



**Date:** October 14, 2003  
**To:** NJ State NAHU Board  
**From:** Jack Kalosy, HIA, NJ State Legislative Chair

**Telephone:** 732-643-7340  
**Facsimile:** 732-643-7444

**Subject:** October Legislative Report

1 Details on the PAC

- July 2003 started a new fiscal year for the NJAHUs PAC called Health Insurance Agents PAC (HIAPAC). Fiscal year to date we have made political contributions to NJ state Legislators totaling \$1,000.00. We have a balance of \$2,193.93 in the PAC as of October 14, 2003. If you donated last year to your PAC, thank you for your support last year. It is important to remember that the PAC needs to be funded on an annual basis. We are asking all members to donate at least \$25 per year. If you can donate more, please do so.
- We need additional Fundraisers for the PAC.
- North Jersey AHU has agreed to donate HIAPAC lapel pins for our PAC.

2 Current Legislative Environment

- The Legislature is in recess for elections. The entire Legislature is up for re-election this November. This is a critical time, take the initiative to offer your help to your local legislative candidate of choice in their election bid. You can offer your help in two ways financial or volunteer your services to their election campaign.
- Adopt a Legislator Program is being implemented by Dave Mordo
- The Legislative Management Team had a meeting on October 7, 2003 to discuss our goals and agenda for the fourth quarter 2003. We had 13 members present at the LMT meeting.
- Legislative Meeting Reports:
  - Sen. Diane Allen R-7 – NJBIA 10/1/03
  - Sen. Robert Singer R-30 – district office 9/2/03
  - Jessica Waltman (NAHU National) met with NJDOBI Commissioner Holly Bakke at the NAIC meeting in Chicago on September 15<sup>th</sup>. Jessica discussed the maximum out of pocket placed on in network benefits by the DOBI among other topics.
  - Joan Fusco will be attending a meeting held by the Chamber of Commerce with the Commissioner Bakke on October 15<sup>th</sup>, 2003.

3. Important Legislative Issues to address this Quarter

- 2:1 rate ratios for the individual marketplace.
- Make NJ Statutory Continuation look like Federal COBRA.
- Add percentage of eligible employees participating in the group as a rating factor.
- We are looking into language in the NJ Producer Act that allows non-licensed entities to be paid a referral fee (AKA Rebating).

4. Event planning

- Health Forum
- Capitol Conference
- Storming the Statehouse

**I am attaching a copy of the "DRAFT"** (\* These draft minutes of the Open Session of the New Jersey Small Employer Health Benefits Program ("SEH") Board have not been reviewed or approved by the SEH Board. As a result, the contents may not accurately reflect the actions of the SEH Board. This draft is subject to change and modification. Please refer to the approved minutes, when available, for the official actions of the SEH Board.) **minutes from the September 17<sup>th</sup> meeting of the SEH Board for you information:**

**DRAFT\***  
**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 17, 2003**

**Members participating:** Thomas Collins; Gary Cupo; Darrel Farkus (Oxford); Jack Kalosy (HealthNet); Sandy Herman (Guardian); Kelly Stewart Maer; Vicki Mangiaracina (DOBI); Robert Shalongo (United); Jim Stenger; Tony Taliaferro (AmeriHealth); 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 10:10 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. Staff Report**

*Expense Report (see attached)*

**M. McClure offered a motion to approve the payment of the expenses specified on the September 17, 2003 expense report. V. Mangiaracina seconded the motion. The Board voted unanimously in favor of approving the motion.**

*Optional Benefit Rider Filings*

E. DeRosa said Aetna submitted optional benefit riders that provide limited dental and vision services. She said the staff recommendation was to find the filing complete and in substantial compliance.

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

*Draft Readoption*

E. DeRosa reviewed a chart that summarized the changes made to the standard plans and identified which plans were affected by each change.

The Board asked that the following be addressed in the proposed readoption:

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- a) The maximum out of pocket should be crafted such that there may be a distinct maximum for network and no-network benefits or the maximum may be combined for network and non-network.
- b) In the participation section of the regulation and the policy forms it should be clear that only an employer's fully-insured plan would count toward participation.
- c) In the definition of reasonable and customary, the text should explain that a consumer may be billed for the excess over the allowable charge.
- d) Verify that the conditions for a special open enrollment period in the plans are consistent with the requirements under HIPAA.
- e) Allow HMO copays of \$40 and \$50.
- f) Allow the initial maternity copayment to be either \$25 or the same as the physician visit copayment, at the carrier's option.
- g) Allow the emergency room copayment to be \$50, \$75, or \$100, at the carrier's option.
- h) Allow the calculation of the family deductible and maximum out of pocket to be satisfied either on a per individual basis or on an aggregate basis, at the carrier's option.

*[Break: 12:10 p.m. – 12:25 p.m.]*

- i) Check the requirements under COBRA regarding the period for notice to the qualified beneficiary.
- j) J. Stenger asked that the Mission Statement address affordability. M. McClure suggested that the mission is accessibility. After some discussion, J. Stenger withdrew his suggestion.
- k) T. Taliaferro asked about the guaranteed renewability of optional benefit riders carriers have filed. If a rider is no longer appropriate given forms changes, may a carrier non-renew the rider? The Board agreed to review the issue.

**M. McClure offered a motion to propose the regulations and policy forms, with changes as discussed. V. Mangiaracina seconded the motion. The Board voted unanimously in favor of the motion.**

#### **IV. Close of Meeting**

**M. Torrese offered a motion to adjourn the Board meeting. S. Herman seconded the motion. The Board voted unanimously in favor of the motion. [The meeting adjourned at 1:20 p.m.]**

Attachments: Expense Report  
Chart Outlining Changes

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**This is the list of bills that the NJAHU Legislative team is tracking.  
Health Underwriters Bill Tracking list (2002-2003)**

**Health Underwriters (2002-2003)**

**Bill: A374**

Wisniewski (D19)

**Sponsor  
s:**

Requires health insurers to cover well baby visits during the first two years of life.

**Summary  
:**

2002:S2095; 2000:A1692; 1998:A1939

**Related  
:**

**Status:** 01/08/2002 - Assembly Health and Human Services Committee

01/08/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.

**:**

Support

**Positio  
n:**

**Bill: A909**

Edwards (D34)

**Sponsor  
s:**

Prohibits HMO's from imposing certain restrictions regarding provision of health care services to enrollees.

**Summary  
:**

2002:S962; 2000:A288; 2000:S899; 1998:A326;

**Related** 1998:S734; 1996:A2499

**:**

**Status:** 01/08/2002 - Assembly Health and Human Services Committee

01/08/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.

**:**

Monitor

**Positio  
n:**

Health Underwriters

**Categor  
y:**

**Bill: A915 Acs (ACS)**

Edwards (D34); Weinberg (D37) +2

**Sponso  
rs:**

"New Jersey Health Care Consumer Information Act."

**Summar  
y:**

2002:S571; 2000:A2439; 2000:S575; 1998:S766

**Relate  
d:**

12/12/2002 - Substituted by another bill

**Status  
:**

01/08/2002 - Introduced and referred to Assembly Health and Human Services Committee.

**Histor  
y:**

12/09/2002 - Reported out of committee with committee substitute, referred to Assembly Banking and Insurance Committee. Reported out of committee, referred to Assembly Appropriations Committee. Reported out of committee, 2nd reading in Assembly. 12/12/2002 - Substituted by S-571 (SCS).  
Monitor

**Positi  
on:**

Health Underwriters

**Catego  
ry:**

**Bill: A1019**

Connors, C. (R9); Moran (R9) +3

**Sponsor****s:**

Requires that chiropractors and physicians be reimbursed at same rate under various health and accident plans.

**Summary****:**

2000:A1883; 1998:A411; 1996:A2955

**Related****:**

**Status:** 01/08/2002 - Assembly Banking and Insurance Committee

01/08/2002 - Introduced and referred to Assembly

**History** Banking and Insurance Committee.**:**

Oppose

**Position:****n:**

Health Underwriters

**Category:****y:****Bill: A1369**

Corodemus (R11)

**Sponsor****s:**

Requires HMOs and small employer health benefits plans that cover routine foot care to permit podiatric physicians to provide such services.

**Summary****:**

2000:A1205; 1998:A1400; 1996:A2905

**Related****:**

**Status:** 01/08/2002 - Assembly Health and Human Services Committee

01/08/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.**:**

Monitor

**Position:****n:**

**Bill: A1371**

Corodemus (R11)

**Sponsor****s:**

Defines routine foot care services under an insurance policy.

**Summary****:**

2002:S2715; 2000:A1941; 2000:S787

**Related****:****Status:** 01/08/2002 - Assembly Health and Human Services Committee

01/08/2002 - Introduced and referred to Assembly

**History**

Health and Human Services Committee.

**:**

Monitor

**Position:****n:****Bill: A1392**

Doria (D31)

**Sponsor****s:**

Revises operations of Individual Health Coverage and Small Employer Health Benefits programs.

**Summary****:**

2000:A1606; 2000:S728; 1998:A3569; 1998:S2216

**Related****:****Status:** 01/08/2002 - Assembly Banking and Insurance Committee

01/08/2002 - Introduced and referred to Assembly

**History**

Banking and Insurance Committee.

**:**

Health Underwriters

**Category:****y:**

**Bill: A1715**

Friscia (D19)

**Sponsor****s:**

Prohibits hospital from denying admission or

**Summary** services to patient based on patient's HMO  
**:** coverage, and requires HMO's to cover legitimate  
 emergency health care.

2002:S537; 2000:A131; 2000:S750; 1998:A3429

**Related****:**

**Status:** 02/04/2002 - Assembly Health and Human Services  
 Committee

02/04/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.

**:**

Monitor

**Positio****n:****Bill: A1778 Aca (1R)**

Weinberg (D37); Sarlo (D36) +4

**Sponsor****s:**

"Health Care Claims Payment Responsibility Act."

**Summary****:**

2002:S486; 2000:A1656; 2000:S370; 1998:A2626;

**Related** 1998:S1455

**:**

**Status:** 11/25/2002 - Assembly Banking and Insurance  
 Committee

02/11/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.

**:**

11/25/2002 - Reported out of committee with  
 committee amendments, referred to Assembly Banking  
 and Insurance Committee.

Monitor

**Positio****n:**

Health Underwriters

**Categor****y:**

**Bill: A1890**

Cohen (D20) +1

**Sponsor****s:**

"Health and Dental Claims Authorization, Processing and Payment Act."

**Summary****:****Status:** 02/21/2002 - Assembly Banking and Insurance Committee

02/21/2002 - Introduced and referred to Assembly

**History** Banking and Insurance Committee.**:**

Oppose

**Position:****n:****Bill: A1897 AcaAa (2R)**

Weinberg (D37); Quigley (D32) +4

**Sponsor****s:**

Provides procedures for payment to out-of-network dentists when covered person receives payment directly from dental insurer.

**Summary****:**

2002:S1409; 2000:A2168; 2000:S1290; 1998:A1658;

**Related** 1998:S772; 1996:A2810; 1996:S1915**:****Status:** 06/30/2003 - Substituted by another bill

02/21/2002 - Introduced and referred to Assembly

**History** Banking and Insurance Committee.**:**

05/09/2002 - Reported out of committee with committee amendments, 2nd reading in Assembly.

06/23/2003 - Amended on Assembly floor, 2nd reading in Assembly (Weinberg).

06/30/2003 - Substituted by S-1409 (2R).

Monitor

**Position:****n:**

**Bill: A1933**

Vandervalk (R39); Weinberg (D37) +7

**Sponsor****s:**

Requires Medicaid coverage of HIV drug resistance testing.

**Summary****:**

2002:A2444; 2002:S2256

**Related****:****Status:** 10/21/2002 - Combined with another bill  
02/28/2002 - Introduced and referred to Assembly**History** Health and Human Services Committee.**:** 10/21/2002 - Combined with A-2444.

Monitor

**Position:****n:****Bill: A2356**

Bodine (R8); Chatzidakis (R8) +1

**Sponsor****s:**

Creates commission to study ways to increase insurance competition in New Jersey.

**Summary****:**

2002:S1539

**Related****:****Status:** 05/16/2002 - Assembly Banking and Insurance  
Committee  
05/16/2002 - Introduced and referred to Assembly**History** Banking and Insurance Committee.**:**

**Bill: A2357**

Fisher (D3)

**Sponsor****s:**

Requires HMO's to provide standing referrals for

**Summary** specialists to enrollees with chronic illnesses or  
: conditions.**Status:** 05/16/2002 - Assembly Banking and Insurance  
Committee

05/16/2002 - Introduced and referred to Assembly

**History** Banking and Insurance Committee.

:

Monitor

**Positio****n:****Bill: A2444 AcsAca (ACS/1R)**

Roberts (D5); Greenwald (D6); Vandervalk (R39);

**Sponsor** Weinberg (D37) +10**s:**

Requires Medicaid coverage of HIV drug resistance

**Summary** testing.

:

2002:A1933; 2002:S2256

**Related**

:

**Status:** 05/08/2003 - Senate Budget and Appropriations  
Committee

06/13/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.

:

10/21/2002 - Reported out of committee with  
committee substitute, referred to Assembly  
Appropriations Committee.12/09/2002 - Reported out of committee with  
committee amendments, 2nd reading in Assembly.

03/03/2003 - Passed in Assembly 79-0-0.

03/10/2003 - Received in Senate and referred to  
Senate Health, Human Services and Senior Citizens  
Committee.05/08/2003 - Reported out of committee, 2nd reading  
in Senate. Referred to Senate Budget and  
Appropriations Committee.

Monitor

**Positio****n:**

**Bill: A2487 Acs (ACS)**

Weinberg (D37); Johnson (D37); Previte (D6) +11

**Sponso****rs:**

Revises statutory mental health coverage

**Summar****y:**

requirements and requires all health insurers to cover alcohol and drug addiction treatment under same terms and conditions as for other diseases or illnesses.

2002:S1633

**Relate****d:**

02/27/2003 - Assembly Appropriations Committee

**Status**

:

06/17/2002 - Introduced and referred to Assembly Health and Human Services Committee.

**Histor****y:**

02/27/2003 - Reported out of committee with committee substitute, referred to Assembly Appropriations Committee.

Monitor

**Positi****on:**

**Bill: A2503**

Wisniewski (D19) +2

**Sponsor****s:**

Redirects \$125 million in payroll taxes from UI

**Summary** Fund to Health Care Subsidy Fund.**:**

2002:S1628

**Related****:****Status:** 06/30/2002 - Bill or Resolution Signed by the Governor

06/06/2002 - Introduced and referred to Assembly

**History** Appropriations Committee. Reported out of committee, 2nd reading in Assembly.**:**

06/13/2002 - Passed in Assembly 45-33-0. Received in Senate and referred to Senate Budget and Appropriations Committee.

06/20/2002 - Reported out of committee, 2nd reading in Senate.

06/24/2002 - Substituted for S-1628. Passed in Senate and sent to Governor 37-0.

06/30/2002 - Signed by the Governor P.L.2002, c.29. Monitor

**Position:****:**

**Bill: A2759 Aca (1R)**

Weinberg (D37); Ahearn (G38) +2

**Sponsor****s:**

Provides in-network benefits to patient with disability for services provided by out-of-network provider under certain circumstance.

**Summary****:**

2002:S1919

**Related****:**

**Status:** 05/19/2003 - Senate Health, Human Services and Senior Citizens Committee  
09/19/2002 - Introduced and referred to Assembly

**History****:**

Health and Human Services Committee.  
10/21/2002 - Reported out of committee with committee amendments, referred to Assembly Appropriations Committee.  
03/10/2003 - Reported out of committee, 2nd reading in Assembly.  
05/15/2003 - Passed in Assembly 77-0-0.  
05/19/2003 - Received in Senate and referred to Senate Health, Human Services and Senior Citizens Committee.  
Monitor

**Position:****n:****Bill: A2926 Aca (1R)**

Cohen (D20) +1

**Sponsor****s:**

Requires managed care carriers to provide certain physicians with fee schedules.

**Summary****:**

2002:S317; 2000:A3952; 2000:S1735

**Related****:**

**Status:** 06/16/2003 - 2nd reading in the Assembly  
10/21/2002 - Introduced and referred to Assembly

**History****:**

Health and Human Services Committee.  
06/16/2003 - Reported out of committee with committee amendments, 2nd reading in Assembly.  
Monitor

**Position:****n:**

**Bill: A3097**

Vandervalk (R39)

**Sponsor****s:**

Permits continued NJ FamilyCare eligibility for parent whose child turns 19 under certain circumstances.

**Summary****:**

2002:S2104

**Related****:**

**Status:** 12/16/2002 - Assembly Health and Human Services Committee

12/16/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.

**:**

Monitor

**Position:****n:****Bill: A3137 Acs (ACS)**

Roberts (D5); Weinberg (D37); Vandervalk (R39) +3

**Sponsor****s:**

Establishes the Mandated Health Benefits Advisory Commission.

**Summary****:**

2002:S2275; 2000:A2479

**Related****:**

**Status:** 06/23/2003 - Substituted by another bill

12/16/2002 - Introduced and referred to Assembly

**History** Health and Human Services Committee.

**:**

06/16/2003 - Reported out of committee with committee substitute, 2nd reading in Assembly.

06/23/2003 - Substituted by S-2275 (SCS).

Support

**Position:****n:**

**Bill: A3157 Aca (1R)**

Weinberg (D37); Conaway (D7) +1

**Sponsor****s:**

Establishes voluntary Statewide physician joint purchasing alliance.

**Summary****:**

2002:S2266

**Related****:****Status:** 06/30/2003 - Senate Health, Human Services and Senior Citizens Committee

01/14/2003 - Introduced and referred to Assembly

**History** Health and Human Services Committee.**:**

02/03/2003 - Reported out of committee with committee amendments, 2nd reading in Assembly.

06/30/2003 - Passed in Assembly 77-3-0. Received in Senate and referred to Senate Health, Human Services and Senior Citizens Committee.

Oppose

**Position:****n:****Bill: A3289**

Burzichelli (D3); Fisher (D3); Johnson (D37) +3

**Sponsor****s:**

Establishes New Jersey Rx Program to reduce prescription drug prices.

**Summary****:**

2002:S2331

**Related****:****Status:** 02/04/2003 - Assembly Health and Human Services Committee

02/04/2003 - Introduced and referred to Assembly

**History** Health and Human Services Committee.**:**

Monitor

**Position:****n:**

**Bill: A3318 AcaSca (2R)**

Cohen (D20); Bateman (R16)

**Sponsor****s:**

Clarifies certain rating provisions for small employers health benefits purchasing alliance policies.

**Summary****:**

**Status:** 08/22/2003 - Bill or Resolution Signed by the Governor

02/10/2003 - Introduced and referred to Assembly

**History****:**

Banking and Insurance Committee.

03/10/2003 - Reported out of committee with committee amendments, 2nd reading in Assembly.

03/13/2003 - Passed in Assembly 78-0-0.

03/17/2003 - Received in Senate and referred to Senate Commerce Committee.

05/15/2003 - Reported out of committee with committee amendments, 2nd reading in Senate.

06/23/2003 - Passed in Senate 38-0. Received in Assembly, 2nd reading in Assembly to concur with Senate amendments.

06/30/2003 - Passed in Assembly and sent to Governor 80-0-0.

08/22/2003 - Signed by the Governor P.L.2003, c.163.

Monitor

**Positio****n:****Bill: A3371**

Stender (D22); Guear (D14) +1

**Sponsor****s:**

Requires health insurers to provide health benefits coverage for treatment of pathological gambling.

**Summary****:**

**Status:** 02/27/2003 - Assembly Banking and Insurance Committee

02/27/2003 - Introduced and referred to Assembly

**History****:**

Banking and Insurance Committee.

Oppose

**Positio****n:**

**Bill: A3621**

Weinberg (D37); Johnson (D37) +1

**Sponsor****s:**

Establishes voluntary Statewide joint purchasing alliance for persons covered by individual health benefits plans.

**Summary****:****Status:** 06/30/2003 - Senate Commerce Committee

05/19/2003 - Introduced and referred to Assembly

**History** Banking and Insurance Committee.**:**

06/05/2003 - Transferred to Assembly Health and Human Services Committee.

06/09/2003 - Reported out of committee, 2nd reading in Assembly.

06/30/2003 - Passed in Assembly 80-0-0. Received in Senate and referred to Senate Commerce Committee.

Oppose

**Position:****n:****Bill: A3743**

Weinberg (D37); Watson Coleman (D15); McKeon (D27);

**Sponsor** Roberts (D5); Impreveduto (D32)**s:**

"Family Equality Act"; establishes domestic partnerships.

**Summary****:****Status:** 06/05/2003 - Assembly Health and Human Services Committee

06/05/2003 - Introduced and referred to Assembly

**History** Health and Human Services Committee.**:**

11/07/2003 - Pension and Health Benefits Review

**Scheduled:** Commission, 10:00a, Division of Pensions and

Benefits, 50 West State Street, 1st Floor Boardroom, Trenton, NJ. (Rescheduled from 10/31/2003)

Monitor

**Position:****n:**

**Bill: A3797**

Scalera (D36)

**Sponsor****s:**

Provides for the regulation of long-term care insurance.

**Summary****:**

2002:S2532

**Related****:****Status:** 06/16/2003 - Assembly Banking and Insurance Committee

06/16/2003 - Introduced and referred to Assembly

**History** Banking and Insurance Committee.**:**

Support

**Position:****n:****Bill: S317**

Matheussen (R4)

**Sponsor****s:**

Requires managed care carriers to provide certain physicians with fee schedules.

**Summary****:**

2002:A2926; 2000:A3952; 2000:S1735

**Related****:****Status:** 01/08/2002 - Senate Commerce Committee

01/08/2002 - Introduced and referred to Senate

**History** Commerce Committee.**:**

Monitor

**Position:****n:**

**Bill: S486**

Vitale (D19); Matheussen (R4) +16

**Sponsors**

:

**Summary:** "Health Care Claims Payment Responsibility Act."

**Related:** 2002:A1778; 2000:A1656; 2000:S370; 1998:A2626;  
1998:S1455

**Status:** 01/08/2002 - Senate Commerce Committee

**History:** 01/08/2002 - Introduced and referred to Senate  
Commerce Committee.  
Monitor

**Position**

:

Health Underwriters

**Category**

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Respectfully Submitted,

Jack Kalosy

NJ State Legislative Chair