

**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
August 9, 2006**

Members participating by Telephone: Gary Cupo; Dr. Raj Gupta; Kristen Jaroz (Horizon); Jack Kalosy (HealthNet); Margaret Koller; Ulysses Lee (Guardian); Mary Taylor (Aetna Health Inc.); Dr. Joseph Tricarico (DOHSS); Dutch Vanderhoof.

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

Others participating: Ellen DeRosa, Executive Director; DAG Vicki Mangiaracina (DOL)

I. Call to Order

E. DeRosa called the meeting to order at 10:05 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

June 28, 2006

G. Simon offered a motion to approve the minutes of the Open Session of the June 28, 2006 Board meeting. D. Farkus seconded the motion. By roll call vote, the Board voted in favor of the motion with Dr. Gupta, U. Lee, M. Taylor, Dr. Tricarico and D. Vanderhoof abstaining.

IV. Staff Report

Expense Report

D. Vanderhoof offered a motion to approve the payment of the expenses specified on the August 2006 expense report. M. Koller seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

Proposal: Dependent Under 30

E. DeRosa reported that a public hearing on the Board's proposal was held at 9:30 and that no one appeared at the hearing. Written comments will be accepted until August 15, 2006. E. DeRosa asked the Board to consider whether to hold a special Board meeting to take action to adopt the proposal. G. Simon asked if the Board could vote to adopt, as proposed, if there are no written comments and no agency initiated changes.

E. DeRosa summarized the proposal. She said the Continuation Rights Provision was expanded to include a continuation option for dependents under 30 where eligibility is taken directly from the requirements in P.L. 2005, c.375. She explained that the provision addresses the effective date and the termination date, as well as the integrated and stand-alone options available to carriers. A new rider is included for carriers that elect to use the stand-alone option. The rider amends the coverage for the dependent to address eligibility and termination and identify the provisions that do not apply to the under 30 dependents.

G. Simon offered a motion to adopt the proposal for dependent under 30 coverage provided no written comments are received and no agency initiated changes are made. M. Taylor seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

J. Kalosy inquired about the Department's position that allows the under 30 dependent to make an election or continue coverage if the parent is covered under COBRA. G. Simon noted that the dependent would lose the dependent under 30 coverage when COBRA expires which is generally after 18 months. She suggested that the limited duration for the under 30 coverage should be considered when the dependent is evaluating whether to elect the under 30 coverage or elect COBRA for himself/herself if it is available. E. DeRosa explained that coverage under COBRA is coverage under a group plan and is thus coverage under which a dependent would have a right to make an election, assuming the dependent is eligible.

Auditing Services Contract

E. DeRosa acknowledged DAG V. Mangiaracina's prompt completion of the Agreement with McEnerney Brady & Company for audit services. The Contract has been signed by McEnerney and awaits signature by J. Stenger as Chair of the Board.

V. Public Comments

None

VI. Close of Meeting

D. Farkus offered a motion to adjourn the Board meeting. J. Kalosy seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

[The meeting adjourned at 10:22 a.m.]