

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
May 17, 2017

Members participating: Herbert Ames (arrived at 10:10); Mary Beaumont; Gary Cupo; Margaret Koller; Lauren Lalicon; Brendan Peppard (DOBI); Nicholas Peterson (Horizon); Tom Pownall (Aetna); Tony Taliaferro (AmeriHealth); Susan Tully Abdo (Cigna); Dutch Vanderhoof.

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 10:04 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 of the April 19, 2017 Meeting

T. Pownall made a motion, seconded by M. Koller, to approve the minutes of the April 19, 2017 meeting. By roll call vote, the motion carried.

IV. Staff Report

Expense Report

R. Lenox presented the expense report for May 2017, totaling \$2,407.42, attributable to costs for legal notices, and final payment to WithumSmith+Brown for the FY2016 audit. R. Lenox stated that the Board would need to transfer \$2,400 from the Board’s Money Market account to pay the operating expenses if approved.

M. Beaumont made a motion, seconded by D Vanderhoof, to approve payment of the May expense report, and to transfer \$2,400 from the Board’s Money Market account to its checking account in order to make the payments. By roll call vote, the motion carried.

Litigation Update – Spine Society

E. Heck provided a brief update on the status of the Spine Society’s litigation with the SEH Board, noting that Spine Society’s motion to settle and supplement the record has not as yet been decided by the Appellate court.

V. Report of the Finance and Audit Committee (FAC) – *Final Assessment for FY2016*

R. Lenox reported that with the finalization of the FY2016 administrative audit, and receipt of the final bill from the auditor, the Board is able to perform the final reconciliation for FY2016. She reminded Board members that the original assessment for the FY2016 budget was based on 2014 net earned premium (NEP), while the audited expenses will be allocated against 2015 NEP. She explained that the final administrative expense for FY2016 totaled \$245,969.10, which included \$242,069.00 in audited expenses, plus actual audit fees of \$15,900.10, less accrued audit fees of \$12,000.00, noting that the total compared favorably to the \$289,350.01 collected from carriers based on the FY2016 budget and 2014 NEP. She stated the favorable nature of the expenses primarily was because hiring of an additional staff person had not occurred. She also noted that interest earned, totaling \$213.37 was allocated among SEH Program members as well.

R. Lenox explained that the spreadsheet provided to Board members showed the change in allocations, noting that a total of \$13,142.61 will have to be collected from four carriers prior to distributing \$58,636.58 among the remaining SEH Program members. E. DeRosa pointed out that one carrier is in liquidation, and its share of the assessments has been redistributed among carriers, but that a claim will be filed with the receiver, and if the claim is paid, staff will issue refunds accordingly.

M. Koller made a motion, seconded by M. Beaumont, to approve the FY2016 final reconciliation, and to authorize staff to issue invoices to carriers based upon the report presented, and collecting funds due to the SEH Program before distributing funds due to carriers. By roll call vote the motion carried.

VI. Public Comments

There were no public comments

VII. Close of Meeting

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

[The meeting adjourned at 10:16 A.M.]