

**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
May 3, 2006**

Members participating by Telephone: Wilson Beebe; Thomas Collins; Gary Cupo; John Foley (CIGNA); Dr. Raj Gupta; Jack Kalosy (HealthNet); Margaret Koller; Ulysses Lee (Guardian); Christine Stearns; Jim Stenger; Tony Taliaferro (AmeriHealth); Mary Taylor (Aetna Health Inc.); Mike Torrese (Horizon); Dr. Joseph Tricarico (DOHSS); Dutch Vanderhoof; Beth Ward.

Members participating from Trenton: Darrel Farkus (United) Gale Simon (DOBI).

Others participating: Ellen DeRosa, Executive Director; Rosaria Lenox, Program Accountant; DAG Vicki Mangiaracina (DOL)

I. Call to Order

E. DeRosa called the meeting to order at 10:00 a.m. She 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. E. DeRosa took roll call. A quorum was present.

Since members were participating by telephone, E. DeRosa asked that everyone identify themselves when speaking.

II. Public Comments

No members of the public addressed the Board.

III. Minutes

March 22, 2006

W. Beebe offered a motion to approve the minutes of the Open Session of the March 22, 2006 Board meeting. D. Vanderhoof seconded the motion. By roll call vote, the Board voted in favor of the motion with T. Collins and Dr. Gupta abstaining.

April 7, 2006

G. Cupo offered a motion to approve the minutes of the Open Session of the April 7, 2006 Board meeting. W. Beebe seconded the motion. By roll call vote, the Board voted in favor of the motion with Dr. Gupta, M. Koller and C. Stearns abstaining.

IV. Staff Report

Expense Report

D. Farkus offered a motion to approve the payment of the expenses specified on the May 2006 expense report. T. Collins seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

Proposal: Dependent Under 30

E. DeRosa explained that during the review of the text the Board voted to propose during its April 7, 2006 meeting, it was discovered that the text, as drafted for proposal, did not comply with a small employer-specific requirement in P. L. 2005, c. 375. While the law generally requires the establishment of an open enrollment period, it provides for an annual period unique to the under 30 dependent for small employer plans. For small employer plans, the annual opportunity for an under 30 dependent occurs on the annual anniversary of the age-out.

In addition, E. DeRosa explained that subsequent to the April 7, 2006 meeting, the DOBI issued an Advisory Bulletin providing carriers the opportunity to select between the “integrated” option and a “separate policy” option. Thus, she said the draft proposal was revised to address each of those options. Carriers would issue the variable provision consistent with the option selected by the carrier.

W. Beebe expressed concern with the draft text that addressed the remission of premium by the employer. He said he believed such requirement did not exist in Chapter 375.

G. Simon offered a motion to propose the text, as presented. D. Farkus seconded the motion. By roll call vote, the Board voted in favor of the motion, with one vote opposing, W. Beebe.

V. Report of the Finance and Operations Committee

R. Lenox described the process the Evaluation Committee followed in considering the proposals submitted by three firms. She said the Finance and Operations Committee considered the recommendation of the Evaluation Committee, and concurs with the recommendation to hire McEnerney, Brady and Company as auditor for fiscal years ending June 30, 2000 through June 30, 2005.

T. Taliaferro offered a motion to accept the recommendation of the Finance and Operations Committee to hire McEnerney, Brady and Company as auditor for

fiscal years ending June 30, 2000 through June 30, 2005. J. Stenger seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

VI. Public Comments

Joan Fusco asked for clarification of the timing for under 30 dependents being eligible to enroll if they age out after May 12, 2006. G. Simon explained that the law applies as of the anniversary date of the plan with respect to dependents who age out on or after May 12, 2006.

VII. Minutes from Joint Board Meeting

G. Simon reported that the IHC Board voted to adopt the minutes of the Joint Board meeting of March 30, 2006 with modification. Since the SEH Board previously voted to approve the minutes without such modification, the minutes were again presented for the SEH Board's consideration.

G. Simon offered a motion to approve the Joint Board Meeting Minutes of March 30, 2006, as modified by the IHC Board. M. Koller seconded the motion. By roll call vote, the Board voted in favor of the motion, with W. Beebe, Dr. Gupta, J. Kalosy and Dr. Tricarico abstaining.

VIII. Close of Meeting

G. Simon offered a motion to adjourn the Board meeting. T. Taliaferro seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

[The meeting adjourned at 11:00 a.m.]