

**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
September 21, 2005**

Members participating via telephone: Bob Benkert (United); Tom Collins; John Foley (CIGNA); Jack Kalosy (HealthNet); Margaret Koller; Ulysses Lee (Guardian)(joined the call at 10:25 a.m.); Mary McClure (Aetna); Jim Stenger; Tony Taliaferro (AmeriHealth) ; Mike Torrese (Horizon); and Dutch Vanderhoof.

Members participating in-person: Gary Cupo; Vicki Mangiaracina (DOBI).

Others participating: Ellen DeRosa, Deputy Executive Director; Wardell Sanders, Executive Director.

I. Call to Order

W. Sanders called the meeting to order at 10:05 a.m. He announced that notice of the meeting had been published in two 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. W. Sanders took roll call. A quorum was present.

W. Sanders asked that Board members identify themselves when speaking.

As no members of the public were in attendance, Public Comments were not invited.

II. Minutes

July 13, 2005

V. Mangiaracina offered a motion to approve the minutes of the July 13, 2005 Board meeting, as amended. G. Cupo seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

August 31, 2005

V. Mangiaracina offered a motion to approve the minutes of the July 13, 2005 Board meeting. D. Vanderhoof seconded the motion. By roll call vote, the Board voted in favor of the motion, with T. Taliaferro and J. Kalosy abstaining.

III. Staff Report

Expense Report

D. Vanderhoof offered a motion to approve the payment of the expenses specified on the September 2005 expense report. J. Stenger seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

*Optional Benefit Rider Filing
Aetna Health Inc.*

M. McClure recused herself with respect to the rider filing from Aetna Health, Inc., citing a conflict of interest since the matter related to a filing submitted by her employer, Aetna Health, Inc.

E. DeRosa briefly described the vision coverage riders that would amend HMO and HMO-POS plans offered by Aetna Health, Inc. She confirmed that the filing included the required certification and that the text of the rider was appropriate for use with the standard plan text.

J. Kalosy offered a motion to find the Aetna Health Inc. optional benefit rider filing complete. G. Cupo seconded the motion. By roll call vote the Board voted unanimously in favor of the motion.

High Deductible Health Plans/Health Savings Accounts (HSAs)

W. Sanders said he received some inquiries concerning the viability of high deductible health plans and HSAs on or after January 1, 2006.

D. Vanderhoof said legislation is pending that would amend the first-dollar coverage requirement for treatment of lead poisoned children. Although a bill passed in the Assembly, D. Vanderhoof said it was his understanding that it would likely not pass in the Senate prior to 12/31/05. D. Vanderhoof said even if a bill were to pass and be signed, changes to plans as required by law typically take effect as of the anniversary date of the plans, and thus plans would be non-compliant with Federal law from January 1, 2006 until their anniversary dates.

[U. Lee joined the call at 10:25 a.m.]

V. Mangiaracina said Gale Simon, Assistant Commissioner Life and Health, has stated that depending on how a law may be crafted, the Conformity with Law provision might govern.

T. Taliaferro asked whether there has been any dialog with the Federal Government as to whether a Conformity with Law provision would be adequate to enable a high deductible health plan to continue to qualify for use with an HSA on or after January 1, 2006. M. McClure commented that if the plans were amended, even retroactively, with a January 1, 2006 effective date, the effective date might be adequate to demonstrate compliance.

D. Vanderhoof expressed concern that a client whose plan fails to qualify for certain tax advantages as of January 1, 2006 might blame the broker.

J. Stenger suggested that the Board might need to issue a Bulletin to specifically address the fact that if the law changes and plans need to be amended as of January 1, 2006, that such an amendment can be made even before a plan has been in force for at least 12 months.

IV. Close of Meeting

D. Vanderhoof offered a motion to adjourn the Board meeting. V. Mangiaracina seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

[The meeting adjourned at 10:40 a.m.]