

**MINUTES OF THE 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
February 16, 2000**

Members present: Gary Cupo (arrived @ 9:45 a.m.); Linda Ilkowitz (Guardian); Darrel Farkus (Oxford); Bryan Markowitz; Robert Vehec (DOBI).

Members participating by telephone conference: Larry Glover, Chair; Charlotte Furman (AH&L); Jim Leonard; Mary McClure (NYLCare); Vaughn Reale; Michael Torrese (Horizon BCBSNJ); Dutch Vanderhoof (joined @ 9:50 a.m.); Eric Wilmer (Celtic); Bonnie Wiseman (DOHSS).

Others present: DAG Jennifer Fradel (DOL); Wardell Sanders, Executive Director.

I. Call to Order

L. Glover called the meeting to order at 9:35 a.m. W. Sanders announced that notice of the meeting had been published in three newspapers and posted at the Department of Banking and Insurance (“DOBI”) and the Office of the Secretary of State in accordance with the Open Public Meetings Act. W. Sanders took a roll call. A quorum was present.

W. Sanders noted that several members were participating by telephone conference and asked Board members to identify themselves when speaking.

II. Public Comments

L. Glover asked if any member of the audience wished to offer comments concerning the items stated on the agenda. No comments were offered.

III. HMO Report Card Presentation

W. Sanders reported that the scheduled presentation on the HMO Report Card by Frances Prestianni of the Department of Health and Senior Services was being delayed until the March meeting.

IV. Election of Board Members

W. Sanders asked if any carrier Board members or members of the audience representing member carriers wished to cast an in-person vote. He reported that he had received absentee ballots and that he would count the votes and announce the results of the election at the end of the meeting.

V. Minutes

January 19, 2000

D. Vanderhoof offered a motion to approve the minutes of the Open Session of the January 19, 2000 Board meeting, as amended. M. McClure seconded the motion. The Board voted in favor of the motion, with L. Glover, L. Ilkowitz, B. Markowitz, V. Reale, and B. Wiseman abstaining.

[G. Cupo arrived at 9:45 a.m.]

VI. Staff Report

Expense Report (see attached)

M. McClure offered a motion to approve the payment of the expenses specified on the February 16, 2000 expense report. L. Ilkowitz seconded the motion. The Board voted unanimously in favor of approving the motion.

Exhibit BB Notice

W. Sanders reported that carriers had been provided with blank Exhibit BB certification of compliance forms and that the filings were due on March 1, 2000.

Regulatory Update

W. Sanders reported that the DOHSS had proposed rules to set standards for the use of prescription drug formularies for HMOs. He noted that current standards exist for indemnity carriers offering coverage through a selective contracting arrangement. W. Sanders reported that DOBI was also holding a public policy forum on February 23, 2000 on the proposal of rules governing the sale of specified disease policies. He indicated that DOBI is seeking input regarding the proposal of required conditions for the sale of such policies.

Legislative Update

W. Sanders reported that with the close of the two-year legislative cycle, a number of bills were passed at the end of the session. First, P.L.1999, c.367 continues the seat for a health service corporation member, and provides for a new carrier seat on the IHC Board. Second, P.L.1999, c.339 amends the Health Wellness Promotion Act, in part, by providing the IHC and SEH plans are not subject to the law.

Outreach

W. Sanders reported that he had spoken to approximately 50 members of the New Jersey Association of Health Underwriters in Whippany, New Jersey. He reported that he also spoke to a group of approximately 30 producers in Floram Park on February 2, 2000.

W. Sanders also reported that he had been asked to provide testimony to the Senate Health Committee on February 23, 2000, regarding the IHC and SEH Programs. He indicated that he would share his testimony with the Board.

State Continuation Form

W. Sanders reported that he had received only one sample State continuation form. He asked for additional copies from other Board member carriers.

Suggested Modifications to the SEH Market

W. Sanders reported that he had received comments from two Board members regarding suggested changes to the SEH Program. He asked Board members to submit any additional comments as soon as possible.

Transfer of Funds

W. Sanders reported that since the inception of the SEH and IHC Programs, the DOBI has tapped the Boards' accounts to cover certain expenses such as salaries, stockroom charges, equipment, furniture, etc. He noted that since DOBI was not able to split the expenses among the IHC and SEH Programs, a reconciliation was necessary. He noted that Pearl Lechner had calculated that amount to be as follows: SEH payment to DOBI - \$42,106.64 and SEH payment to IHC, (to be offset against amounts owed by IHC to SEH) - \$4,291.42.

D. Vanderhoof offered a motion to approve the transfer of funds as recommended by staff in order to reconcile the SEH Board's accounts with the IHC Board and DOBI. L. Ilkowitz seconded the motion, and the motion was approved unanimously by roll call vote.

VII. Report of the Policy Forms Committee

W. Sanders reported that the Policy Forms Committee met on February 7, 2000 and that the Committee's minutes were in the Board packets. He noted that there was no action for the Board to take on any matter.

VIII. Results of Board Election

W. Sanders reported that the following votes were received (with the elected persons in italics).

Small business representative:

Kevin Monaco: 10 votes

Two Carriers primarily in the small employer market:

CIGNA Healthcare of NJ 10 votes

AtlantiCare Health Plans 3 votes

AmeriHealth Insurance Co. 10 vote

One carrier primarily in the large employer market:

United HealthCare 10 votes

The members of the SEH Board thanked Charlotte Furman (AH&L), Jim Leonard, and Eric Wilmer (Celtic Life) for their past participation on the Board. W. Sanders noted that the new Board members would be seated at the March 22, 2000 meeting.

IX. Executive Session

L. Ilkowitz offered a motion to move into Executive Session for the purpose of discussing enforcement matters. C. Furman seconded the motion, and the motion was approved unanimously.

X. Close of Meeting

E. Wilmer offered a motion to adjourn the Board meeting. J. Leonard seconded the motion. The Board voted unanimously in favor of adjourning the meeting. [The meeting adjourned at 10:30 a.m.]

Attachment: Expense Report