

**FINAL**  
**MINUTES OF THE MEETING OF THE**  
**NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD**  
**AT THE OFFICES OF THE**  
**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE**  
**TRENTON, NEW JERSEY**  
**November 12, 2013**

**Directors present in person:** Neil Sullivan (DOBI)

**Directors participating by phone:** Sandi Kelly (Horizon); Lisa Levine (United); Christine Stearns; Tony Taliaferro (AmeriHealth); Mary Taylor (Aetna)

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Program Accountant; Eleanor Heck, Deputy Attorney General.

**I. Call to Order**

E. DeRosa called the meeting to order at 10:00 A.M. She announced that notice of the meeting had been published in two newspapers of general circulation and posted at the Department of Banking and Insurance (“DOBI”), the DOBI website, the Office of the Secretary of State and submitted to the State House Press Corps, in accordance with the Open Public Meetings Act. A quorum was present. She stated that votes would be by roll call because most Board members were participating by phone.

**II. Minutes – September 10, 2013 and October 1, 2013**

**S. Kelly made a motion, seconded by M. Taylor, to approve the minutes of September 10<sup>th</sup> and October 1<sup>st</sup> without amendment. By roll call vote, the motion carried.**

**III. Staff Report**

*Expense Report and Transfer of Funds*

R. Lenox stated that the Board has expenses totaling \$22,221.74 on the November expense report, mostly related to salaries and fringe, but some for notices in the newspapers, too. She noted that the Board has received a collection notice from the newspapers. She stated that, should the Board approve paying the expenses, the Board will also need to approve the transfer of \$22,000 from its Money Market account to its Checking account.

**M. Taylor made a motion, seconded by N. Sullivan, to approve payment of the expenses, and to approve the transfer of \$22,000 from the Board’s Wells Fargo Money Market account to its Wells Fargo Checking account in order to make the payments. By roll call vote, the motion carried.**

### *Rider Filings*

*T. Taliaferro recused himself from the discussion of and any action to be taken upon the riders filed by AmeriHealth Insurance Company or AmeriHealth HMO because of the real or perceived interest of his employer in the outcome of any action taken by the Board on the matter.*

E. DeRosa explained that AmeriHealth Insurance Company filed a rider to amend its EPO and POS plans and AmeriHealth HMO filed a rider to amend its HMO plans, both of which would add coverage for prosthetic and orthotic devices exceeding the specific existing New Jersey orthotic and prosthetic appliance coverage requirements, and adding coverage for diabetic education. She noted that these riders would be offered for 2014 plan year products. She recommended that the Board find the filings to be complete.

**M. Taylor made a motion, seconded by S. Kelly, to find both rider filings to be complete. By roll call vote, the motion carried.**

## **IV. Report of the Operations and Audit Committee (OAC)**

### *Program Audit*

E. DeRosa stated that the OAC met in early October with WithumSmith+Brown to kick-off the program audit for fiscal year 2013. She noted that the audit is now concluded.

### *Financials*

R. Lenox reported that the OAC met to consider the financial statements for the Board's fiscal year ended June 30, 2013. She then presented the financial statements to the Board including: the Statement of Net Assets, the Statement of Changes in Net Assets, the Statement of Changes in Assets and Liabilities (Loss Assessment Fund), the Statement of Cash Flows, and the Comparison of Budget and Actual Expenditures. R. Lenox also included a summary of the Accounts Payable – Member Companies. She noted there were total revenues (administrative assessments) and expenditures of \$281,874.

R. Lenox stated that the FY2013 actual expenditures ended under budget, but that the final quarter had some unanticipated expenditures (with respect to computers and fringe) that resulted in that quarter being over-budget. She noted that DOBI upgraded computers and charged the Board for the costs, which is not something the DOBI had previously done. She explained that this means she will be depreciating the equipment over time in accordance with New Jersey Department of Treasury standards. She also noted that fringe was allocated at a significantly higher percentage than expected, based on past experience.

### *Late Fees*

R. Lenox stated that the OAC had considered the collections for the 2014/2015 administrative assessment, which some carriers paid late, incurring a late charge. She reminded the Board that it did not typically bill carriers for late fees of less than \$2.00, which means that only two carriers

would actually be charged a late fee, totaling \$46.18 between them. She noted that the OAC had agreed with this action, and recommended invoicing only the two carriers.

**T. Taliaferro made a motion, seconded by M. Taylor, to bill the Aegon Companies \$42.31, and USLife Ins. Co. of NY \$3.87 in late fees for failing to pay their IHC Program administrative assessment for the 2014/2015 time period in a timely manner. By roll call vote, the motion carried.**

**V. Other Business**

E. DeRosa confirmed that the date of the next regularly scheduled IHC Board meeting is December 10, 2013, and she anticipates holding that date in place for now. M. Taylor noted that she will not be available for that meeting.

S. Kelly asked that the reporting rules be placed back on the agenda for discussion. She expressed some concern whether certain reports, such as the Exhibit K report, need amendments to address subsidized premium payments. Staff agreed to look at the issue.

**VI. Close of Meeting**

**C. Stearns made a motion, seconded by L. Levine, to adjourn the meeting. By roll call vote, the motion carried.**

*[The meeting adjourned at 10:17 P.M.]*