

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
July 17, 2019

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

Others participating: Ellen DeRosa, 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.

II. Public Comments

No members of the public were in attendance.

III. Review of Minutes of June 19, 2019

T. Pownall made a motion, seconded by N. Bernardi, to approve the minutes of the meeting of June 19, 2019, without amendment. By roll call vote, the motion carried.

IV. Report of Staff

Expense Report

R. Lenox discussed the Expense Report for July, noting that expenses totaled \$356.00 and are solely charges for legal work from the Division of Law. She stated that the Board would need to authorize the transfer of \$300.00 from its Wells Fargo Money Market account to its checking account to pay for the expense, if approved.

H. Ames made a motion, seconded by M. Koller, to approve the transfer of \$300 from the Board’s Wells Fargo Money Market account to the Board’s Wells Fargo checking account to pay the operational expenses.

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

E. DeRosa noted that three programs – the IHC, SEH and MSU50 Programs – need an independent audit of their respective financial statements and that the MSU50 Program needs an additional independent audit of the losses of that program’s Contracting Carrier. She stated that a Scope of Work (SOW) combining this work for all three programs was sent out to all participants in the applicable Treasury contract seeking potential bidders for this work, and was re-issued when no responses were received. She noted that one bid was received from WithumSmith+Brown (WSB) in response to the re-issued SOW.

She explained that a Joint Evaluation Committee was formed with representatives from Aetna, United and the DOBI to review WSB’s bid, and the Joint Evaluation Committee determined the bid was responsive to the SOW and that the pricing was reasonable. She stated the Joint Evaluation Committee recommended that the audit committees of the three programs recommend that the Boards engage WSB for their respective audit needs.

E. DeRosa further explained that the recommendation from the Joint Evaluation Committee has been reviewed by the audit committees for each separate program and that each committee recommended its respective program engage WSB for audit services. Specifically, the SEH FAC reviewed the WSB proposal and concurred with the Joint Evaluation Committee’s recommendation to engage WSB for administrative audits of the SEH Program, and repeats that recommendation to the SEH Board. She noted that if each Board votes to engage WSB the engagement can proceed. If even one Board disagrees, the process will have to begin again.

M. Koller made a motion, seconded by G. Cupo, to accept the recommendation from the FAC for the SEH Board to engage WithumSmith+Brown for the administrative audit of the SEH Program for FY 2019, 2020 and 2021. By roll call vote, the motion carried.

E. DeRosa noted that because all three Boards have agreed to proceed with the combined SOW, the work can move forward.

VI. Public Comments

There were no public comments. However, one Board member asked how the newly enacted law which created a State Based Exchange for New Jersey (P.L. 2019, c. 141) would affect the insurance carriers and what, if anything, the Board needs to do to implement this program. P. Gennace noted that the Department is in the early stages of implementing this law which was only recently adopted and will engage the carriers and other stakeholders in the future for input.

VII. Close of Meeting

L. Hahn made a motion, seconded by M. Koller, to close the meeting. By roll call vote, the motion carried.

[The meeting adjourned at 10:11 A.M.]