

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
June 17, 2020

Members participating: Herb Ames; Robert Benkert (Oxford); Natalie Bernardi (Cigna); Chrissy Buteas; Gary Cupo; Philip Gennace (DOBI); Laura Gunn; Margaret Koller; Taylor Kopelan (Horizon); Rich Loconte (Oscar); Thomas Pownall (Aetna).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Jeffrey 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.

*E. DeRosa noted that, pursuant to P.L. 2020, c. 2, as a result of the state of emergency and public health emergency declared by Governor Murphy on March 9, 2020 through Executive Order 103 (subsequently extended by Executive Orders 119, 138, and 151, the last being issued on June 4, 2020) due to the COVID-19 pandemic, the SEH Board’s regularly scheduled meeting is being held entirely telephonically rather than at the Board’s offices in Trenton. She stated that, in accordance with P.L. 2020 c. 11, electronic notice of the change in the meeting and the means by which the public could attend the meeting telephonically was posted on the Board’s website, and issued electronically to all known interested parties.

E. DeRosa determined a quorum was present. She stated that voting would be by roll call. She also welcomed Rich Loconte as the representative from Oscar Garden State Health Insurance Corporation, noting that it has been quite some time since a new carrier had been voted onto the SEH Board.

Members of the public were asked to identify themselves, and are listed at the end of these minutes.

II. Public Comments

There were no public comments.

III. Review of Minutes of May 20, 2020

T. Pownall made a motion, seconded by G. Cupo, to approve the minutes of the meeting of May 20, 2020, without amendment. By roll call vote, the motion carried, with L. Gunn and R. Loconte abstaining.

IV. Report of Staff -- *Expense Report for June*

E. DeRosa presented the June expense report, totaling \$624, representing the 3Q expenses for the Division of Law. She stated that staff recommended transferring \$600 from the Board's Money Market account to its Checking account to cover the expense.

G. Cupo made a motion, seconded by M. Koller, to pay the June expenses and transfer \$600 from the SEH Board's Wells Fargo Money Market account to its Wells Fargo Checking account for that purpose. By roll call vote, the motion carried.

V. Policy Form Amendments – *Draft 2*

E. DeRosa briefly reminded Board members that they had been given amendments to the standard policy forms intended to bring the forms into compliance with three statutes: P.L. 2019, c. 343 (Chapter 343), which specifies coverage of breastfeeding support services; P.L. 2019, c. 361 (Chapter 361), which expands the definition of contraceptive services and supplies that must be covered; and P.L. 2019, c. 472 (Chapter 472), which requires carriers to limit monthly cost-sharing applicable to prescription drugs with respect to 25% of their plans. She also reminded SEH Board members that they previously voted to propose amendments to the standard health benefits plans in the Fall of 2019, but the proposal had not yet been sent to the Office of Administrative Law, so she was adding draft amendments to the same document, rather than creating an entirely new proposal.

E, DeRosa then briefly provided a little more detail regarding the requirements of each law, and the amendments she recommended for the policy forms, highlighting the following:

- Chapter 343 necessitates an amendment to the definition of practitioner, resulting in a cross-reference to Chapter 343, because the law requires coverage of categories of practitioners that are not licensed in New Jersey, both in- and out-of-network. She noted that there is also no cost-sharing permitted for the covered breastfeeding support services and supplies to be provided.
- Chapter 361 requires expanded coverage of contraceptive medications, supplies and devices in-network, regardless of gender, including sterilization services, counseling services, and treatment of complications, subject to prescription, and over-the-counter (OTC), and when preventive and provided in-network, subject to no cost-sharing (that being consistent with the Affordable Care Act). She noted that she removed the religious exemption language in this draft of the policy forms, because the exemption was removed from the New Jersey statute. In addition, she removed specific references to "female" from the contraceptive sections. She reminded members that the lowest deductible allowable for HDHPs is to be applied to male sterilization and male contraceptives (set at \$1,400 for self-only coverage and \$2,800 for family coverage for plan year 2021 by the IRS).
- Chapter 472 requires carriers to offer at least 25% of their plans (no less than 1 plan) subject to a monthly cost-sharing cap for prescriptions, with the cap varying by the metal level of the plan: \$150 for Silver, Gold and Platinum level plans; and, \$250 for Bronze plans. Chapter 472 applies to HDHPs, specifying that the limitation on the monthly cost-sharing need not be applicable until after satisfaction of the lowest IRS-permissible HDHP deductible. She noted that changes required for Chapter 472 are evident in the schedule pages of the plans, but not other sections or provisions.

E. DeRosa explained that she received suggestions regarding additional amendments from carriers, but no comments regarding the specific language of the first draft presented in May. She suggested that additional revisions offered by carriers should be addressed in a separate proposal at a later time. She reminded Board members of the process for moving forward if they approved the action to propose the draft amendments, including the need to make similar amendments to the HMO forms as have been presented for Plans B through E.

H. Ames made a motion, seconded by G. Cupo, to approve proposal of the draft amendments to the standard plans as presented within the rulemaking action previously approved by the Board, and authorizing staff to take all steps necessary to move the proposal forward. By roll call vote, the motion carried.

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

E. DeRosa reported that the FAC met to consider the Final Administrative Assessment for the fiscal year ended June 30, 2019, which would include a revision to expenses resulting from an audit invoice applicable to the final administrative assessment for the fiscal year ended June 30, 2018. She explained that the invoice, totaling \$1,408.00, had been added to the Final Assessment for FY2019, noting that the carrier members for FY2018 are the same carrier members in FY2019.

E. DeRosa reminded Board members that the initial administrative assessments are made based upon the most recent net earned premium available at the time the assessment is made. She further explained that the reconciliation is done to more accurately assess carriers for the expenses incurred (as audited) based upon each carrier's market share for the more recent calendar year (2018), which ties more closely with the fiscal year in which the expenses are incurred.

The FAC recommended issuing the final administrative assessment for FY2019 with the FY2018 adjustment, resulting in refunds totaling \$99,390.05, and invoices to two carriers for a total of \$7,695.74. E. DeRosa suggested that, if the Board follows the FAC recommendation, the Board also authorize a transfer of funds from the SEH Board's Money Market account to its checking account so that staff may issue the refunds.

G. Cupo made a motion, seconded by N. Bernardi, to approve the Final Administrative Assessment for FY2019, including the payment of refunds to carriers and invoicing carriers for amounts due as presented to the Board, as well as transfer of sufficient funds from the Board's Wells Fargo Money Market Account to the Board's Checking account as necessary to make payment of the refunds owed to carriers consistent with the Final Administrative Assessment for FY2019. By roll call vote, the motion carried.

VII. Other Business

E. DeRosa shared the enrollment reports for the first quarter of calendar year 2020. She noted the information is being presented for information only, and that no action is needed. She pointed out that SEH Program enrollment has decreased again, and is now lower than IHC Program enrollment, and that these numbers are being measured prior to the pandemic. She stated the enrollment project the Board discussed in March is perhaps even more important to determine whether employees are uninsured, or obtaining coverage through other avenues as of year-end 2019, and again as of year-end 2020.

VIII. Public Comment: There were no comments.

VII. Close of Meeting

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

[The meeting adjourned at 10:35 A.M.]

Public known to be in attendance:

- Joan Fusco
- Suzanne Fitzgerald, Savoy Associates