

**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 16, 2011**

Members participating by phone: Chuck Cerniglia (Oxford); Thomas Collins; Gary Cupo; Joyce Gralha (Horizon); Thomas Pownall (Aetna); Niranjan Rao, M.D.; Christine Stearns; James Stenger; Tony Taliaferro (Amerihealth); Dutch Vanderhoof.

Members participating in person: Neil Sullivan (DOBI)

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. E. DeRosa 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. E. DeRosa stated that any votes will be by roll call, because most members were participating by telephone.

II. Public Comments

There were no public comments.

III. Minutes – September 21, 2011

D. Vanderhoof made a motion, seconded by T. Collins, to approve the open session minutes for September 21, 2011. The motion carried by a roll call vote, with N. Sullivan abstaining.

IV. Staff Report

Expense Report

R. Lenox presented the November expense report, which totaled \$164.80 for auditing and public notice costs.

D. Vanderhoof made a motion, seconded by J. Stenger, to approve payment of the expenses set forth in the November expense report. The motion carried by a unanimous roll call vote.

Transfer of Funds

R. Lenox asked for approval of the transfer of \$75,000 from the Board's Money Market account to the DOBI account to pay for salaries and fringe for staff through May 2012, at which point, she anticipates administrative assessments for fiscal year 2013 will be issued. She noted that the Board typically funds the DOBI account months in advance.

J. Stenger made a motion, seconded by T. Collins, to transfer \$75,000 from the SEH Board's Money Market account with Wells Fargo to the Board's funds held by the DOBI for the purposes of covering costs of salary and fringe for staff. The motion carried by unanimous roll call vote.

Rule Proposal

E. DeRosa provided an update on the rule proposal to amend the rescission language of the SEH policy forms, which she noted had been approved for publication by Governor's Counsel. She indicated the proposal would probably be posted to the SEH web pages within the day, and appear in the December 19, 2011 *New Jersey Register*, with a comment period closing date of December 22, 2011. She noted that, although using the Board's expedited rulemaking authority, the comment period exceeded the 20-day requirement, but still expected that the Board would be able to address comments and questions in response to the proposal at the Board's January meeting.

V. Report of the Legal Committee – formation of Ad Hoc Committee for two topics

E. DeRosa stated that the Legal Committee had met to discuss the issue of the carrier's choice of whether to refund premiums in cases of retroactive termination when there is no employee contribution. She reminded the Board it had asked the Legal Committee to consider the situation, which some members of the Board thought encouraged carriers to make a refund based on the size of any claims incurred and reported for the period in question. She explained that members of the Legal Committee had met with some interested parties (i.e., the Medical Society and human resource professionals) to better understand the processes resulting in retroactive terminations and claims submissions. She said that, while finding the information helpful, the Committee ultimately determined the matter is not a legal issue, but rather, a policy question, and recommended that the Board form an ad hoc committee with varied expertise to discuss the question further.

The following members volunteered for the Ad Hoc committee:

- Dr. N. Rao
- G. Cupo
- Aetna (Dan Kalosieh)
- Christine Stearns
- AmeriHealth (T. Taliaferro)
- DOBI

E. DeRosa reported that she had also recently received an email from a law firm, Pro Bono Partnership, asking the Board to amend its plans to cover gender affirmation services by removal of the exclusion of such services. E. DeRosa noted that the legal firm has sent information,

including pricing, and has not filed a petition for rulemaking. E. DeRosa asked that the Board authorize the Ad Hoc Committee to consider this issue as well. She stated she would like to forward the information to the Ad Hoc Committee, and Board members agreed.

Board members asked if DOBI had taken a position on the issue yet. N. Sullivan stated DOBI has no formal position, but that most carriers exclude coverage of the services, and DOBI has not refused to file the forms on that basis. E. DeRosa stated that it was unclear why the law firm was focused on the SEH plans, given that the contracts in the large group and individual markets exclude services related to gender affirmation as well.

VII. Public Comments

There were no public comments.

VIII. Close of Meeting

T. Collins made a motion, seconded by C. Stearns, to adjourn the meeting. The motion carried by roll call vote.

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