378.54 for the public notices in the newspapers, staff training and tolls.

J. Stenger made a motion, seconded by T. Collins, to accept the expense report for November. By roll call vote, the motion carried.

V. Rule Proposal Update (Compliance with PPACA, etc.)

E. DeRosa provided a brief update on the status of the rule proposal to amend the SEH forms for purposes of complying with the federal Patient Protection and Affordable Care Act, the federal Mental Health Parity and Addiction Equity Act, and several state laws. Essentially, she

explained that the proposal process was complete, with no comments having been received either in writing or at the required public hearing. She noted that, because there were no comments, and there are no changes to be made upon adoption, the notice of adoption does not need to be reviewed by Governor's Counsel and can be sent to the Office of Administrative Law directly, if the Board so approves.

There was discussion regarding the effective and operative dates of the rule. E. DeRosa explained that the effective date would be immediately upon the filing of the rule for adoption, based on the SEH Board's expedited rulemaking authority, but that the operative date could be later if the SEH Board wanted to provide carriers some time to reissue their contracts, noting that carriers should already be in compliance operationally with the changes being adopted because of the compliance with law provisions of the contracts, and the fact that most of the changes required by federal or state law were already in effect. E. DeRosa reminded Board members that carriers had been required to start reissuing contracts for the last set of SEH Program amendments (the 2009 amendments) no later than June 2010; she suggested that it may be prudent for the operative date of the November 2010 amendments to be relatively soon, so that at least some of the reissues could be combined. It was then suggested that carriers be permitted to suspend contract reissues specific for the 2009 amendments for January through May to more efficiently proceed with the November 2010 amendments; the discussion was that when carriers begin reissue of contracts for the 2010 amendments, they would include those groups for whom the 2009 amendments reissue had been suspended. E. DeRosa stated she would issue a bulletin with instructions to carriers.

N. Sullivan made a motion, seconded by T. Taliaferro, to approve adoption of the amended rules, with an operative date of April 1, 2011, and to permit carriers to suspend the reissue of contracts in compliance with the 2009 amendments, so long as carriers include the suspended reissues when issuing new contracts for the November 2010 amendments. By roll call vote, the motion carried.

V. Executive Session Minutes

J. Gralha made a motion, seconded by D. Vanderhoof, to approve the Executive Session minutes for September 15, 2010. By roll call vote, the motion carried, with G. Cupo, N. Rao, J. Stenger, N. Sullivan and T. Pownall abstaining.

VI. Additional Business

Certification of Compliance

There was brief discussion regarding the timing of submission of Certification of Compliance forms, which are required annually by March 1, and within 60 days following contract changes. It was agreed that carriers are required to file a Certification of Compliance by March 1 to verify compliance with the changes required as of June 1, 2010, and that carriers are required to file another Certification of Compliance by June 1, 2011 to verify that they had begun to reissue contracts in compliance with changes operative April 1, 2011.

Health Insurance Exchanges

D. Farkus noted that he attended a National Association of Health Underwriters meeting regarding the existing Utah health insurance exchange, and asked what New Jersey is doing with respect to the requirement for a health insurance exchange.

N. Sullivan explained that the federal government had offered health insurance exchange planning grants for which New Jersey had applied through the DOBI, and that multiple agencies (DOBI, the Department of Human Services and the Department of Health, along with other government representatives) are in the process of gathering information. He explained that the Rutgers Center for State Health Policy (RCSHP) will receive some of the planning grant money to gather stakeholder input (as required by the federal law), and that carriers would be one of the stakeholder groups. N. Sullivan stated that the plan is to have meetings with stakeholders in the first quarter of 2011, with the intent being to have robust, but focused, discussions. N. Sullivan said that the RCSHP is also providing information on the demographics of who is likely to be eligible for what categories of coverage in 2014, when Medicaid eligibility increases and subsidies become available based on income and/or affordability of employer coverage options. He also explained that the State is seeking a consultant to address more specific design questions and issues.

E. DeRosa stated that she would add the federal Patient Protection and Affordable Care Act and health insurance exchanges as topics for discussion on the January agenda.

VII. Public Comments

There were no public comments.

VIII. Close of Meeting

N. Rao made a motion, seconded by D. Vanderhoof to adjourn the meeting. By roll call vote, the motion carried.

[The meeting adjourned at 10:30 A.M.]