

**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  
January 16, 2002**

**Members participating:** Raymond Bascio (Horizon BCBSNJ); Gary Cupo; Darrel Farkus (Oxford); Tom Daniels (CIGNA); Sandy Herman (Guardian); Jane Majcher (DOBI); Bryan Markowitz; Mary McClure (Aetna USHealthcare); Bob Shalongo (United); Tony Taliaferro (AmeriHealth) (Arrived at 10:10 a.m.); Bonnie Wiseman (DOHSS).

**Others present:** Ellen DeRosa, Deputy Executive Director; DAG Prince Kessie (DOL); Pearl Lechner, Program Accountant; Wardell Sanders, Executive Director.

**I. Call to Order**

W. Sanders called the meeting to order at 10:05 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”), the DOBI website, and the Office of the Secretary of State in accordance with the Open Public Meetings Act. Roll call was taken. A quorum was present.

**II. Public Comments**

W. Sanders asked if any member of the public wished to address the Board. No comments were offered.

**III. Minutes**

*Open Session November 28, 2001*

**J. Majcher offered a motion to approve the minutes of the Open Session of the November 28, 2001 Board meeting, as amended. B. Wiseman seconded the motion. The Board voted unanimously in favor of the motion.**

**IV. Staff Report**

*Expense Report (see attached)*

**J. Majcher offered a motion to approve the payment of the expenses specified on the January 16, 2002 expense report. M. McClure seconded the motion. The Board voted unanimously in favor of approving the motion.**

*2002 Premium Comparison Survey*

J. Petto reported that a copy of the 2002 premium comparison survey was included in Board materials. She observed that fewer carriers were included on the 2002 survey as a

result of withdrawals and mergers. She reported that the 2002 survey had already been posted on the DOBI website. She said she prepared a spreadsheet comparing premiums from 1996 until 2002. A copy of that spreadsheet was included in Board materials.

### *3Q2001 Enrollment*

J Petto reported that the third quarter 2001 enrollment data was included in Board materials. She noted the decrease in enrollment as compared to the second quarter. She reported that she was contacting carriers that have not issued any new business to make sure they were still offering SEH coverage.

### *Status of Rulemaking*

W. Sanders reported that the SEH forms proposal was filed with the Office of Administrative Law. He said the proposal would be published in the February 4, 2002 *New Jersey Register*. He noted it was already posted on the DOBI website. He said the public hearing will be held on March 20, 2001 following the scheduled SEH Board meeting. He noted that comments would be accepted until April 5, 2002. The first adoption deadline following the close of the comment period would be April 22, 2002 with a publication date of May 20, 2002.

### *Legislative Report*

#### P.L. 2001, c.346

W. Sanders said this law, which was effective immediately on signing, provides participation credit for persons who waive coverage under the employer's plan because of coverage under Medicare or coverage under another group plan. He noted the Board would need to propose a change to the regulations to address this change.

#### P.L. 2001, c. 352

W. Sanders said this law, effective 90 days from signing, requires self-funded or partially self-funded multiple employer welfare arrangements to register with the Commissioner of Banking and Insurance. The law contains financial reporting and solvency requirements. He said the law also requires the MEWA to accept all persons who meet membership requirements. He said the law contains rating restrictions and is moving toward a 2:1 rate band. The benefits of the MEWA plan must be at least the level of Plan A.

#### P.L.2001, c. 295

W. Sanders said this law, effective 180 days following signing, requires coverage for colorectal screening.

#### P.L.2001, c. 361

W. Sanders said this law, effective 180 days following signing, requires coverage for specialized non-standard infant formula when the physician determines such formula to be medically necessary.

#### P.L.2001, c. 368

W. Sanders said this law, effective 270 days following signing, requires IHC carriers to sell the "bare bones" plan described in the law. The law also allows carriers to sell exclusive provider organization (EPO ) plans.

#### P.L.2001, c. 404

W. Sanders said this law, effective 180 day following signing, addresses public access to records. Unless a law or a regulation shields a document from inspection, it must be produced.

B. Markowitz noted that the Acting Governor also signed a bill that allows physicians to negotiate fees with carriers. He noted that it sunsets after 5 years.

#### *Annual Filing for Exhibit CC*

W. Sanders reported that the request for the filing of Exhibit CC or a non member certification was mailed to all carriers as part of the Department's annual statement mailing.

#### *Outreach*

E. DeRosa reported that she spoke to the Monmouth Ocean Health Underwriters meeting in December 2001.

#### *Miscellaneous*

W. Sanders said a copy of a DOHSS report on health insurance was included in Board materials. He noted that the DOBI was working on regulations to address purchasing alliances. He said a copy of an article on "phony" ERISA plans as published in the Department's quarterly publication was included in Board materials.

### **V. Report of the Ad Hoc Committee on Producer Compensation**

W. Sanders said the committee considered a revised draft of the Bulletin requesting information on producer compensation. The Bulletin requests notice of a change 45 days prior to the change. He noted that the Committee determined it would not be necessary to request age/ gender/ or family status information since the rate filings carriers are required to make already include such information.

**B. Markowitz offered a motion to issue the Bulletin. D. Farkus seconded the motion. The Board voted unanimously in favor of the motion.**

### **VI. Executive Session**

W. Sanders said the Board needed to hold an Executive Session to receive advice from counsel and consider a personnel matter. He said the Board would return to Open Session only to adjourn the Board meeting.

**J. Majcher offered a motion to begin Executive Session. M. McClure seconded the motion. The Board voted unanimously in favor of the motion.**

*[Executive Session: 10:45 a.m.– 11:05 a.m.]*

### **VII. Close of Meeting**

**R. Bascio offered a motion to adjourn the Board meeting. S. Herman seconded the motion. The Board voted unanimously in favor of the motion. [The meeting adjourned at 11:05 a.m.**

Attachments: Expense Report