

FINAL
MINUTES OF THE OPEN SESSION 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
April 29, 2013

Members present: Herbert Ames (*arrived at 9:45*); Darrel Farkus (Oxford); Neil Sullivan (DOBI)

Members participating by phone: Gary Cupo; Patrick Gillespie (CIGNA); Joyce Gralha (Horizon); Margaret Koller; Mary Ellen Peppard; Thomas Pownall (Aetna Health Inc.); Dutch Vanderhoof.

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

I. Call to Order

E. DeRosa called the meeting to order at 9:35 A.M. E. DeRosa announced that notice of the meeting was provided to three newspapers and the State House Press Corp, 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. A quorum was present. She stated that votes would be by roll call because of significant participation by telephone.

II. Staff Report

Minutes – Open session and Executive session of January 16, 2013

M. Koller made a motion, seconded by D. Vanderhoof, to approve the draft minutes from the open session of the January 16, 2013 meeting. By roll call vote, the motion carried.

P. Gillespie made a motion, seconded by G. Cupo, to accept the draft minutes from the executive session of the January 16, 2013 meeting. By roll call vote, the motion carried.

Expense Report and Transfer of Funds

R. Lenox presented the April expense report, with expenses totaling \$1,957.68, primarily for WithumSmith+Brown (WSB) audit costs, the Division of Law, and reimbursement to R. Lenox for continuing education classes. She requested that the Board approve the expenses, and a transfer of \$2,000 from the Board’s Money Market fund to the Board’s checking account to pay the April expenses.

G. Cupo made a motion, seconded by J. Gralha, to approve the April expense report, and the transfer of funds from the Board’s Wells Fargo Money Market account to the Board’s Wells Fargo checking account to pay the expenses. By roll call vote, the motion carried.

R. Lenox requested that the Board transfer funds of \$30,000 from its Money Market account at Wells Fargo into its DOBI account in order to cover salaries and fringe for staff.

G. Cupo made a motion, seconded by D. Vanderhoof, to authorize the transfer of \$30,000 of the SEH Board's funds from its Money Market account at Well Fargo Bank to the Board's funds held by the Department of Banking and Insurance to fund staff salaries and fringe. By roll call vote, the motion carried.

Budget for the Fiscal Year ending June 30, 2014 and Administrative Assessment

R. Lenox presented an FY2014 draft budget, totaling \$256,550, for the Board to consider. She noted that the draft budget is less than the FY2013 budget for two reasons: she is forecasting that actual expenditures for FY2013 will be about \$10,000 below budget primarily because legal expenses are lower than anticipated, and, in addition, salaries are expected to be substantially flat during FY2014 even though she is projecting an increase in fringe based on historical experience. She noted that she is including the Great Plains accounting software upgrades in the FY2014 budget.

E. DeRosa suggested that, upon approval of the FY2014 budget, the Board should authorize assessments based on a straight market share of each SEH member carrier, as specified in the prepared draft assessment report, with the expectation that collections will be made by the beginning of FY2014.

G. Cupo made a motion, seconded by Darrel Farkus, to approve the FY2014 budget as drafted, and to invoice carriers their allocated assessment of the FY2014 budgeted administrative expenses. The motion carried.

Financial Statements for Fiscal Year 2013, Second Quarter (Q2FY13)

R. Lenox noted that the Finance and Audit Committee reviewed the financial statements for Q2FY13, and had no questions, and that she would be happy to respond to any questions the Board might have, but there were none.

Election of a Small Employer Representative – Herbert Ames

E. DeRosa acknowledged and welcomed H. Ames to the SEH Board, as the newest Board member representing minority small employers.

Proposal to amend SEH Plans to comply with Essential Health Benefits Standards

E. DeRosa noted that the draft of the proposal currently before the Board was substantially similar to what was discussed during the January meeting, although it included additional variable design options to provide carriers added flexibility. She stated she had included most requested variable design suggestions since use of such options is permissive, not required.

T. Taliaferro made a motion, seconded by N. Sullivan, to approve the draft amendments for proposal. By roll call vote, the motion to propose the draft amendments carried, with H. Ames abstaining.

E. DeRosa stated that the proposal as drafted anticipates a hearing at 9:30 A.M. on May 22, immediately prior to the Board's regularly-scheduled meeting on that date.

She also stated she will submit the material for posting on the Board's website as soon as she is able to file the proposal with the Office of Administrative Law.

VII. Public Comment

There was no public comment.

X. Close of Meeting

N. Sullivan made a motion, seconded by D. Farkus, to adjourn the meeting. The motion carried.

[The meeting adjourned at 9:55 A.M.]