

**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**  
**October 18, 2017**

**Members participating:** Mary Beaumont; Gary Cupo; Don Henson (DOBI); Margaret Koller; Cheryle Lawson (Aetna); Ulysses Lee (Oxford); Jennifer Macauley (Horizon); Tony Taliaferro (AmeriHealth); Susan Tully Abdo (Cigna).

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Christine Machnowsky, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Jeff 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 in attendance.

**III. Minutes of the September 20, 2017 Meeting (Open Session and Executive Session)**

**M. Beaumont made a motion, seconded by M. Koller, to approve the open session minutes of the September 20, 2017 meeting, with amendments. By roll call vote, the motion carried, with J. Macauley and T. Taliaferro abstaining.**

**M. Beaumont made a motion, seconded by U. Lee, to approve the executive session minutes of the September 20, 2017 meeting. By roll call vote, the motion carried, with J. Macauley and T. Taliaferro abstaining.**

**IV. Staff Report – Expenses; Staff; Resolution; Meeting Dates; Roster**

*Expenses*

R. Lenox presented the expenses for October, totaling \$22.04, for a rulemaking notice in the Trenton Times, and noted no transfer of funds is necessary to pay these operating expenses.

**G. Cupo made a motion, seconded by T. Taliaferro, to approve payment of the expense on the October expense report. By roll call vote, the motion carried.**

### *Staff*

E. DeRosa announced the addition of two individuals to the staff of the IHC and SEH Programs, explaining that Lilah Gumbas joins as a new Administrative Assistant, replacing Celeste Hill, while Christine Machnowsky joins as an additional Deputy Executive Director. E. DeRosa noted that C. Machnowsky was a Regulatory Officer with the DOBI for several years, and attended both IHC and SEH meetings prior to joining the staff, but that the primary reason she is now with the Programs' staff is because the DOBI recognized there are not many people in the DOBI with expertise in health insurance, and one of the better ways to learn it is to work with the IHC and SEH Programs and their associated staff. She stated that the DOBI agreed to fund the fifth position, thus keeping the IHC and SEH Programs' total payroll at four.

### *Resolution*

E. DeRosa reported that she received a thank you card from Dutch Vanderhoof's family expressing their deep gratitude for the Board's Resolution commemorating the service of D. Vanderhoof, and noted how important his activity on the Board was to D. Vanderhoof.

### *2018 Meeting Dates*

E. DeRosa reminded Board members that proposed meeting dates for calendar year 2018 have been distributed, and that staff is requesting comment from Board members on the dates before finalizing them and issuing public notices.

### *Rosters*

E. DeRosa said that staff is putting together an updated list of Board members and committee representatives, with business contact information, and noted that responses are still needed from some members. She stated that the information would be shared with Board members when complete.

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

R. Lenox reported the FAC met on October 12, 2017, to review the FY2017 year end financial statements, and the statement of Management's Discussion and Analysis (MDA). She highlighted the following from the MDA:

- The administrative audit of the Program for the fiscal year ended June 30, 2016 was completed and an unqualified opinion issued on March 13, 2017.
- The Program's assets and liabilities increased \$64,028 due to cash receipts for the 2018 administrative assessment and the final 2016 administrative assessments.
- Expenses increased about \$9,700 due largely to an increase in fringe benefits from 45.25% to 51.95% of salaries; however, actual expenses were favorable by about \$11,000 partly because payments were for 3 staff members rather than 4, and DOBI's overhead allocation decreased.

R. Lenox also discussed the Statement of Net Assets, the Statement of Changes in Net Assets, the Statement of cash Flows, and the Comparison of Budget and Actual Expenditures.

**VI. Executive Session**

**M. Koller made a motion, seconded by T. Taliaferro, to move the meeting into Executive Session to receive legal advice and an update regarding ongoing litigation, with the expectation of no further action by the Board upon return to the Open Session other than adjournment. By roll call vote, the motion carried.**

*[The Board was in Executive Session from 10:25A.M. until 10:33 A.M.]*

**VII. Public Comment**

There was no public in attendance.

**X. Close of Meeting**

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

*[The meeting adjourned at 10:35 A.M.]*