

**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  
ANNUAL MEETING  
June 28, 2006**

**Members participating by Telephone:** Wilson Beebe; Jack Kalosy (HealthNet); Jim Stenger

**Members participating from Trenton:** Erica Brown (Horizon); Thomas Collins; Gary Cupo; Darrel Farkus (United); Margaret Koller; Gale Simon (DOBI); Tony Taliaferro (AmeriHealth) (arrived at 10:20 a.m.); Mary Taylor (Aetna Health Inc.) (arrived at 10:30 a.m.); Dutch Vanderhoof (arrived at 10:40 a.m.).

**Others participating:** Ellen DeRosa, Executive Director; Rosaria Lenox, Program Accountant; DAG Vicki Mangiaracina (DOL); Neil Vance (DOBI).

**I. Call to Order**

E. DeRosa called the meeting to order at 10:15 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**

*May 3, 2006*

**G. Simon offered a motion to approve the minutes of the Open Session of the May 3, 2006 Board meeting. M. Koller seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.**

#### **IV. Staff Report**

##### *Expense Report*

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

#### **V. Presentation: Premium Comparison Survey**

N. Vance briefly discussed the 2006 premium comparison survey. He noted that the standard plans for which rates are given in the survey are not necessarily indicative of the plans being actively marketed. In response to a question from T. Taliaferro, N. Vance said the survey does not address trend from one year to the next. He noted, however, that most small employer plan rate increases were in the 10% to 15% range, although one large carrier's increase was significantly above that range, and another carrier's was significantly below that range.

N. Vance noted that the survey, in its present form, no longer provides useful information since standard plans without riders are not commonly sold. He said he plans to revise the survey such that it will provide information on the average cost of coverage, and will include some information on the cost of plans with non-standard riders.

#### **VI. Staff Report (Continued)**

##### *1Q06 Enrollment Data*

R. Lenox noted that SEH enrollment decreased by 12,116 lives, with the majority of that decrease due to Aetna's decreased enrollment.

##### *AmeriHealth Rider Filings*

T. Taliaferro recused himself from consideration of the AmeriHealth rider filings since the filings were made by his employer, AmeriHealth.

E. DeRosa briefly summarized the coverage provided under the prescription drug riders submitted by AmeriHealth.

**G. Cupo offered a motion to find the AmeriHealth rider filing complete. M. Taylor seconded the motion. By roll call vote the Board voted unanimously in favor of finding the filing complete.**

##### *Proposal: Dependent Under 30*

E. DeRosa explained that in the process of following up on the status of Governor's Counsel review of the Board's proposal she discovered there was a misunderstanding, and the proposal had not yet been sent to Governor's Counsel.

E. DeRosa explained that the separate policy option requires that carriers issue a certificate to the overage dependent. Since the certificate issued to an employee includes text that would not apply to an overage dependent, E. DeRosa said she created a rider that would amend the certificate for an overage dependent, and revised the proposal to include the rider. The Board considered the revised proposal and rider and agreed to vote to propose.

**M. Taylor offered a motion to propose the standard plan text and rider, as presented. D. Farkus seconded the motion. By roll call vote, the Board voted in favor of the motion, with one abstention, D. Vanderhoof.** (D. Vanderhoof arrived just as the motion to propose was being made.)

## **VII. Report of the Legal Committee**

E. DeRosa said the Legal Committee met and discussed two issues.

E. DeRosa said the Committee reviewed Bulletin 06-SEH-02 which addresses high deductible health plans in conjunction with a Federally qualified Health Savings Account and recommended that it be issued, as drafted.

**G. Simon offered a motion to issue the Bulletin, as drafted. D. Vanderhoof seconded the motion. By roll call vote, the Board voted in favor of the motion, with E. Brown, J. Kalosy and W. Beebe abstaining.**

E. DeRosa said the Committee considered a carrier's request to amend the definition of reasonable and customary in the standard plans and thus be able to use a fee profile other than PHCS. E. DeRosa said the Committee noted the requirement to use PHCS is not contained in the standard policy forms but is rather set forth in N.J.A.C. 11:21-7.13. A carrier may not accomplish a change in the fee profile by filing a rider to amend the standard plans.

The Board expressed an interest in resuming the discussion on whether to continue to require carriers to use the PHCS fee profile.

## **VIII. Officer Elections and Committee Membership**

In response to the request for nominations for the offices of Chairperson and Vice Chairperson, E. DeRosa said she received one nomination for Chairperson, Jim Stenger, and one nomination for Vice Chairperson, Tony Taliaferro.

R. Lenox tallied the ballots and announced that J. Stenger was elected as Chairperson and T. Taliaferro was elected as Vice Chairperson.

The Board considered Committee membership as currently constituted. M. Koller asked to be added to the Policy Forms Committee. Wilson Beebe and T. Collins asked to be added to the Finance and Audit Committee, and E. Ward, who resigned from the Board,

will be removed from that Committee. T. Collins asked to be added to the Marketing Committee.

**M. Taylor offered a motion to constitute the Policy Forms Committee, as revised, the Legal Committee, as currently constituted, the Finance and Audit Committee, as revised, and the Marketing Committee, as revised. M. Koller seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.**

M. Taylor suggested that the Marketing Committee should review the current materials being distributed and recommend any modifications.

#### **IX. Public Comments**

No persons asked to address the Board.

#### **X. Close of Meeting**

**M. Taylor offered a motion to adjourn the Board meeting. M. Koller seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.**

*[The meeting adjourned at 11:10 a.m.]*