

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
September 16, 2020

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

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; 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, as subsequently extended,¹ 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.

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. Annual Meeting – *Selection of Officers and Reconstitution of Committees*

T. Taliaferro noted that the September meeting is the Board’s designated Annual Meeting, during which the Board elects its Chair and Vice Chair, and determines those members participating on standing committees. E. DeRosa explained that the Annual Meeting is a specified requirement of the Board’s enabling legislation, and reminded the Directors that there are no term limits established with respect to either the Officer positions or participation on any standing committee.

Selection of Officers

T. Pownall nominated T. Taliaferro as Chair, and T. Taliaferro accepted the nomination. There were no additional nominations for the position.

¹ Executive Order 103 (Murphy) has been continuously extended multiple times since originally issued, the most recent extension occurring on August 27, 2020 pursuant to Executive Order 180 (Murphy).

T. Taliaferro nominated M. Koller as Vice Chair, and M. Koller accepted the nomination. There were no additional nominations for the position.

L. Gunn made a motion, seconded by H. Ames, to elect T. Taliaferro as Chair and M. Koller as Vice Chair of the SEH Board. By roll call vote, the motion carried.

Standing Committees

E. DeRosa explained that there are currently three constituted standing committees: the Legal Committee, the Finance & Audit Committee (FAC), and the Marketing & Communications (Marketing) Committee.

Legal Committee: E. DeRosa stated that the Legal Committee membership currently includes:

- Aetna
- AmeriHealth
- DOBI
- Horizon

In response to questions, she briefly explained that the responsibilities of all of the committees are set forth at N.J.A.C. 11:21-2.6, and that the Legal Committee, upon request of the Board: interprets the statutes and rules relevant to the Board's activities; interprets plan terms; addresses issues with contracts and legal documents of the Program; considers legal questions that may arise with respect to the Program; and coordinates with the Board's Deputy Attorney General in addressing Program issues when necessary. She noted that there is room for additional Board member participation. She also noted that, while the Board elects to reconstitute its committees annually, the Board may add members to a committee at another time during the year if appropriate or necessary.

Current Legal Committee participants indicated a willingness to continue to serve.

FAC: E. DeRosa stated that the FAC is currently the committee that meets most routinely, and that membership currently includes:

- AmeriHealth
- DOBI
- H. Ames
- Horizon
- United/Oxford

She noted that the FAC reviews and makes recommendations regarding the Board's budget, financials, allocation of assessments and subsequent reconciliations, and addresses annual program audits.

Current FAC participants indicated a willingness to continue to serve.

Marketing Committee: E. DeRosa stated that the Marketing Committee's current membership includes:

- G. Cupo
- M. Koller
- Horizon

- United/Oxford

Current Marketing Committee participants indicated a willingness to continue to serve.

M. Koller made a motion, seconded by T. Pownall, to reconstitute the Legal Committee, the FAC and the Marketing Committee with their current membership. By roll call vote, the motion carried.

IV. Review of Minutes of August 19, 2020

M. Koller made a motion, seconded by N. Bernardi, to approve the minutes of the meeting of August 19, 2020, without amendment. By roll call vote, the motion carried.

V. Report of Staff – *Expense Report; Enrollment Report*

Expense Report

E. DeRosa noted there were no expenses for the SEH Board in August.

Enrollment Report

E. DeRosa stated that second quarter enrollment in the SEH program was reported to be about 300,122. She explained that, based on information from Board members, she was able to obtain some enrollment information from additional carriers offering level funded plans, and that, when added to the previously reported Professional Employer Organization and registered MEWA enrollment data, enrollment totaled about 185,695 lives in these alternative arrangements. She noted enrollment in NJFamilyCare stood at about 1,826,324 in August, which is 200,000 more people than were covered during January 2020.

The Board discussed the enrollment numbers, noting:

- Second quarter data reflects a period during which extended grace periods and other flexibilities were still in effect.
- Comparison of existing and new business in the SEH plans suggests small employer groups are shrinking generally, and it was suggested that, with the Federal Paycheck Protection Program's funding ending, businesses may not be able to maintain as many employees either full or part-time, with an increasing number of people losing eligibility.
- The Board should continue to support a viable option for those small employers that want and are able to provide a fully-insured coverage option for employees and their dependents.
- The Board should continue to monitor enrollment.

VI. Finance & Audit Committee (FAC) Report – *FY2020 Financial Statements and Management's Discussion and Analysis (MD&A)*

R. Lenox reported that the FAC met to review the Board's financials for the fiscal year ended June 30, 2020, and the MD&A for the fiscal period ended June 30, 2020. She reported that the FAC found the information appropriate and acceptable, but there is no recommendation because no action is required by the Board with respect to these specific reports. She highlighted the following:

- During FY2020, following completion of the program audit for FY2019, the Board issued the final administrative expense reconciliation for FY2019, resulting in a total refund of nearly \$100,800, including interest of \$141.
- Assets totaled \$430,455, of which \$118,058 are funds held for the Medicare Supplement Under 50 Program.
- Both assets and liabilities decreased as a result of the refund for the FY 2019 reconciliation.
- Total expenses increased by slightly more than \$19,700 between FY 2019 and 2020, but actual expenditures remained favorable to budget by \$4,574 due to lower than expected fringe, legal costs and overhead, offset by increases in salaries.

R. Lenox briefly discussed the following financial statements:

- Statement of Net Assets
- Statement of Changes in Net Assets
- Statement of Cash Flows
- Comparison of Budget and Actual Expenditures

In response to questions, R. Lenox noted that the assets and liabilities of the program (setting aside funds held for the Medicare Supplement Under 50 Program) are equivalent because the SEH Program is designed as a zero-sum program, in which all funds actually belong to the Board's members, with the members responsible for program expenses, and entitled to return of any amounts exceeding expenses. R. Lenox also explained that the MD&A is prepared as part of the year-end financial package, and for the auditors. She noted that the audit is expected to begin in the Fall.

VII. Public Comments

There was no public comment.

VIII. Close of Meeting

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

[The meeting adjourned at 10:45 A.M.]

Public known to be in attendance:

- Suzanne Fitzgerald, Savoy Associates