

**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**  
**October 19, 2016**

**Members participating:** Herbert Ames; Mary Beaumont (*joined at 10:15*); Gary Cupo; Margaret Koller; Lauren Lalicon; Lisa Levine (United/Oxford); Nicholas Peterson (Horizon); Thomas Pownall (Aetna Inc.); Gale Simon (DOBI); Tony Taliaferro (AmeriHealth).

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Eleanor Heck, Deputy Attorney General.

**I. Call to Order**

E. DeRosa called the meeting to order at 10:00 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 – September 21, 2016**

**M. Koller made a motion, seconded by N. Peterson, to approve the minutes of the meeting of September 21, 2016. By roll call vote, the motion carried.**

**IV. Staff Report**

*Expense Report*

R. Lenox presented the expense report for October, totaling \$7,866, all of which was attributable to costs for legal services. R. Lenox stated that the Board would need to transfer \$8,000 from its Money Market account to its checking account in order to pay the expense. She also recommended that the Board transfer \$110,000 from its funds held in the DOBI account to the Board’s Money Market account, in order to accrue interest.

**G. Cupo made a motion, seconded by H. Ames, to approve payment of the October expense report, to transfer \$8,000 from the SEH Board’s Wells Fargo Money Market account to its Wells Fargo checking account for the purpose of paying such expense, and to transfer \$110,000 from the Board’s funds held by the DOBI to the Board’s Wells Fargo Money Market account to earn interest. By roll call vote, the motion carried.**

### *Proposed 2017 Meeting Dates*

E. DeRosa asked if there were any issues with the proposed meeting dates for 2017 previously distributed to Board members. After discussion, it was determined that May 17<sup>th</sup> could be problematic (because of the New Jersey Association of Health Underwriter's annual conference), so alternate dates will be considered.

### **V. Employer Application and Certification Forms**

E. DeRosa stated she received some comments and suggestions regarding the Small Employer Application and Certification forms, and made some revisions accordingly that she distributed on October 5. She said she received additional comments after that, and that the October 18<sup>th</sup> version of the forms includes the most current set of revisions. She discussed the revisions, noting:

- There was no agreement on how to treat question #14 of section I of the application regarding waiting periods and rehired employees (i.e., to allow for different treatment of rehired employees), so variable text has been inserted, so those carriers that wish to permit a different waiting period for rehired employees can do so. In addition, variable text has been added so carriers may choose to make coverage effective as of the end of the specified waiting period – which may be 0, 30, 60 or 90 days, or an alternate specified date of no more than 90 days – or on the 1<sup>st</sup> or 15<sup>th</sup> of the month following the end of the waiting period (except when the waiting period goes to 90 days).
- The question at #16 of section I of the application, regarding percentage of premium that will be paid, is changed to the percentage of total premium that the employer will pay.
- A sub-question has been added to #6 of section III of the application in variable text asking whether an employer that participates in an arrangement with a Professional Employer Organization (PEO) has health coverage available to it as a client of the PEO.
- With respect to the census information on the Certification, reference to temporary employees would become variable language, because at least one carrier continued to want the information in the form.
- With respect to the census information on the Certification, in the reference to seasonal employees, references to specific durations of time would become variable text, so that carriers can choose how to measure, along with instructions for carriers to provide the definition the carrier is using for seasonal.
- The section of the Certification regarding the total average number of employees has been maintained as variable text, because at least one carrier requested the option to use it.

The Board discussed how to transition to the new applications and certifications, considering that the existing versions have already been distributed to employers seeking new and renewal coverage for January and possibly even February 1 effective dates. There was agreement that, with the operative date of the readoption being January 1, definitions that were applicable when the forms were distributed will not necessarily apply, resulting in a change of status for some

employers. E. DeRosa stated it makes sense for brokers to reach out as expeditiously as possible to those employers the broker knows received the existing application and certification forms, particularly the employers that the broker knows used the part of the small employer definition that has been eliminated from the rules as of January 1, 2017; however, she cautioned against sending any employers the generic form on the Board's website with all variables shown, because it would not be helpful to the employer. She explained that the revised forms will be posted to the SEH website shortly, but it will be up to each carrier to modify its own forms, choosing which sets of variable text it will use.

#### **VI. Compliance and Variability Rider**

E. DeRosa stated that the Compliance & Variability Rider (CVR) has been prepared, but the Board must decide how long carriers may use it. After discussion, the Board agreed that carriers could use the CVR through March 31, if the carrier is unable to issue policy forms compliant with the 2017 version of the forms prior to that, but by April 1, 2017, carriers must start using policy forms with all appropriate changes built into the document. E. DeRosa explained that the CVR will not have all of the changes necessary to be made to the policy forms, only those changes that are benefits or eligibility-related that consumers need to be aware of. She said she can re-send red-line versions of the forms (incorporating the changes for 2017) to carriers to make it easier for them to update their forms.

#### **VII. Public Comments**

There were no public comments.

#### **IX. Close of Meeting**

**M. Koller made a motion, seconded by T. Taliaferro, to adjourn the meeting. By roll call vote, the motion carried.**

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