

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
August 17, 2016

Members participating: Herbert Ames; Gary Cupo; Margaret Koller; Lisa Levine (United/Oxford); Brendan Peppard (DOBI); Nicholas Peterson (Horizon); Thomas Pownall (Aetna Inc.); Tony Taliaferro (AmeriHealth); Dutch Vanderhoof.

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

I. Call to Order

E. DeRosa called the meeting to order at 10:00 A.M. She announced that notice of the meeting was provided to three newspapers of general circulation and the State House Press Corps, and posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, and at 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 some of the Board members were participating by phone.

II. Public Comments

There were no public comments.

III. Minutes – July 20, 2016

M. Koller made a motion, seconded by B. Peppard, to approve the minutes of the meeting of July 20, 2016, as amended. By roll call vote, the motion carried.

IV. Staff Report – Expense Report for August

R. Lenox presented the expenses for August, totaling \$102.44 for notices in the newspapers related to the May 25th meeting. She noted that the Board would not need to transfer any funds to pay these expenses.

G. Cupo made a motion, seconded by T. Pownall, to approve the July expense report, and payment of the expenses. By roll call vote, the motion carried.

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

E. DeRosa reported that the FAC met to discuss whether the Board should continue to calculate carrier marketshare using premium data reported annually on Exhibit CC, or start calculating it using information from Exhibit GG. She explained that the premium information reported on Exhibits CC and GG differs because the final premium reported on Exhibit GG is adjusted based

on ACA fees and taxes, and the risk adjustment amount applicable to a carrier, while the premium reported on Exhibit CC is not adjusted. She reported that the FAC recommended continuing to use Exhibit CC as the basis for the marketshare calculation for several reasons:

- Exhibit CC reflects pure premium, while Exhibit GG reflects the morbidity of the population covered by a carrier, rather how much business the carrier wrote;
- Exhibit CC has been the basis for calculating marketshare for 20+ years, and consistency has some merit; and
- the date for filing of Exhibit CC (March 1) is better suited to the Board's needs for assessing for the Board's budget than the date for filing of Exhibit GG (August 1), given the fiscal year used by the Board (July 1 through June 30).

E. DeRosa stated that with respect to the date established for the Exhibit CC filing, the FAC recommended permitting carriers until April 1 to submit the report annually. She said the FAC suggested the data reported would be more accurate, and should still provide the Board sufficient time to set its budget, assess carriers and receive payments before the beginning of each fiscal year. She noted that the FAC members were also aware that the report the IHC Board uses to determine marketshare for that market (Exhibit K) is due annually on April 1.

E. DeRosa stated that she believes the Office of Administrative Law will permit the change to the April 1 date upon adoption of the reproposal.

T. Taliaferro made a motion, seconded by N. Peterson, to approve the recommendation of the FAC to change the reporting date for Exhibit CC to April 1, and to revise the rules accordingly at the earliest date possible. By roll call vote, the motion carried.

VI. Public Comments

There were no public comments.

VII. Close of Meeting

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

[The meeting adjourned at 10:19 A.M.]