

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

Members participating: Herb Ames; Robert Benkert (United); Natalie Bernardi (Cigna); 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.

T. Taliaferro noted this was the final meeting of the Board in 2020 – a momentous year for everyone – and thanked his colleagues on the Board, Board staff, and public attendees for helping to sustain the momentum and work effort of the Board during this year.

II. Public Comments

There were no public comments.

III. Review of Minutes of November 18, 2020

M. Koller made a motion, seconded by T. Pownall, to approve the minutes of the meeting of November 18, 2020, without amendment. By roll call vote, the motion carried.

¹ Executive Order 103 (Murphy) has been continuously extended multiple times since originally issued, the most recent extension occurring on November 21, 2020 pursuant to Executive Order 200 (Murphy).

IV. Report of Staff – *Expense Report; 3Q2020 Enrollment; Update on Rules and Bulletin*

Expense Report

R. Lenox presented the December expense report, totaling \$14,627.13. She noted that the Board received invoices from all three newspapers for publication of the Board's 2021 meeting schedule, altogether totaling \$157.73, and that the Board received an invoice of \$14,469.40 from WithumSmith+Brown for fiscal year 2020 audit costs. She recommended the Board authorize a transfer of funds from the Board's Money Market Account to its Checking Account equal to the total expenses presented in order to pay Board operating expenses.

H. Ames made a motion, seconded by L. Gunn, to approve payment of the expenses, and transfer of \$14,627.13 from the SEH Board's Wells Fargo Money Market Account to its Wells Fargo Checking Account to pay for the approved operating expenses. By roll call vote, the motion carried.

Enrollment 3Q2020

E. DeRosa reported that SEH enrollment totals had dropped below 300,000 (recorded at 296,176), with SEH enrollment continuing to be lower than IHC enrollment (at 304,346). She noted one positive fact in the numbers is that the decline in enrollment was not as steep as it was in the three prior quarters.

There was some discussion about the declining enrollment, with the following being noted among members:

- As indicated previously, the Board needs to continue to monitor the situation, analyze potential reasons for declines, and consider ways in which the Board or the DOBI might address some of the reasons for the decline.
- An affirmation that there should always be a fully-insured option for small employers available.
- An affirmation that alternative funding mechanisms are being aggressively marketed.
- An acknowledgment that it is possible potential solutions may require legislation.

P. Gennace stated that, as a result of budget language for FY2020, the DOBI has been pursuing an actuarial study to look at a number of issues in both the individual and small employer markets, including the decline in SEH enrollment and strategies for mitigating the decline, but that the study is not far along as yet.

Update on Rule Proposal and Bulletin

In response to questions, E. DeRosa stated that she had no information on the progress of either the SEH rule proposal, or the bulletin addressing the small employer application. She recommended that carriers continue to issue the policy forms as adopted in 2018, noting that the forms' Compliance with Law provision should be used to administer the policies in compliance with current applicable federal and state law. She also pointed out that the Compliance with Law provision cannot be used to address certain actions taken by the Board that are not required by federal or state law, consequently, carriers should not revise their contract administration with respect to those issues.

V. Public Comments

There was no public comment.

VI. Close of Meeting

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

[The meeting adjourned at 10:25 A.M.]

Public known to be in attendance:

- Suzanne Fitzgerald, Savoy Associates
- Kira Magnani, Martin Insurance