

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
February 19, 2014

Members present: Herbert Ames; Christine Stearns.

Members participating by phone: Charles Cerniglia (Oxford); Gary Cupo; Patrick Gillespie (CIGNA); Margaret Koller; Nicholas Peterson (Horizon); Thomas Pownall (Aetna Health Inc.); Neil Sullivan (DOBI); Tony Taliaferro (AmeriHealth); Dutch Vanderhoof.

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Program Accountant; Eleanor Heck, Deputy Attorney General.

I. Call to Order

E. DeRosa called the meeting to order at 10:05 A.M. E. DeRosa announced that notice of the meeting was provided to three newspapers and the State House Press Corps, 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 noted that voting would be by roll call because a majority of members were participating by phone. A quorum was present.

II. Public Comment

There were no public comments.

III. Minutes – December 18, 2013

D. Vanderhoof made a motion, seconded by M. Koller, to approve the minutes of December 18, 2013, with amendments. By roll call vote, the motion carried.

IV. Staff Report

Expense Report

R. Lenox presented the expense report for February, with expenses totaling \$104.86, for official notices of the 2014 Board meeting schedule. She noted there would be no need to transfer funds to pay these expenses.

D. Vanderhoof made a motion, seconded by P. Gillespie, to approve the payment of the expenses on the February expense report. By roll call vote, the motion carried.

Reconciliation of Administrative Expense Assessments for Fiscal Years 2012 and 2013

R. Lenox stated that the Board is in a position to reconcile the administrative expenses for fiscal years ending June 30, 2012 and June 30, 2013, and presented the reconciliation spreadsheet. She reminded the Board that the original FY12 assessments were based on net earned premium reported for CY2010 and the Board's FY12 budget, while the reconciliation is based on the net earned premium for CY2011 and actual expenses for FY12, following conclusion of the program audit. She noted that the situation is substantially similar for FY13: the original assessment was based on net earned premium reported for CY2011 and the budget for FY13, while the reconciliation is based on net earned premium reported for CY2012 and actual expenses for FY13, as audited. R. Lenox said that, for FY12, the final administrative expenses totaled \$246,802.90, which was less than budgeted, but with changes in the reported net earned premium the Board will return \$38,969, while invoicing \$26,127.91. She stated that the Board would refund \$8,431.95 for FY13, while invoicing \$13,969.61. She explained that the Finance and Audit Committee (FAC) met and reviewed the information, and recommended approval of the collection and refunding of monies. She further explained that she and the FAC thought it better to pay the refunds only after collections have been made, and not try to net-out any of the amounts.

G. Cupo made a motion, seconded by M. Koller, to approve the issuing of invoices, and subsequently, refunds in order to reconcile assessments for administrative expenses for fiscal years ending June 30, 2012 and 2013 in accordance with the information presented by staff. By roll call vote, the motion carried.

V. Old business – Out-of-Network Reimbursement Standards

The issue was raised as to whether the SEH Board should return its attention to revising standards for carriers to follow in making reimbursements for out-of-network services. Several Board members agreed that the Board should consider how it may want to proceed in the outreach and decision-making process. It was agreed to add the topic to the agenda for the March meeting.

VI. Public Comment

There was no public comment.

VII. Close of Meeting

P. Gillespie made a motion, seconded by G. Cupo, to adjourn the meeting. The motion carried.

[The meeting adjourned at 10:15 A.M.]