

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, 2014

Directors participating: Sandi Kelly (Horizon); Lisa Levine (United); Thomas Pownall (Aetna); Gale Simon (DOBI); Christine Stearns.

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Eleanor Heck, Deputy Attorney General.

I. Call to Order

E. DeRosa called the meeting of the IHC Board to order at 10:05 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 voting would be by roll call because many of the directors were participating by phone.

II. Minutes – October 14, 2014

T. Pownall made a motion, seconded by C. Stearns, to approve the minutes of the October 14, 2014 meeting. In voting by roll call, the motion carried.

III. Staff Report

Expense Report and Transfer of Funds

E. DeRosa stated that the Board has expenses totaling \$10,943.83 on the November 2014 expense report, primarily for the IHC Board’s portion of salaries and fringe, but also including the costs of printing a notice of the rule proposal in three newspapers, and paying half of the cost of a seminar that C. McDevitt attended. E. DeRosa indicated that the Board will need to transfer \$11,000 from its Wells Fargo Money Market fund to its Wells Fargo Checking account, if the Board approved payment of its operating expenses on the November expense report.

T. Pownall made a motion, seconded by S. Kelly, to approve the November expense report, and to approve the transfer of \$11,000 from the Board’s Wells Fargo Money Market Account to the Board’s Wells Fargo Checking account, to pay the approved operating expenses. In voting by roll call, the motion carried.

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

E. DeRosa stated that the OAC met to discuss the first quarter of fiscal year 2015 financial statements for the IHC Program, and recommended the Board accept the financial statements as presented. E. DeRosa briefly presented the financial statements to the Board as follows, but

requested that if Board members had any questions, they direct them by email to R. Lenox: Statement of Net Assets; Statement of Changes in Net Assets; Statement of Changes in Assets and Liabilities for the Loss Assessment Fund; Statement of Cash Flows; and, Comparison of Budget to Actual Expenditures. E. DeRosa noted that the Board had budgeted for expenditures of \$314,500, and that actual expenditures for the first quarter had been \$68,682, leaving the Board in a favorable position, with \$245,817 remaining in the budget.

V. Draft Revisions to the Standard Plans

E. DeRosa reported that a hearing regarding the proposed amendments to the policy forms was held on October 29, 2014, at 9:00 A.M., at the Department of Banking and Insurance, but that no comments were given at the meeting, and accordingly, the hearing officer's report made no recommendations regarding the proposed amendments. She further reported that there were no comments received in writing, and thus, no changes to the proposal were requested through that avenue either. She noted that there were no agency-initiated changes, making the notice of adoption very simple.

G. Simon made a motion, seconded by L. Levine, to adopt the amendments to the policy forms and related documents and rules as the proposal was published, without further change. In roll call voting, the motion carried.

The Board discussed implementation of the revisions. E. DeRosa stated that the adoption will be effective upon filing, which should occur shortly, but that the operative date is January 1, 2015. She reminded the Board that she would send out a bulletin with language for the compliance and variability rider for carriers to use with the 2014 policy forms that renew, so that carriers will not have to reissue the existing block in its entirety. It was agreed that carriers could use the compliance and variability rider for new business also, but only until March 31, 2015, after which, carriers should be issuing policies off the new policy forms. E. DeRosa noted that there will actually be two compliance and variability riders (one for plans B through E, and one for the HMO plan), but that the rider would not be able to accommodate a high deductible HMO plan.

V. Close of Meeting

S. Kelly made a motion, seconded by L. Levine, to adjourn the meeting. In voting by roll call, the motion carried.

[The meeting adjourned at 10:20 A.M.]