

**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  
September 11, 2003**

**Members participating in Trenton:** Vicki Mangiaracina (DOBI); Jim Stenger.

**Members participating by phone from other locations:** Thomas Collins; Gary Cupo; Darrel Farkus (Oxford); Jack Kalosy (HealthNet); Ulysses Lee (Guardian) (arrived at 9:45 a.m.); Kelly Stewart Maer; Mary McClure (Aetna); Robert Shalongo (United); Tony Taliaferro (AmeriHealth); Michael Torrese (Horizon BCBSNJ); Joseph Tricarico, Jr. (DOHSS); Dutch Vanderhoof.

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

**I. Call to Order**

J. Stenger called the meeting to order at 9:30 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. E. DeRosa took roll call. A quorum was present.

W. Sanders explained that this meeting was in addition to previously scheduled meetings. Since many members were participating by phone he asked persons speaking to identify themselves.

**II. Discussion of Proposal Readoption**

W. Sanders asked the Board to consider the September 10, 2003 memo from staff that identified the issues for discussion. The items listed below correspond to the items identified in the memorandum.

**Item 3**

W. Sanders reminded the Board that proposals must include an economic impact statement. Board members were asked to provide information no later than September 17, 2003.

**Item 6**

The Board agreed to use the number of employees as of the employer certification to determine application of the pre-existing conditions exclusion.

Item 7

The board did not agree upon an effective date. W. Sanders noted that it could be included as part of the adoption.

Item 9

The Board agreed to use the definition of developmental disability from the Federal Developmental Disabilities Act.

Item 8

The Board discussed the administrative cost associated with allowing multiple plans as well as the potential for adverse selection. W. Sanders said the Board originally considered limiting employer to one plan per delivery system then opted to allow two plans per delivery system. However, if an employer were to apply for three plans, the board recognized it would be impossible to determine which two plans would count toward participation. D. Farkus said that unless the Board limits employers to one plan per delivery system there would be no reduction to the administrative costs or adverse selection.

**D. Farkus offered a motion to limit employers to one plan per delivery system. D. Farkus seconded the motion. The motion did not carry, with 3 in favor and 10 opposed.**

The Board agreed to continue to allow multiple plans.

Issues 1, 2 and 4

M. McClure said her actuary said that limiting home health care to 60 visits could save a carrier between \$1 million and \$2 million. T. Taliaferro noted that an unlimited home health care benefit is an anomaly in an industry that typically limits coverage. M. McClure said she would prefer to see the coverage comparable to that offered in other markets. J. Tricarico noted that once a benefit has been given to consumers it should not be taken back. V. Mangiaracina said that although she is concerned with cost she did not think the coverage for home health care should be reduced. DAG K. Gordon said that if the board were to take the benefit away or reduce it, the board would need to prove that its action was reasonable or the board could lose the case upon challenge.

**M. McClure offered a motion to retain the existing level of unlimited benefits for home health care and private duty nursing. The Board voted in favor of the motion, with three opposed.**

Issue 5

The Board recognized that the Department's proposed regulation states that a network maximum out of pocket cannot exceed \$5,000. The Board suggested that the non-network maximum out of pocket should be up to three times the network maximum out of pocket. The family maximum out of pocket should be either 2 times or 3 times the per person maximum, to the extent allowed.

**M. McClure offered a motion to replace the coinsurance cap and coinsured charge limit with a maximum out of pocket. J. Kalosy seconded the motion. The Board voted unanimously in favor of the motion.**

**III. Close of Meeting**

**V. Mangiaracina offered a motion to adjourn the Board meeting. K. Stuart-Maer seconded the motion. The Board voted unanimously in favor of the motion. [The meeting adjourned at 11:05 a.m.]**

Attachments: September 10, 2003 memorandum