

**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
March 15, 2017**

Members participating: Herbert Ames; Mary Beaumont; Gary Cupo; Margaret Koller; Cheryle Lawson (Aetna); Lisa Levine (United/Oxford); Nicholas Peterson (Horizon); Brendan Peppard (DOBI); Susan Tully-Abdo (Cigna); Dutch Vanderhoof (*joined at 10:15*).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Jeffrey Posta, Deputy Attorney 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 – January 18, 2017 Executive Session; February open and executive sessions

G. Cupo made a motion, seconded by M. Beaumont, to approve the executive session minutes of the meeting of the January 18, 2017. By roll call vote, the motion carried.

G. Cupo made a motion, seconded by H. Ames, to approve the open session minutes of the February 15, 2017 meeting. By roll call vote, the motion carried.

G. Cupo made a motion, seconded by B. Peppard, to approve the executive session minutes of the February 15, 2017 meeting. By roll call vote, the motion carried.

IV. Staff Report – Expense Report; Proposed Form Amendments

Expense Report

R. Lenox presented the expense report for March 2017, totaling \$2536.82, attributable to costs for legal notices, costs for services from the Division of Law, payment of R. Lenox’s licensing fees, and some office supplies. R. Lenox noted that a transfer of \$2,500 would be necessary to pay the expenses if approved.

G. Cupo made a motion, seconded by M. Beaumont, to approve payment of the March expense report, and to transfer funds from the Board's Wells Fargo Money Market account to its checking account to pay the approved expenses. By roll call vote, the motion carried.

Proposed policy form amendments for P.L. 2017, c. 28 (Substance Use Disorder)

E. DeRosa presented the draft of a proposal to amend the SEH policy forms to comply with P.L. 2017, c. 28, which requires changes in the administration of benefits for treatment of substance use disorders. She highlighted the following proposed changes:

- Substitution of the term “substance use disorder” for substance abuse” throughout the forms, along with related grammatical changes
- Addition of the definition of substance use disorder, referring specifically to the DSM-5, which she noted has a definition that is significantly broader than opioid addiction, notwithstanding the focus on opioid addiction in legislative discussions and the news media
- Addition of a reference to use of a tool designated by the Department of Human Services in making medical necessity determinations, which she noted DHS is working on
- Addition of alternative standards that carriers may use in determining what is an approved substance use disorder treatment facility, including accreditation by the Center for Accreditation of Rehabilitation Facilities (CARF), and application of the carrier's own accreditation criteria
- Addition of instructions to carriers to revise and explicitly state the appeal process for appeals of medical necessity determinations regarding substance use disorder treatment, which she noted may have only one internal appeal level, rather than the two normally applicable for group health plans
- Addition of instructions to carriers to include explicit language regarding the process for obtaining in-plan exceptions
- Addition of language explicitly stating when utilization management (UM) reviews will be applied retrospectively, concurrently and prospectively for treatment of substance use disorders

She noted that the restricted use of UM for treatment of substance use disorder during the first 180 days of treatment applies to in-network services only, and does not apply to treatment sought out-of-network.

Because P.L. 2017, c. 28 is effective as of May 16, 2017, E. DeRosa suggested the Board approve proposal of the amendments and approve use of the Board's expedited rulemaking procedure, so that carriers will have the opportunity to make changes to their new and renewing contracts as close to the effective date of the law as possible.

G Cupo made a motion, seconded by M. Koller, to propose the policy form amendments as drafted, with corrections noted during the meeting, using the SEH Board's authorized expedited rulemaking process. By roll call vote, the motion carried.

E. DeRosa stated that she would notify the Board members when the proposal is filed with the Office of Administrative Law, and would make the policy forms available online.

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

R. Lenox reported that the FAC met with WithumSmith+Brown for a close-out meeting regarding the audit of the SEH program for FY2016. She reported that the audit was favorable to the Board. E. DeRosa stated that final reports are expected shortly, and that the reconciliation for FY2016 will be prepared.

VI. Public Comments

There were no public comments.

VII. Close of Meeting

G. Cupo made a motion, seconded by D. Vanderhoof, to adjourn the meeting. By roll call vote, the motion carried, despite a single no vote from S. Tully-Abdo.

[The meeting adjourned at 10:45 A.M.]