

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
June 22, 2016

Members participating: Herbert Ames; Mary Beaumont; Gary Cupo; Margaret Koller; Lisa Levine (United/Oxford); Brendan Peppard (DOBI); Nicholas Peterson (Horizon); Thomas Pownall (Aetna Inc.); 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 10:03 A.M. She announced that notice of the meeting was provided to three newspapers of general circulation and the State House Press Corps, and posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, and at 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 some of the Board members were participating by phone.

II. Public Comments

There were no public comments.

III. Minutes – May 18, May 25

After brief discussion, the Board tabled the minutes until the next meeting.

IV. Staff Report

Expense Report

R. Lenox presented the expenses for June, totaling \$3,397. She noted that the expenses primarily related to a bill from the Division of Law, but also included charges for the legal notices for the May 25th Board meeting. She recommended the Board transfer \$3,400 from its Money Market account to its checking account if the Board approved payment of the expenses.

T. Pownall made a motion, seconded by M. Beaumont, to approve the June expense report, and the transfer of \$3,400 from the Board’s Wells Fargo Money Market account to the Board’s Wells Fargo checking account to pay the approved expenses. By roll call vote, the motion carried.

FY2016 3Q Financial Statements

R. Lenox presented the fiscal year 2016 financial statements for the quarter ending March 31 to the Board. She briefly discussed the Statement of Net Assets, the Statement of Changes in Net

Assets, the Statement of Cash Flows, and the Comparison of Budget to Actual. She noted that the Board's expenses totaled about \$178,744 to date, and that it has \$110,606 remaining, suggesting that it will end the fiscal year favorably. She reminded the Board that the expenses related to fringe benefits and DOBI's overhead allocation are estimates until the fourth quarter.

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

R. Lenox reported that the FAC reviewed the calculation of the late fees related to the final assessment for FY2015 and the interim assessment for FY2017, as well as the distribution of the late fees following collection. She explained that the late fees totaled \$636.56 for the FY2015 final assessment, and \$3,446.44 for the FY2017 interim assessment, and would be distributed among those carriers not otherwise required to pay the late fee. She reminded the Board that the amount of the late fee is high because it accrues from the date of invoice. R. Lenox reported the FAC recommended invoicing for, and distribution of, the late fees substantially consistent with the schedule presented by staff, but that the FAC recommended using the allocation to Cigna to offset that carrier's future assessment instead of issuing checks to the three Cigna affiliates, because the total allocated was only about \$3.

[N. Peterson recused himself from discussion and action taken by the Board because of the interest of his employer in the outcome of the matter.]

M. Beaumont made a motion, seconded by B. Peppard, authorizing staff to bill Horizon for the late fees as presented, and to distribute the funds when collected among the other carriers as presented, except that the distribution to Cigna should be held against any future assessments. By roll call vote, the motion carried.

VI. Resignation

E. DeRosa stated that P. Gillespie recently resigned from the Board because he took a position with another company. She said that she has requested that Cigna appoint a new representative, but the company has not done so as yet.

VII. Public Comments

There were no public comments.

VIII. Regulatory Process

Upon request from Board members, E. DeRosa explained that the proposed readoption had not yet been submitted to the Office of Administrative Law (OAL), so the comment period had not yet begun. She reminded the Board that the comment period will not end until after publication of the proposal in the *New Jersey Register* and the hearing required regarding amendments to the policy forms. She said the goal is to have the changes to the rules and policy forms effective for 2017 plan year enrollment, but it all depends on when the proposal can be filed with OAL.

IX. Close of Meeting

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

[The meeting adjourned at 10:36 A.M.]