

**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  
August 21, 2003**

**Members participating:** Thomas Collins (arrived at 10:00 a.m.) Gary Cupo; Darrel Farkus (Oxford); Jack Kalosy (HealthNet) (arrived at 9:50 a.m.); Sandy Herman (Guardian); Kelly Stewart Maer; Vicki Mangiaracina (DOBI); Robert Shalongo (United); Jim Stenger; Tony Taliaferro (AmeriHealth) (arrived at 10:00 a.m.); Michael Torrese (Horizon BCBSNJ); Joseph Tricarico, Jr. (DOHSS); Dutch Vanderhoof.

**Others present:** Ellen DeRosa, Deputy Executive Director; DAG Karyn Gordon (DOL); Rosaria Lenox, Accountant; Wardell Sanders, Executive Director.

**I. Call to Order**

J. Stenger called the meeting to order at 9:35 a.m. W. Sanders announced that notice of the meeting had been published in three newspapers and posted at the Department of Banking and Insurance (“DOBI”), the DOBI website, and the Office of the Secretary of State in accordance with the Open Public Meetings Act. Roll call was taken. A quorum was present.

**II. Public Comments**

J. Stenger asked if any member of the public wished to address the Board. No comments were offered.

**III. Minutes**

*June 18, 2003*

**D. Vanderhoof offered a motion to approve the minutes of the Open Session of the June 18, 2003 Board meeting, as amended. M. Torrese seconded the motion. The Board voted unanimously in favor of the motion.**

**IV. Staff Report**

*Expense Report (see attached)*

**D. Vanderhoof offered a motion to approve the payment of the expenses specified on the August 21, 2003 expense report. G. Cupo seconded the motion. The Board voted unanimously in favor of approving the motion.**

## *Legislative Report*

### Federal

W. Sanders said that under the Federal Trade Act, qualified persons may qualify for an advanceable 65% tax credit toward qualified health insurance. Both COBRA and State continuation are valid coverage vehicles. He reported that New Jersey elected state continuation as a qualified vehicle. He said the Federal Government hired a firm named Accenture to administer continuations. He said New Jersey was exploring a discretionary group approach.

### State

The Department released a Bulletin on self-funded plans, 03-16.

The Board briefly discussed the Licensed Beverage Association plan which was a self-funded plans that recently stopped paying claims.

### *Optional Benefit Rider Filings*

E. DeRosa said AmeriHealth submitted two riders, one that provides “guest advantage” benefits and the other that provides a limited vision benefit. She said the guest advantage rider is the SEH companion to a similar product offered in the large group market, and she noted it had been approved by the Department. E. DeRosa recommended that both riders be found complete and in substantial compliance.

**J. Kalosy offered a motion to find the riders complete and in substantial compliance. V. Mangiaracina seconded the motion. The Board voted in favor of the motion, with T. Taliaferro abstaining.**

### *Draft Readoption*

W. Sanders said that the Board must be prepared to vote to repropose the regulations at the September Board meeting. He reported that the Legal Committee reviewed the draft as of August 14, 2003. Set forth below is an identification of the text being discussed followed by a summary of any discussion and/or any conclusions reached by the Board.

### N.J.A.C. 11:21-7.15

D. Vanderhoof noted that the draft includes a new section that addresses modification of a waiting period. He asked what happens to employees already serving in a waiting period at the time the duration is changed. E. DeRosa explained that a change could be designated as applying only to persons hired on or after a specified date.

### Comment 59 (Home Health Care)

The Board discussed the cost of the current unlimited benefits for home health care and private duty nursing. The Board agreed to investigate the cost impact if the unlimited benefits were reduced to 90 visits or perhaps 180 visits per year. The Board also agreed to consider the cost of limiting private duty nursing to 70 hours per year.

DAG K. Gordon cautioned the Board that any change must not be arbitrary or capricious.

Methadone maintenance

The Board agreed that the plans should cover the cost of methadone maintenance.

Wellness benefits

The Board agreed to increase the annual benefit from \$300 to \$500 and from \$500 to \$750 in the first year of life.

Developmental Disability

The Board agreed to define the term developmental disability.

Participation Requirements

The Board considered limiting an employer to one plan per delivery system as a means to reduce antiselection and contain administrative costs.

**M. Torrese offered a motion that the Board limit employers to one plan per delivery system. D. Farkus seconded the motion. The motion did not pass, with 3 voting in favor (Farkus, Torrese, Taliaferro) and 9 opposed (Collins, Cupo, Herman, Kalosy, Mangiaracina, Shalongo, Stenger, Tricarico, and Vanderhoof) .**

**J. Kalosy offered a motion that the Board limit employers to two plans per delivery system. R. Shalongo seconded the motion. The Board voted unanimously in favor of the motion.**

Assessment

The Board agreed to include \$5.00 as a *deminimus* assessment payment and thus avoid carriers having to send checks to amounts less than \$5.00.

Standard claim form

The Board noted that HINT requires use of standard claim forms and the HINT requirements apply in the SEH market.

Employer Certification Form

The Board agreed that carriers may send the annual certification up to 150 days prior to the renewal date in order that it would be returned in ample time to send the renewal 60 days in advance.

Maximum Out of Pocket

The board agreed to replace the coinsurance cap and coinsured charge limit features with a maximum out of pocket feature. E. DeRosa asked carriers to provide suggested dollar amounts for the maximum out of pocket.

The Board agreed to have a meeting prior to the meeting scheduled for September 17, 2003. W. Sanders said staff would send an email to carriers stating the questions carriers needed to provide feedback on.

**V. Public Comments**

J. Stenger asked if any member of the public wished to comment on the meeting. No comments were offered.

**VI. Close of Meeting**

**R. Shalongo offered a motion to adjourn the Board meeting. J. Kalosy seconded the motion. The Board voted unanimously in favor of the motion.** [The meeting adjourned at 12:27 p.m.]

Attachments: Expense Report