

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
November 19, 2014

Members participating: Herbert Ames; Charles Cerniglia (Oxford); Gary Cupo; Margaret Koller; Mary Ellen Peppard; Nicholas Peterson (Horizon); Thomas Pownall (Aetna Health Inc.); Gale Simon (DOBI); Christine Stearns; 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

T. Taliaferro called the meeting to order at 10:03 A.M. C. McDevitt 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. Following a roll call, she determined there was a quorum present, and stated that all votes would be by roll call because many of the Board members were participating by phone.

II. Public Comment

There were no public comments.

III. Minutes – October 22, 2014

T. Pownall made a motion, seconded by D. Vanderhoof, to approve the minutes of October 22, 2014. By roll call vote, the motion carried.

IV. Staff Report

Expense Report

R. Lenox presented the November expenses, totaling \$99.80, for the costs of publishing legal notices in three newspapers regarding the proposal to amend the standard plans, and the related public hearing. R. Lenox suggested transferring \$1,000 from the Well Fargo Money Market account to the checking account to pay the expenses and maintain a balance in the checking account.

D. Vanderhoof made a motion, seconded by G. Cupo, to approve the November expense report, and the transfer of \$1,000 from the Board’s Wells Fargo Money Market account to the Board’s checking account with Wells Fargo. By roll call vote, the motion carried.

Financial Statements

R. Lenox reported that the financial statements for the first quarter of fiscal year 2015 had been completed and reviewed by the Finance and Audit committee, without comment, and indicated that she would discuss the reports in more detail if any of the Board members had comments or questions. There were no comments.

V. Adoption of Amendments to Policy Forms and Rules

C. McDevitt briefly discussed the prepared Notice of Adoption, noting that a public hearing opportunity was provided on November 13th at 11:00 A.M., at the Board's offices, with E. DeRosa serving as the hearing officer, but that no comments were received. She explained that written comments were received from two commenters, and she then discussed the comments and responses, highlighting the following:

- One commenter supported the amendments removing limitations to the applied behavioral health benefit for autism.
- A commenter suggested adding language about when dependent coverage starts in order to address coverage effective dates associated with the SHOP, which are always on the first of the month, except for births and adoptions (in which case, the coverage effective date can be immediate). Staff recommended that the Board make the requested change.
- A commenter requested addition of variable text so that carriers could add FF-SHOP specific termination language. Staff believes that existing language in the forms regarding prospective termination is broad enough to include FF-SHOP situations, so recommended not making the requested change. Staff also disagreed with a commenter's suggestion to add variable language that would allow a carrier to substitute the SHOP as the party initiating or performing certain activities, because staff did not believe any action on the part of the SHOP alters obligations of the carrier to make sure that certain activities occur.
- Staff recommended an agency-initiated change, amending the current exclusion provisions in the standard plans so that the exclusion for telephone consultations becomes variable text, in order to permit carriers to elect whether to provide coverage of telephone consultations.

After brief discussion regarding the response to the SHOP substitution request, it was agreed that the response should be revised so that it cannot be inferred that the Board believes the SHOP is acting as an agent of the carrier.

C. McDevitt explained that, if the Board adopts the rule changes, the expectation is that filing of the adoption will happen relatively soon, but not immediately, because there are other steps that remain to be completed. She explained that, after the Notice of Adoption is filed, E. DeRosa will release a bulletin with the text for the Compliance and Variability Rider that carriers can use to produce their riders for plans inside or outside of the SHOP, noting that there will be variable text in the rider. C. McDevitt stated that carriers will be able to amend their inforce 2014 SEH plans with the rider as the plans renew in 2015, and that staff suggests the rider may be used for new business issued through April 2015. The Board agreed that it is reasonable to expect carriers to issue fully incorporated and compliant documents to 2015 new business no later than May 1.

T. Taliaferro made a motion, seconded by G. Simon, to adopt the amendments to the standard plans. In voting by roll call, the motion carried.

VI. Public Comment

There were no public comments.

VII. Close of Meeting

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

[The meeting adjourned at 10:22 A.M.]