

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
January 20, 2021

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

E. DeRosa stated she had two announcements. First, she stated that Lilah Gumbas, who provided secretarial support to the Board, passed away on January 16, and noted that Lilah will be missed very much. Second, she reported Rich Loconte is taking a new position, and that today’s meeting will be his final meeting representing Oscar. Condolences and congratulations were made.

II. Public Comments

There were no public comments.

III. Review of Minutes of December 16, 2020

M. Koller made a motion, seconded by L. Gunn, to approve the minutes of the meeting of December 16, 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 January 19, 2021 pursuant to Executive Order 215 (Murphy).

IV. Report of Staff – Expense Report; Update on Rules and Bulletin

Expense Report

R. Lenox presented the January expense report, with expenses totaling \$4,256.40. She noted that expenses included \$2,202.00 in 1Q actual charges from the Division of Law, and \$2,054.40 in audit costs from WithumSmith+Brown for FY2020. She suggested the Board approve transfer of \$4,300 from the Board's Money Market fund to its Checking Account.

G. Cupo made a motion, seconded by M. Koller, to approve payment of the expenses, and to approve the transfer of \$4,300.00 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.

Updates

In response to questions, E. DeRosa stated that she had no updates regarding the Board's rule proposal or the bulletin.

V. Loss Ratio Report for CY 2019

Fred Brinkman, an actuary for the DOBI, presented the 2019 New Jersey Loss Ratio Report for the SEH Program. F. Brinkman explained that the DOBI reviewed in greater depth the various components comprising each carrier's premiums and claims information. This explanation was supplemented by Seong-Min Eom, DOBI's Chief Actuary for Life and Health, who noted that F. Brinkman verified the values of all of the information submitted to gain a better understanding of what was behind numbers in the premiums and claims. Both S. Eom and F. Brinkman noted the goal is to update and enhance instructions for carriers in an effort to improve DOBI and carrier communications and smooth the submission and review process for all going forward.

With respect to the specific report, F. Brinkman highlighted the following:

- SEH Program claims = \$1,776,438,068
- SEH Program premiums = \$2,260,744,486
- SEH Program loss ratio = 78.6%
- Separate carrier loss ratios ranged from nearly 66% to about 103%
- 4 of the 7 carriers in the SEH market owed a refund under New Jersey's loss ratio rules, the combined amount totaling \$34,308,208.
- 1 of the 4 carriers also owed a refund under the Federal medical loss ratio rules, totaling \$1,283,718; F. Brinkman explained that any state refunds owed by a company are reduced by federal refunds owed by the same company, which resulted in the New Jersey refund amount owed by AmeriHealth Insurance Company for 2019 being eliminated (because AmeriHealth Insurance Company's federal refund amount exceeded its state refund amount).

F. Brinkman also noted that the market-wide loss ratio has generally declined since 2014, when it was determined to be 84.6%.

F. Brinkman stated that the loss ratio report would be posted on the website.

VI. Public Comments

There was no public comment.

VII. 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 10:20 A.M.]

Public known to be in attendance:

- Paige Chan, NJBIA