

FINAL
MINUTES OF THE 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
April 17, 2019

Members participating: Herb Ames; Robert Benkert (Oxford); Natalie Bernardi (Cigna); Gary Cupo; Phil Gennace (DOBI); Margaret Koller; Nicholas Peterson (Horizon); Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Christine Machnowsky, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Jeff Posta, 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.

E. DeRosa welcomed Robert Benkert, who will be replacing Ulysses Lee as the representative from United going forward.

II. Public Comments

There were no public comments.

III. Minutes of March 20, 2019

T. Taliaferro made a motion, seconded by M. Koller, to approve the minutes of the meeting of March 20, 2019, without amendment. By roll call vote, the motion carried, with R. Benkert abstaining.

IV. Report of the Finance & Audit Committee (FAC) – Reconciliation of FR2019 Assessment; Budget and Administrative Assessment for FY2020

Reconciliation of FY2018 Administrative Assessment

R. Lenox reported that the FAC met to review and make a recommendation regarding the final assessment reconciliation for the fiscal year ended June 30, 2018, following the completion of the audit for that fiscal year. She reminded the Board that the original administrative assessment was based on the 2016 Exhibit CC-reported net earned premium and the budget for FY2018, while the reconciliation post-audit is based on the 2017 Exhibit CC-reported net earned premium, and actual expenses for FY2018, resulting in some adjustments in the prior assessments. She noted that the reconciliation assessment, which the FAC recommended the Board approve and invoice, results in a total refund to carriers of \$82,832.53, including interest of \$241.80, as well as \$1346.89 owed to the SEH Program by one carrier.

Budget and Administrative Assessment for FY2020

R. Lenox stated that the FAC also considered the proposed budget and administrative assessment for the fiscal year ending June 30, 2020 (FY2020). She noted that the total recommended FY2020 budget is \$269,750, which is less than the budget for FY2019, but slightly more than the forecasted actual expenses for FY2019. She explained that most costs (audit fees, salaries, overhead allocation and office expenses) are being budgeted the same or similarly for FY2020 as for FY2019, even though actual costs may have been less for FY2018 and are projected to be slightly less than budgeted for FY2019; however, there are two more notable exceptions: fringe benefits and marketing. She noted that fringe is coming in below budget for FY2019, so the recommendation is to lower the estimate for fringe while remaining relatively conservative at 55% of salaries (for 3 full time employees split with the Individual Health Coverage Program). She also noted that the line for marketing, which was budgeted at \$60,000 for FY2019, is being removed from the budget for FY2020.

Upon inquiry and expression of interest in the marketing expense, E. DeRosa explained that, although the Board had plans to re-develop print materials and a logo, neither came to fruition because a State-coordinated health insurance marketing campaign was initiated in CY2019. That campaign did not use SEH Board resources.

R. Lenox explained the proposed administrative assessment for FY2020 for the budgeted amount of \$269,750.00, noting that the initial assessment allocation is based on net earned premiums reported on the 2018 Exhibit CCs.

H. Ames made a motion, seconded by M. Koller, to approve the reconciliation of the FY2018 assessment as presented, and the issuance of invoices and refunds accordingly; to approve the budget for FY2020; and, to approve the assessment for FY2020, and the issuance of invoices and collection of funds accordingly. By roll call vote, the motion carried.

V. Required May 15th Financial Disclosures

E. DeRosa reminded Board members that they have an obligation to file Special State Officer financial disclosures with the State Ethics Commission by May 15th. She noted that R. Benkert has until July 15th because he is new to the Board, and he has been working with the Department's Ethics Liaison Officer on it. E. DeRosa explained that Board members will need to request the authentication code, and may complete the ethics training module online in order to complete the financial disclosure requirements.

VI. Public Comments

There were no public comments.

VII. Close of Meeting

P. Gennace made a motion, seconded by H. Ames, to close the meeting. By roll call vote, the motion carried.

[The meeting adjourned at 10:20 A.M.]