

**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
January 19, 2011**

Members present by phone: Thomas Collins; Darrel Farkus (United/Oxford); Joyce Gralha (Horizon); Margaret Koller; Niranjana Rao, M.D. (*joined at 10:20 A.M.*); Christine Stearns; Dutch Vanderhoof.

Members present in person: Gary Cupo; Thomas Pownall (Aetna); Neil Sullivan (DOBI).

Others participating: Ellen DeRosa, Executive Director; Rosaria Lenox, Accountant; Chanell McDevitt, Deputy Executive Director; DAG Eleanor Heck (DLPS).

I. Call to Order

E. DeRosa called the meeting to order at 10:10 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. She determined a quorum was present. She stated that votes would be by roll call because many members of the Board were participating by phone.

II. Public Comments

There were no public comments.

III. Minutes – November 17, 2010

D. Vanderhoof made a motion, seconded by T. Collins, to approve the open session minutes for November 17, 2010, as amended. By a unanimous roll call vote, the motion carried.

IV. Staff Report

Expense Report

R. Lenox reported that the January expenses totaled \$13,763.08, primarily for legal expenses from the Division of Law and Withum, Smith + Brown’s (WSB) expenses associated with the FY10 audit, which is now complete.

J. Gralha made a motion, seconded by M. Koller, to approve payment of the expenses on the expense report for January. By unanimous roll call vote, the motion carried.

Transfer of Funds

R. Lenox stated that, in order to pay the January expenses, staff requested that the SEH Board approve transfer of \$13,800 from the Board’s money market account to its checking account at Wachovia. In addition, she requested that the Board approve transfer of \$45,000 from its Wachovia money market account to the DOBI to pay for staff salaries and fringe.

D. Vanderhoof made a motion, seconded by T. Collins, to approve transfer of \$13,800 from the SEH Board's Wachovia money market account to the Board's Wachovia checking account for the purpose of paying operating expenses, and the transfer of \$45,000 from the Board's Wachovia money market account to the Board's funds held by the DOBI in order to cover staff salaries and fringe. By unanimous roll call vote, the motion carried.

V. Report of the Finance and Audit Committee (FAC)

Financial Statements

R. Lenox reported that the FAC met to review and discuss the first quarter financial statements for FY 2011 (ending September 30, 2010), which included a Statement of Net Assets, a Statement of Changes in Net Assets, a Statement of Cash Flows, and a Comparison of Budget and Actual Expenditures. She noted that program expenses are running about as budgeted thus far, having come in \$165 under budget on a quarterly basis.

Reconciliation of Assessments for FY10

R. Lenox explained that the FAC also discussed the reconciliation of the administrative assessments following the close of the FY10 audits, but noted that WSB has not yet submitted a final bill for that audit, so action on the reconciliation will have to wait until the next Board meeting.

VI. PPACA and Health Insurance Exchanges

E. DeRosa stated that upon request and subsequent polling of Board members, a majority had agreed to postpone a fuller discussion of the State's activities regarding establishment of one or more health insurance exchanges until the March 16 meeting, when more members would be able to attend the meeting in person.

Upon request, however, N. Sullivan provided more explanation as to how New Jersey is seeking stakeholder input. He stated that the DOBI received the federal planning grant, and is attempting to formalize a contract (memorandum of agreement) with the Rutgers Center for State Health Policy (RCSHP) to address the stakeholder input process. He explained that the structure involves multiple meetings by category of stakeholder (carriers, providers, etc.) across New Jersey with the primary goal being to elicit responses to certain, already-formulated questions thought to be of greatest interest to the specific stakeholder group, although the forums are also intended to permit stakeholders to raise other exchange-related variables. He indicated that forums are currently scheduled to begin in February, probably with the health care provider community, but that there will be forums targeted to carriers, and other SEH Board constituencies.

VII. Public Comments

There were no public comments.

VIII. Close of Meeting

D. Vanderhoof made a motion, seconded by C. Stearns, to adjourn the meeting. By roll call vote, the motion carried.

[The meeting adjourned at 10:25 A.M.]