

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
September 12, 2017

Directors participating: Mary Beaumont; Ulysses Lee (United/Oxford); Jennifer Macauley (Horizon); Brendan Peppard (DOBI); Colleen Picklo; Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

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 10:00 A.M. She announced that notice of the meeting had been posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, at the Office of the Secretary of State, submitted to the State House Press Corps, and published in three newspapers of general circulation 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.

E. DeRosa reminded the Board that this is its Annual Meeting, and it would be electing officers and reconstituting its committees

II. Review of Minutes – August 8, 2017

T. Taliaferro made a motion, seconded by U. Lee, to approve the minutes of the meeting of August 8, 2017, as amended. By roll call vote, the motion carried, but with J. Macauley and M. Beaumont abstaining.

III. Election of Officers and Reconstitution of Committees

Chair – E. DeRosa stated that she had previously asked S. Kelly if she would be willing to serve again as Chair if nominated, and that S. Kelly had indicated she would be. T. Pownall asked for nominations for the position of chairperson.

B. Peppard nominated, and M. Beaumont seconded, S. Kelly as Chair for an additional one-year term. By roll call vote, the motion carried.

Vice-Chair – T. Pownall indicated his willingness to continue serving, if nominated. He asked for nominations for the position of vice chairperson.

U. Lee nominated, and T. Taliaferro seconded, T. Pownall as Vice-Chair for an additional one-year term. By roll call vote, the motion carried.

Operations and Audit Committee (OAC) – E. DeRosa stated that the OAC primarily reviews the financial statements of the Board, the Board’s budget and funding (assessment) process, and meets with the auditor to review and discuss the audit process and resultant reports and recommendations, if any. She noted that the current OAC is composed of representatives from the DOBI and United/Oxford, as well as Colleen Picklo.

B. Peppard made a motion, seconded by U. Lee, to reconstitute the OAC with its current representatives. By roll call vote, the motion carried.

Technical Advisory Committee (TAC) – E. DeRosa stated that the TAC reviews the assessment and reconciliation process, and takes on special projects as may be required from time to time. She noted that the current TAC is composed of representatives from the DOBI, Horizon and AmeriHealth.

C. Picklo made a motion, seconded by M. Beaumont, to reconstitute the TAC with its current representatives. By roll call vote, the motion carried.

Legal Committee – E. DeRosa stated that the Legal Committee addresses legal questions that may arise with respect to IHC program operations. She noted that the current Legal Committee is composed of representatives from the DOBI, Horizon and Aetna.

C. Picklo made a motion, seconded by B. Peppard, to reconstitute the Legal Committee with its current representatives and functions. By roll call vote, the motion carried.

Marketing Committee – E. DeRosa stated that the Marketing Committee considers methods and materials used by the Board to promote awareness of the IHC Program and help educate the public about it, including the Buyer's Guide. She noted that this committee has only two representatives on it currently, and could use another. M. Beaumont expressed interest in joining this committee.

C. Picklo made a motion, seconded by B. Peppard, to reconstitute the Marketing Committee with its current representatives, and M. Beaumont. By roll call vote, the motion carried.

IV. Report of Staff – Expense Report; Rules

Expense Report

E. DeRosa presented the expense report for September, totaling \$86,058.48, primarily for salaries and fringe, and notice of rule of rule proposal in several newspapers. She explained that the Board would need to transfer \$86,000 from its Money Market account to pay the operating expenses if approved.

T. Pownall made a motion, seconded by B. Peppard, to approve payment of the expenses reported, and to transfer \$86,000 from the Board's Wells Fargo Money Market account to its Wells Fargo checking account to pay the September operating expenses. By roll call vote, the motion carried.

Rule Adoption

E. DeRosa stated that an issue had arisen regarding an aspect of the proposal, and that draft notice of adoption would be presented to the Board at a later meeting.

V. Loss Ratio Report (DOBI)

Gary Weiss presented the loss ratio report for CY2016. He highlighted the following:

- No refunds are due based on New Jersey's loss ratio formula, as opposed to CY2015 when more than \$65 million dollars were required to be refunded.
- Oxford Health Insurance owes a refund of \$3,817,859 based on the Federal loss ratio formula
- Market-wide premiums for 2016 were \$1.794 billion, while claims were \$1.7096 billion, resulting in a loss ratio for the market of 95.3%
- The market loss ratio has risen appreciably over the prior two years
- On a combined company basis, loss ratios ranged from as low as 80.7% for Oxford to a high of 188.3% for Aetna.

He noted that, notwithstanding the continued increase in the market wide loss ratio, the information was relatively typical of what has been seen over the last few years, and that it was not surprising that there is no refund, because carriers had made adjustments in their rates from CY2015.

Gary Weiss stated the information would be posted to the IHC Board's website as soon as reasonably possible.

VI. Close of meeting

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

[The meeting ended at 10:25 A.M.]