

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
December 17, 2014

Members participating: Herbert Ames; Charles Cerniglia (Oxford); Gary Cupo; Margaret Koller; Nicholas Peterson (Horizon); Thomas Pownall (Aetna Health Inc.); Gale Simon (DOBI); Christine Stearns; Tony Taliaferro (AmeriHealth); Dutch Vanderhoof.

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 10:03 A.M. She 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. Following a roll call, she determined there was a quorum present, and stated that all votes would be by roll call because many of the Board members were participating by phone.

II. Public Comment

There were no public comments.

III. Minutes – November 19, 2014

T. Pownall made a motion, seconded by D. Vanderhoof, to approve the minutes of November 19, 2014. By roll call vote, the motion carried.

IV. Staff Report

Expense Report

R. Lenox presented the December expenses, totaling \$8037.45, primarily for audit costs related to the audit of the SEH Program for fiscal year 2014, but also for the costs of publishing legal notice of the Board’s 2015 meeting schedule in one of the two newspapers. R. Lenox requested that the Board approve the transfer of \$8,000 from the Well Fargo Money Market account to the checking account to pay the operating expenses.

D. Vanderhoof made a motion, seconded by G. Cupo, to approve the December expense report, and the transfer of \$8,000 from the Board’s Wells Fargo Money Market account to the Board’s checking account with Wells Fargo. By roll call vote, the motion carried.

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

E. DeRosa reported that the Finance and Audit Committee met with the auditors, WithumSmith+Brown (WSB) for the close-out of the Fiscal Year 2014 program audit. She reported that WSB stated it would issue an unqualified opinion, having found no significant or material deficiencies. She noted that the FAC members had no questions about the audit, or wished to discuss anything with WSB in private. E. DeRosa indicated that WSB would issue the final, bound copies of their report shortly.

VI. Loss Ratio and Refund Report for Calendar Year 2013

Avnee Parekh presented the CY2013 loss ratio and refund report on behalf of the DOBI. She noted the following:

- Premiums for CY2013 (at \$3.20B) were slightly lower than for CY2012 (at \$3.22B)
- Average enrollment declined from 687,000 in 2012 to 656,000 in 2013
- The average loss ratio for the standard plan market was at 82.2% (before refunds/dividends), which was higher than for CY2012 at 81.4%
- Oxford owes refunds/dividends on its standard plan business, but the amount owed is smaller than last year
- Horizon Healthcare of NJ and Aetna Life will both pay small refunds/dividends on their respective nonstandard plan business

She stated that this report is the final one for pre-Affordable Care Act (ACA) business, and as such, it isn't a true indicator of what will occur going forward, nor will it be possible to make a good comparison between pre- and post-ACA years, because virtually all of the pre-ACA plans no longer exist.

She explained that the reports are public, and will be posted on the DOBI website.

VII. Public Comment

There were no public comments.

VIII. 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 10:15 A.M.]