

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
July 12, 2016

Directors participating: Sandi Kelly (Horizon); Lisa Levine (United/Oxford); Tom Pownall (Aetna); Brendan Peppard (DOBI); Tony Taliaferro (AmeriHealth)

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

I. Call to Order

E. DeRosa called the meeting of the IHC Board to order at 10:00 A.M. E. DeRosa announced that notice of the meeting had been published in three newspapers of general circulation and posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, at 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 some directors were participating by phone.

II. Review of Minutes – June 14 (Open and Executive Session) and June 23 (Open Session)

S. Kelly made a motion, seconded by B. Peppard, to approve the minutes of the open session of the meeting of June 14, with amendments. By roll call vote, the motion carried.

B. Peppard made a motion, seconded by T. Taliaferro, to approve the minutes of the executive session minutes of the meeting of June 14. By roll call vote, the motion carried.

S. Kelly made a motion, seconded by B. Peppard, to approve the minutes of the meeting of June 23. By roll call vote, the motion carried.

III. Report of Staff – Expense report, audit report

Expense Report

R. Lenox presented the expense report for July, totaling \$10,728.04, for salaries and fringe, as well as costs for public notices for the special meeting held June 23rd. R. Lenox recommended a transfer of \$10,800 from the Board’s Money Market account to its checking account to pay the expenses.

T. Pownall made a motion, seconded by T. Taliaferro, to approve payment of the expenses reported, and the transfer of \$10,800 from the Board’s Wells Fargo Money Market account to its Wells Fargo checking account to pay the operating expenses. By roll call vote, the motion carried.

Final Audit Reports for Fortis Insurance Company (a.k.a. Time Insurance Company)

E. DeRosa reported that Deloitte & Touche LLP (D&T) issued its final opinion regarding the statement of net paid losses for Fortis/Time for the 1997/1998 two-year calculation period as well as for the 1999/2000 two-year calculation period, and that copies of these had been distributed to the Board members, along with other meeting materials, prior to the meeting. She reminded the Board members that the audit process had involved several significant disputes, and noted that the final audit reports include some unique text. E. DeRosa suggested the Board establish an ad hoc committee to review D&T's audit reports, and make recommendations on how to proceed. She suggested that the ad hoc committee be comprised of individuals from among the Board members with particular financial, accounting and/or actuarial expertise, in order to address multiple issues. The following Board members volunteered to provide experts for the ad hoc committee: Aetna, Horizon, Oxford.

IV. Proposed amendments to N.J.A.C. 11:20

E. DeRosa reported that the proposal was filed with the Office of Administrative Law, and notices of the proposal issued, and posted on the Board's website. She indicated that the end of the comment period is August 22nd, which is between the Board's regularly scheduled August and September meetings. It was suggested that, depending on the comments received, the Board could schedule an additional meeting in the last week of August or the first week of September, which would potentially provide carriers one or two more weeks to implement changes prior to the November open enrollment period for 2017 plans.

V. Close of meeting

B. Peppard made a motion, seconded by T. Pownall, to adjourn the meeting. By roll call vote, the motion carried.

[The meeting ended at 9:15 A.M.]