

17B:27A-29

LEGISLATIVE HISTORY CHECKLIST
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(Small Employer Health
Benefits Board)

NJSA: 17B:27A-29

LAWS OF: 1994 **CHAPTER:** 97

BILL NO: S641/S569

SPONSOR(S): Matheussen and Rive

DATE INTRODUCED: February 24, 1994

COMMITTEE: **ASSEMBLY:** _____
SENATE: Health

AMENDED DURING PASSAGE: No Senate Committee
substitute enacted

DATE OF PASSAGE: **ASSEMBLY:** June 27, 1994
SENATE: June 20, 1994

DATE OF APPROVAL: August 11, 1994

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, Nos. 641 and 569

STATE OF NEW JERSEY

ADOPTED MAY 19, 1994

Sponsored by Senators MATHEUSSEN and RICE

1 AN ACT concerning membership of the New Jersey Small
2 Employer Health Benefits Program Board of Directors and
3 amending P.L.1992, c.162.

4

5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. Section 13 of P.L.1992, c.162 (C.17B:27A-29) is amended to
8 read as follows:

9 13. a. Within 60 days of the effective date of this act, the
10 commissioner shall give notice to all members of the time and
11 place for the initial organizational meeting, which shall take
12 place within 90 days of the effective date. The members shall
13 elect the initial board, subject to the approval of the
14 commissioner. The board shall consist of [11 persons, including]
15 10 elected public members and two ex officio members who
16 include the Commissioner of Health and the commissioner or
17 their designees[, both of whom shall sit ex officio]. Initially, three
18 of the public members of the board shall be elected for a three
19 year term, three shall be elected for a two year term, and three
20 shall be elected for a one year term. Thereafter, all elected
21 board members shall [be elected] serve for a term of three years.
22 The following categories shall be represented among the elected
23 public members:

24 (1) Two carriers whose principal health insurance business is in
25 the small employer market;

26 (2) One carrier whose principal health insurance business is in
27 the large employer market;

28 (3) A health, hospital or medical service corporation;

29 (4) A health maintenance organization;

30 (5) A risk-assuming carrier;

31 (6) A reinsuring carrier utilizing the excess coverage provided
32 for in this act; and

33 (7) [Two] Three persons representing small employers, at least
34 one of whom represents minority small employers.

35 No carrier shall have more than one representative on the
36 board.

37 In addition to the 10 elected public members, the board shall
38 include six public members appointed by the Governor with the
39 advice and consent of the Senate who shall include:

40 Two insurance producers licensed to sell health insurance
41 pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.);

42 One representative of organized labor;

43 One physician licensed to practice medicine and surgery in this
44 State; and

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 Two persons who represent the general public and are not
2 employees of a health benefits plan provider.

3 The public members shall be appointed for a term of three
4 years, except that of the members first appointed, two shall be
5 appointed for a term of one year, two for a term of two years and
6 two for a term of three years.

7 A vacancy in the membership of the board shall be filled for an
8 unexpired term in the manner provided for the original election
9 or appointment, as appropriate.

10 b. If the initial board is not elected at the organizational
11 meeting, the commissioner shall appoint the public members
12 within 15 days of the organizational meeting, in accordance with
13 the provisions of paragraphs (1) through (7) of subsection a. of
14 this section.

15 c. The board shall determine the Statewide average payment
16 per insured for each benefit plan provided for under this act.
17 Each carrier who satisfies the efficiency and risk management
18 standards promulgated by the board pursuant to subsection f. of
19 section 15 of this act and whose average cost of insuring
20 individuals covered by small employer health benefits plans
21 exceeds the Statewide average cost of insuring such individuals
22 by 20%, shall be reimbursed by the program for 80% of its costs
23 in excess thereof.

24 d. All meetings of the board shall be subject to the
25 requirements of the "Open Public Meetings Act," P.L.1975, c.231
26 (C.10:4-6 et seq.).

27 e. At least two copies of the minutes of every meeting of the
28 board shall be delivered forthwith to the commissioner.
29 (cf: P.L.1992, c.162, s.13)

30 2. This act shall take effect immediately.

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35 _____
36 Increases membership of NJ Small Employer Health Benefits
Program Board of Directors.

SENATE, No. 641

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 24, 1994

By Senator MATHEUSSEN

1 AN ACT concerning the New Jersey Small Employer Health
2 Benefits Program Board of Directors and amending P.L.1992,
3 c.162.

4
5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. Section 13 of P.L.1992, c.162 (C.17B:27A-29) is amended to
8 read as follows:

9 13. a. Within 60 days of the effective date of this act, the
10 commissioner shall give notice to all members of the time and
11 place for the initial organizational meeting, which shall take
12 place within 90 days of the effective date. The members shall
13 elect the initial board, subject to the approval of the
14 commissioner. The board shall consist of [11] 15 persons,
15 including the Commissioner of Health and the commissioner or
16 their designees, both of whom shall sit ex officio. Initially, three
17 of the public members of the board shall be elected for a three
18 year term, three shall be elected for a two year term, and three
19 shall be elected for a one year term. Thereafter, all board
20 members shall be elected for a term of three years. The
21 following categories shall be represented among the public
22 members:

23 (1) Two carriers whose principal health insurance business is in
24 the small employer market;

25 (2) One carrier whose principal health insurance business is in
26 the large employer market;

27 (3) A health, hospital or medical service corporation;

28 (4) A health maintenance organization;

29 (5) A risk-assuming carrier;

30 (6) A reinsuring carrier utilizing the excess coverage provided
31 for in this act; [and]

32 (7) [Two] Three persons representing small employers; and

33 (8) Three insurance producers licensed to sell health insurance
34 pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.).

35 No carrier shall have more than one representative on the
36 board.

37 b. If the initial board is not elected at the organizational
38 meeting, the commissioner shall appoint the public members
39 within 15 days of the organizational meeting, in accordance with
40 the provisions of paragraphs (1) through (7) of subsection a. of
41 this section.

42 c. The board shall determine the Statewide average payment

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 per insured for each benefit plan provided for under this act.
2 Each carrier who satisfies the efficiency and risk management
3 standards promulgated by the board pursuant to subsection f. of
4 section 15 of this act and whose average cost of insuring
5 individuals covered by small employer health benefits plans
6 exceeds the Statewide average cost of insuring such individuals
7 by 20%, shall be reimbursed by the program for 80% of its costs
8 in excess thereof.

9 d. All meetings of the board shall be subject to the
10 requirements of the "Open Public Meetings Act," P.L.1975, c.231
11 (C.10:4-6 et seq.).

12 e. At least two copies of the minutes of every meeting of the
13 board shall be delivered forthwith to the commissioner.

14 (cf: P.L.1992, c.162, s.13)

15 2. This act shall take effect immediately.

16

17

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STATEMENT

19

20 This bill adds four members to the New Jersey Small Employer
21 Health Benefits Program Board of Directors. The bill adds three
22 insurance producers licensed to sell health insurance pursuant to
23 P.L.1987, c.293 (C.17:22A-1 et seq.) and an additional person who
24 represents small employers.

25 This additional representation of producers and small
26 employers on the board should result in a more balanced
27 membership that better reflects the variety of interests involved
28 in the sale, purchase and use of small employer health benefits
29 plans.

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34 Adds three insurance producers and one small employer
35 representative to NJ Small Employer Health Benefits Program
36 Board of Directors.

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SENATE, No. 569
STATE OF NEW JERSEY

INTRODUCED FEBRUARY 10, 1994

By Senator RICE

1 AN ACT concerning membership of the New Jersey Small
2 Employer Health Benefits Program Board of Directors and
3 amending P.L.1992, c.162.

4
5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. Section 13 of P.L.1992, c.162 (C.17B:27A-29) is amended to
8 read as follows:

9 13. a. Within 60 days of the effective date of this act, the
10 commissioner shall give notice to all members of the time and
11 place for the initial organizational meeting, which shall take
12 place within 90 days of the effective date. The members shall
13 elect the initial board, subject to the approval of the
14 commissioner. The board shall consist of **[11]** 15 persons,
15 including the Commissioner of Health and the commissioner or
16 their designees, both of whom shall sit ex officio. Initially, three
17 of the public members of the board shall be elected for a three
18 year term, three shall be elected for a two year term, and three
19 shall be elected for a one year term. Thereafter, all board
20 members shall be elected for a term of three years. The
21 following categories shall be represented among the public
22 members:

23 (1) Two carriers whose principal health insurance business is in
24 the small employer market;

25 (2) One carrier whose principal health insurance business is in
26 the large employer market;

27 (3) A health, hospital or medical service corporation;

28 (4) A health maintenance organization;

29 (5) A risk-assuming carrier;

30 (6) A reinsuring carrier utilizing the excess coverage provided
31 for in this act; **[and]**

32 (7) **[Two]** Three persons representing small employers, at least
33 one of whom represents minority small employers;

34 (8) One insurance producer licensed to sell health insurance
35 pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.);

36 (9) One representative of organized labor; and

37 (10) One person who represents the general public and is not an
38 employee of a health benefits plan provider.

39 No carrier shall have more than one representative on the
40 board.

41 b. If the initial board is not elected at the organizational
42 meeting, the commissioner shall appoint the public members
43 within 15 days of the organizational meeting, in accordance with
44 the provisions of paragraphs (1) through (7) of subsection a. of
45 this section.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 c. The board shall determine the Statewide average payment
2 per insured for each benefit plan provided for under this act.
3 Each carrier who satisfies the efficiency and risk management
4 standards promulgated by the board pursuant to subsection f. of
5 section 15 of this act and whose average cost of insuring
6 individuals covered by small employer health benefits plans
7 exceeds the Statewide average cost of insuring such individuals
8 by 20%, shall be reimbursed by the program for 80% of its costs
9 in excess thereof.

10 d. All meetings of the board shall be subject to the
11 requirements of the "Open Public Meetings Act," P.L.1975, c.231
12 (C.10:4-6 et seq.).

13 e. At least two copies of the minutes of every meeting of the
14 board shall be delivered forthwith to the commissioner.
15 (cf: P.L.1992, c.162, s.13)

16 2. This act shall take effect immediately.
17
18

19 STATEMENT

20
21 This bill adds four members to the New Jersey Small Employer
22 Health Benefits Program Board of Directors. The bill adds one
23 insurance producer licensed to sell health insurance pursuant to
24 P.L.1987, c.293 (C.17:22A-1 et seq.), a representative of
25 organized labor, a member of the general public and an additional
26 person who represents small employers. The bill also provides
27 that at least one of the representatives of small employers shall
28 represent minority small employers.

29 This additional representation of producers, organized labor,
30 the public and small employers on the board should result in a
31 more balanced membership that better reflects the variety of
32 interests involved in the sale, purchase and use of small employer
33 health benefits plans.
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37
38 _____
39 Increases membership of NJ Small Employer Health Benefits
Program Board of Directors.

SENATE HEALTH COMMITTEE
STATEMENT TO
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 641 and 569
STATE OF NEW JERSEY

DATED: MAY 19, 1994

The Senate Health Committee favorably reports a Senate Committee Substitute for Senate Bill Nos. 641 and 569.

This substitute adds seven members to the New Jersey Small Employer Health Benefits Program Board of Directors. The substitute adds two insurance producers licensed to sell health insurance pursuant to P.L.1987, c.293 (C.17:22A-1 et seq.), a representative of organized labor, a physician and two members of the general public, all six of whom shall be appointed by the Governor with the advice and consent of the Senate. The substitute also adds another person who represents small employers and provides that at least one of the three representatives of small employers shall represent minority small employers. The additional small employer representative will be elected by the board in the same manner as the other two small employer representatives are elected.

This additional representation of producers, organized labor, physicians, the public and small employers on the board should result in a more balanced membership that better reflects the variety of interests involved in the sale, purchase and use of small employer health benefits plans.