

FINAL
MINUTES OF THE OPEN SESSION 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
September 18, 2013

Members present in person: Neil Sullivan (DOBI)

Members present by phone: Herbert Ames; Gary Cupo; Darrel Farkus (Oxford); Pat Gillespie (CIGNA, *joined at 10:25*); Joyce Gralha (Horizon); Margaret Koller; Mary Ellen Peppard; Thomas Pownall (Aetna Health Inc.); Christine Stearns; Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Program Accountant; Eleanor Heck, Deputy Attorney General.

I. Call to Order

E. DeRosa called the meeting to order at 10:05 A.M. E. DeRosa announced that notice of the meeting was provided to three newspapers and the State House Press Corps, 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 noted that votes would be by roll call because of the conference being by telephone.

II. Public Comments

There were no public comments.

III. Minutes – July 17, 2013

M. Koller made a motion, seconded by C. Stearns, to approve the minutes of July 17, 2013. The motion carried by roll call vote, with N. Sullivan and J. Gralha abstaining.

IV. Staff Report

Expense Report

R. Lenox presented the expense report, with expenses totaling \$15.23 for travel costs to a continuing education program.

C. Stearns made a motion, seconded by M. Koller, to approve payment of the expenses totaling \$15.23. By roll call vote, the motion carried.

Optional benefits riders

E. DeRosa reported that optional benefits riders had been filed by AmeriHealth.

T. Taliaferro recused himself from the discussion about and any action to be taken upon the optional benefit riders submitted by AmeriHealth Insurance Company and AmeriHealth HMO, because of the interest in his employer in the outcome of the action.

E. DeRosa explained that AmeriHealth HMO submitted a rider to amend its current HMO plans to: (1) provide coverage for orthotic and prosthetic devices that are in addition to the prosthetic and orthotic application coverage included in the standard plans; (2) an option for deductible carry-over; and, (3) text reinforcing that the plan is open access and thus, referrals are not required.

G. Cupo made a motion, seconded by T. Pownall, to find the filing complete. By roll call vote, the motion carried.

E. DeRosa explained that AmeriHealth Insurance Company submitted two separate riders. She stated that one rider is meant to amend EPO and POS plans to: (1) remove the \$500/\$750 limit for out-of-network preventive services; (2) add an option for deductible carry-over; (3) add a provision to waive the inpatient copayment requirement when readmission occurs within a certain period of time; (4) provide coverage for orthotic and prosthetic devices in addition to the prosthetic and orthotic appliances covered in the standard plans; and (5) add out-of-state access through the New York Access Program and the Guest Advantage Program.

E. DeRosa explained that the second rider is meant to amend the EPO and POS plans to add coverage for routine eye exams and refractions and eyeglasses for covered persons age 19 and older.

G. Cupo made a motion, seconded by T. Pownall, to find the riders complete. By roll call vote, the motion carried.

V. Report of the Finance and Audit Committee (FAC)

R. Lenox reported that the FAC met to review the financial statements for the fiscal year ended June 30, 2013, along with the Management Discussion and Analysis (MDA) for fiscal years ending June 30, 2013. She stated that the FAC suggested some minor changes to the MDA, and asked for verification regarding the change in the percentage in the charge for fringe benefits. She explained to the Board that the Board ended its fiscal year over budget by about \$5,100 because the charge for fringe benefits for staff had exceeded expectations (by \$11,000). She noted that the Board had budgeted for fringe based largely on what it had been in the prior fiscal period (at 37.95%), but that the State of New Jersey was charging 45%, as documented in a Treasury circular.

R. Lenox then discussed the financial statements for the Board as of June 30, 2013, which included: a Statement of Net Assets, a Statement of Changes in Net Assets, a Statement of Cash Flows, and a Comparison of Budget and Actual Expenditures. She noted that the financial statements now include reference to fixed assets and depreciation, because the DOBI is charging

the Board for the new computers provided to Board staff, which is something it has not done previously. She indicated that she is depreciating the equipment in accordance with Treasury guidelines.

R. Lenox said that the auditors are scheduled to begin the audit of fiscal year 2013 in mid-October. She explained that after the audit is complete, the Board will be in a position to perform a reconciliation.

VI. Annual Meeting

E. DeRosa reminded the Board that this constituted its annual meeting, during which it normally elects its Chair and Vice Chair, and reconstitutes its standing committees.

Election of Officers

G. Cupo made a motion, seconded by C. Stearns, to have Tony Taliaferro serve another term as Chair, and for Margaret Koller to serve another term as Vice Chair of the Board. Upon confirmation that both T. Taliaferro and M. Koller were able and willing to serve, by roll call vote, the motion carried.

E. DeRosa set forth the standing committees as currently constituted, thus:

- Legal Committee – Aetna, AmeriHealth, Horizon, DOBI, C. Stearns, and D. Vanderhoof
- Finance and Audit Committee – AmeriHealth, Horizon, Oxford, DOBI, and M. Koller
- Marketing Committee – Horizon, Oxford, G. Cupo, M. Koller, M. Peppard, and D. Vanderhoof

H. Ames indicated a willingness to participate on the Finance and Audit Committee.

T. Taliaferro made a motion, seconded by P. Gillespie, to reconstitute the standing committees with their current composition, with the addition of Herbert Ames as a member of the Finance and Audit Committee. By roll call vote, the motion carried.

VII. Public Comment

There was no public comment.

XI. Close of Meeting

T. Pownall made a motion, seconded by M. Koller, to adjourn the meeting. By roll call vote, the motion carried.

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