



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
INDIVIDUAL HEALTH COVERAGE PROGRAM
& SMALL EMPLOYER HEALTH BENEFITS PROGRAM
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**NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM
SUPPLEMENTAL CODE OF ETHICS**

I. GENERAL PRINCIPLES

The Board of Directors of the New Jersey Small Employer Health Benefits Program, a State agency created by N.J.S.A. 17B:27A-17 et seq., adopts the State of New Jersey Uniform Code of Ethics, N.J.S.A.52:13D-23. Recognizing the unique nature of the operations of the Small Employer Health Benefits Program Board, the Board of Directors also adopts this Supplemental Code of Ethics.

The New Jersey Small Employer Health Benefits Program Board (“Board”) recognizes that Members of the Board have been appointed or elected because they represent interests directly affected by the New Jersey Small Employer Health Coverage Program (“Program”) they administer. Specifically, carriers elected to the Board are expected to bring, through their Designated Representatives, their interests and expertise in how to implement reforms and regulate the small employer health benefits market. A carrier’s Designated Representative is a paid employee who, as a Board Member, makes decisions and implements policies that may have a direct impact on the carrier. Representatives of employers are expected to bring the perspective of the employer. Representatives of brokers are expected to bring the perspective of a broker and the consumers they serve. Similarly, Board Members appointed because of their roles as consumers or representatives of organized labor have been named to the Board because of their interest in the work of the Board. A Physician is appointed because of his or her role as a provider of health care and to bring the perspective of a provider to the Board’s discussions. The structure of the Board should ensure that no single interest dominates, and the spectrum of interests represented should enhance the creation of sound public policy. Accordingly, Board Members should not be expected to separate themselves from the views and interests of the carrier, or interest group to which the law has assigned a role in implementing the Program, as long as their actions do not conflict with the law. Where Board Members’ views conflict with the law or Board policy, the Board Members should not be restricted by this Supplemental Code of Ethics from seeking redress, in their private capacities, before the Legislature or the Courts.

This Supplemental Code of Ethics is not intended to penalize a carrier or other Board Member for agreeing to serve the State of New Jersey in a volunteer capacity. Therefore, the provisions have been tailored to ensure that Board Members not be restricted in their activities beyond the degree essential to avoid conflicts of interest or undue influence.

II. DEFINITIONS

As used in this Supplemental Code of Ethics, and unless a different meaning clearly appears from the context, the following terms shall have the following meaning:

- a) "Board" means the Board of Directors of the New Jersey Small Employer Health

Benefits Program; the Board is a State agency as that term is defined by the New Jersey Conflicts of Interest Law.

- b) "Carrier Member" means a carrier, as defined in N.J.S.A.17B:27A-17, which has been elected as a Member of the Board of Directors of the Small Employer Health Benefits Program, pursuant to N.J.S.A.17B:27A-29.
- c) "Department" means the Department of Banking and Insurance.
- d) "Designated Representative" means an employee of a Carrier Member who has been designated by the Carrier Member as either its primary or its alternate representative on the Board. A Designated Representative is a Special State officer as that term is defined by the Conflicts of Interest Law.
- e) "Executive Director" means the executive director of the New Jersey Small Employer Health Benefits Program.
- f) "Member" means a member of the Board of Directors of the Small Employer Health Benefits Program; the term includes Carrier Members and Non-carrier Members.
- g) "Non-carrier Member" means a Member of the Board of Directors of the Small Employer Health Benefits Program other than a Carrier Member. A Non-carrier Member is a Special State officer as that term is defined by the Conflicts of Interest Law. See N.J.S.A. 52:13D-13e.
- h) "Program" means the New Jersey Small Employer Health Benefits Program, as established by N.J.S.A.17B:27A-17 et seq.
- i) "Recusal" means the process by which a person is disqualified, or disqualifies himself or herself, from a matter because of a conflict of interest, including if a person is so advised by the Board's counsel or the ethics liaison officer.

Any dispute as to the meaning of any of the above terms, or any other terms or phrases as used in this Supplemental Code of Ethics, shall be resolved by reference to the New Jersey Conflicts of Interest Law and, where applicable, the Small Employer Health Insurance Reform Act.

See also Uniform Ethics Code: Section I – Definitions

III. APPEARANCES BEFORE THE STATE AND THE BOARD

- a) No Designated Representative or Non-carrier Member of the Board, nor any partnership, firm or corporation in which he or she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter (which term shall include discussions of potential violations of the insurance laws), pending before the Board. See, N.J.S.A. 52:13D-16(a). This section shall not apply to a Designated Representative's submission of written filings and reports required to be filed with the Board pursuant to N.J.A.C. 11:20-1.1 et seq.
- b) Subparagraph (a) shall not apply with respect to matters of general applicability or concern to the small employer health coverage market or to the health care industry as a whole, including but not limited to, the adoption of regulations generally applicable to health insurance companies, health service corporations, hospital service corporations, medical service corporations and/or health maintenance organizations. However, with respect to consideration by a committee of the Board or the Board of any specific cause,

proceeding, application, or other matter involving a Member, the Designated Representative or Non-carrier Member shall recuse himself or herself.

Such Recusals shall be memorialized in the minutes prior to any discussion of the matter, and shall specify the reason for and the date of the recusal. The Recusal shall involve, during a public portion of the meeting, abstention from discussing or voting on such specific cause, proceeding, application, or other matter involving the Member and the recused Member shall be seated with the audience. The recused Member must leave the room at a non-public portion of the meeting while the matter in question is under discussion.

The Recusal of a Designated Representative or Non-carrier Member of the Board shall not constitute a waiver of any rights of appeal under applicable rules or laws, and as permitted under this Supplemental Code of Ethics. In accordance with such rights of appeal, a person other than the Designated Representative may appear on behalf of the Carrier Member before the Board with respect to such cause, proceeding, application, or other matter involving the Carrier Member.

- c) Nothing in this section shall be deemed to prohibit a Designated Representative or Non-carrier Member of the Board from representing, appearing for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding pending before any State agency other than the Board, any proceeding pending before any court of record of this State, any proceeding in regard to a claim for compensation arising under Chapter 15 of Title 34 of the revised statutes (Workers' Compensation), any proceeding in connection with the determination or review of transfer inheritance or State taxes, any proceeding in connection with the filing of corporate or other documents in the Office of the Secretary of State, any proceeding on behalf of a county, municipality or school district or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and provided he or she is not holding any office or employment in the State agency in which any such proceeding is pending, or any proceeding before any of the following, or any successor thereof: the Division on Civil Rights, the New Jersey State Board of Mediation, the New Jersey Public Employment Relations Commission, or the Unsatisfied Claim and Judgment Fund Board solely for the purpose of filing a notice of intention pursuant to P.L.1952, c. 174, S.5 (C. 39:6-65), See N.J.S.A. 52:13D-16(c).

IV. OUTSIDE EMPLOYMENT AND OTHER INTERESTS

- a) No Designated Representative or Non-carrier Member of the Board shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his/her duties in the public interest. See N.J.S.A. 52:13D-23(e)(1).
- b) Any Designated Representative or Non-carrier Member of the Board who engages in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State Government shall file notice of such activity with the Executive Commission on Ethical Standards. See N.J.S.A. 52:13D-23(e)(2). A copy of this notice shall be furnished to the Executive Director.

- c) No Designated Representative or Non-carrier Member of the Board shall undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his/her objectivity and independence of judgment in the exercise of his/her official duties. See N.J.S.A. 52:13D-23(e)(5).
- d) No Employee, Designated Representative or Non-carrier Member of the Board shall act in his/her official capacity in any matter wherein he or she has a direct or indirect personal, financial interest that might reasonably be expected to impair his/her objectivity or independence of judgment. See N.J.S.A. 52:12D-23(e)(4).
- e) It is the policy of the Board that Designated Representatives, and Non-carrier Members shall disclose to the Board any actual or potential conflict of interest. Questionnaires making such disclosure in compliance with this policy shall be filed annually with the Executive Director. It shall be the continuing responsibility of all Designated Representatives and Non-carrier Members to promptly report to the Executive Director, any activity or interest which may pose an actual or potential conflict of interest. Any Designated Representative, or Non-carrier Member may seek an opinion from the Executive Commission on Ethical Standards when it is uncertain whether a proposed outside interest or activity would conflict with the established guidelines contained herein, or contained in the Conflicts of Interest Law, or would require disclosure pursuant to this Code or the Conflicts of Interest Law.

V. MISUSE OF OFFICIAL POSITION OR INFORMATION

- a) No Designated Representative or Member of the Board (including both a Carrier Member and Non-carrier Member) should use or attempt to use his/her official position with the Board to secure unwarranted privileges or advantage for him/herself or others. For example, no Designated Representative or member of the Board may include his or her official state title on stationery, an e-mail signature, or any type of communication.
- b) No Designated Representative or Member of the Board (including both a Carrier Member and Non-carrier Member) shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he or she receives or acquires in the course of and by reason of his/her official duties. No Designated Representative or Member (including both a Carrier Member and a Non-carrier Member) of the Board shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he or she receives or acquires in the course of and by reason of his/her official duties. See N.J.S.A. 52:13D-25.
- c) Nothing in this section shall preclude a Designated Representative or Member of the Board (including both a Carrier Member and Non-carrier Member) from disseminating non-public information to employees of the carrier or Department they represent.

CERTIFICATION

I hereby certify that the foregoing Supplemental Code of Ethics was duly adopted by the New Jersey Small Employer Health Benefits Program at its meeting conducted on Date.

ATTEST: _____

Ellen DeRosa, Executive Director

**NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM
("SEH PROGRAM")
CONFLICT OF INTEREST QUESTIONNAIRE**

Name: _____

1. Are you currently engaged in any business, trade, profession, part-time or full-time employment outside of or in addition to your position with the SEH Program?
Yes _____ No _____

If yes, describe in detail the duties of your outside work, name and address of each employer, type of service provided, number of hours worked per week, and method of compensation (salary or commission).

2. Do you have any business interest(s), either public or private, i.e., are you a principal stockholder or partner in an outside business? Yes _____ No _____

If yes, describe in detail your property holdings and/or connections with firms including location, name, degree of interest, (e.g. partner, owner).

3. Are you self-employed, i.e., do you have a private practice? Yes _____ No _____

If yes, describe in detail the service you provide, the trade name and location of your business.

4. List all professional licenses you have (e.g. real estate, planning, architecture, law, accounting engineering) and indicate whether such license is active.

If the profession, trade, or occupation is subject to licensing or regulation by a State government agency, you must file notice of such activity with the Executive Director who will forward notification to the Executive Commission on Ethical Standards.

5. All SEH Board Members are required to notify the Executive Director of their intent to seek elective office and/or to accept appointed office. This includes, but is not limited to, the following examples -- township/city committee or council, school board, planning board, sewer authority, board of freeholders, etc.

A copy of this information shall be forwarded to the Executive Commission on Ethical Standards. The information you supply is not considered confidential. The Executive Commission on Ethical Standards will review the information and you will be notified if there is any conflict of interest.

Signature _____

Date _____