

**INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE
OFFICE OF THE COMMISSIONER**

Minimum Net Worth Requirements for Health Maintenance Organizations

Notice of Increase in Medical Component of the Consumer Price Index

Take notice that the Commissioner of Banking and Insurance, in compliance with N.J.A.C. 8:38-1.2, 11.1 and 11.4, hereby provides notice of an average 3.3 percent increase from December 2002 to December 2003 in the medical component of the Consumer Price Index for all urban consumers in the New York-Northern New Jersey-Long Island region and the Philadelphia-Wilmington-Atlantic City region as reported by the United States Department of Labor, Bureau of Labor Statistics.

The rules at N.J.A.C. 8:38-11 shall be read as including an increase of 3.3 percent effective July 1, 2004, as follows:

- (a) \$2,048,077 specified at N.J.A.C. 8:38-11.1(a) shall be \$2,115,663;
- (b) \$1,365,383 specified at N.J.A.C. 8:38-11.1(b) and 11.4(b) shall be \$1,410,441; and
- (c) \$409,615 specified at N.J.A.C. 8:38-11.4(a) and (b) shall be \$423,133.

Existing HMOs shall make adjustments for their minimum net worth no later than July 1, 2004. The required deposit shall be made no later than June 30, 2004 pursuant to N.J.A.C. 8:38-11.4(e) to include the specified CPI adjustment.