FINAL MINUTES OF THE ANNUAL 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 19, 2007

Members participating: Tom Collins; Gary Cupo; Darrel Farkus (United) (arrived at 10:12 a.m.); Jack Kalosy (HealthNet); Margaret Koller; Ulysses Lee (Guardian); Kevin Rooney (CIGNA) (arrived at 10:15); Gale Simon (DOBI); Christine Stearns; James Stenger; Tony Taliaferro (AmeriHealth); Mike Torrese (Horizon); Dutch Vanderhoof (arrived at 10:25).

Others participating: Ellen DeRosa, Executive Director; Rosaria Lenox, CPA, Program Accountant; DAG Vicki Mangiaracina (DLPS).

I. Call to Order

J. Stenger called the meeting to order at 10:07 a.m. E. DeRosa announced that notice of the meeting had been published in two 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 noted that notice had been given that the meeting of September 19, 2007 would be the annual meeting of the SEH Board. A quorum was present.

II. Public Comments

E. DeRosa invited public comments. None were offered.

III. Minutes

August 1, 2007

M. Taylor offered a motion to approve the minutes of the Open Session of the August 1, 2007 Board meeting, without amendments. T. Collins seconded the motion. The Board voted unanimously in favor of the motion.

IV. Elections

E. DeRosa reminded the Board members that four seats were open for purposes of the election: a representative of small business, for which Christine Stearns had been renominated; a carrier representative primarily doing business in the small group market, for which no nomination had been received; a health service corporation, for which Horizon had been renominated (and for which only Horizon qualifies); and, an HMO, for which Aetna had been renominated. R. Lenox tallied the votes from both the in-person and absentee ballots, with the following results:

- Christine Stearns received 6 votes to serve in the small business representative seat
- Horizon received 6 votes to serve in the health service corporation seat
- Aetna received 6 votes to serve in the HMO seat
- Guardian received 5 write-in votes to serve in the small group carrier seat

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A representative of Guardian was at the meeting and accepted the results of the write-in election. Each representative was elected to serve a three-year term.

M. Torrese nominated James Stenger to continue serving as the Chair of the Board, and Tony Taliaferro to serve as Vice Chair. There were no other nominations for these positions.

The Board voted unanimously in favor of J. Stenger serving as Chair of the Board. The Board voted unanimously in favor of Tony Taliaferro serving as Vice Chair of the Board.

- E. DeRosa handed out information on the current standing committees of the SEH Board, and each committee's current composition. She reminded Board members that no more than eight Board members may serve on any committee or the committee meetings would become subject to the Open Public Meetings Act.
- T. Taliaferro made a motion to retain the existing standing committees as currently composed. M. Torrese seconded the motion, and the Board voted unanimously in favor of the motion.

The standing committees and their respective participants remain as follows:

- Policy Forms Aetna, AmeriHealth, CIGNA, HealthNet, Horizon, DOBI, M. Koller
- Legal Aetna, AmeriHealth, Guardian, Horizon, Oxford, DOBI, C. Stearns, D. Vanderhoof
- Finance & Audit AmeriHealth, HealthNet, Horizon, Oxford, DOBI, W. Beebe, T. Collins
- Marketing Aetna, HealthNet, Horizon, Oxford, T. Collins, G. Cupo, M. Koller, D. Vanderhoof

V. Staff Report

Expense Report

R. Lenox presented the expense report for September 2007.

M. Torrese offered a motion to approve the payment of the expense specified on the September 2007 expense report. D. Farkus seconded the motion. The Board voted unanimously in favor of the motion.

Enrollment Reports 2007

E. DeRosa stated SEH enrollment continues to decline while IHC enrollment is increasing, but that the decreases in SEH are not offset by the increases in IHC enrollment.

Optional Benefit Rider Filings

E. DeRosa reported that two rider filings had been received and included the supporting documentation required by N.J.A.C. 11:21-3.1.

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HealthNet filed a rider to include language permitting opposite gender domestic partners to be considered eligible for coverage under the policy.

- J. Kalosy recused himself from any vote on the rider because of the interest his employer, HealthNet, has in the outcome of the vote.
- D. Farkus made a motion to approve the HealthNet rider permitting coverage of opposite gender domestic partners, with G. Cupo seconding the motion. The Board voted unanimously to approve the motion.

Oxford submitted a rider to cover full-time students to age 25.

- D. Farkus recused himself from any vote on the rider because of the interest his employer, Oxford, has in the outcome of the vote.
- M. Torrese made a motion to approve the Oxford rider permitting coverage of full-time students under a parent's policy to age 25. J. Stenger seconded the motion. The Board voted unanimously to approve the motion.

V. Report of the Finance and Audit Committee

Auditors

R. Lenox reported that the Finance and Audit Committee met with auditors from McEnerney, Brady & Co. as required by Executive Order 122 before they began audit work. They began field work on August 8, 2007.

Annual Financial Statements

R. Lenox reviewed the financial statements for fiscal year 2007, which ended June 30, 2007.

VI. Public Comments

Another opportunity was presented for public comments. None were offered.

VII. Executive Session

- E. DeRosa announced that the Board would need to move into Executive Session to discuss certain vendor contracting issues, and stated that she did not anticipate that the Board would engage in any additional action upon its return to open public session.
- D. Vanderhoof made a motion to move the Board meeting into Executive Session. G. Simon seconded the motion, and the Board voted unanimously in favor of moving into Executive Session.

[Executive session from 10:40 A.M. through 10:50 A.M.]

VIII. Close of Meeting

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J. Kalosy offered a motion to adjourn the Board meeting. D. Vanderhoof seconded the motion, and the Board voted unanimously in favor of the motion.

[The meeting adjourned at 10:51 A.M.]