

**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**  
**February 11, 2020**

**Directors participating:** Joseph Camargo; Philip Gennace (DOBI); Sandi Kelly (Horizon); Robert Morrow (United); Colleen Picklo; Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth) (arrived at 10:05 a.m.).

**Others participating:** Ellen DeRosa, Executive Director; Rosaria Lenox, Managing Financial Officer; 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.

**II. Review of Minutes – January 14, 2020**

**C. Picklo made a motion, seconded by R. Morrow to approve the minutes of the meeting of January 14, 2020, without amendment. By roll call vote, the motion carried.**

**III. Report of Staff – *Expense Report; Reinsurance Program***

*Expense Report*

R. Lenox presented the expense report for February 2020 with expenses totaling \$24,442.99 for the Board’s share of staff salaries, CPA license renewal, and FY2019 audit costs. She stated that a transfer of \$24,400.00 from the IHC Board’s Wells Fargo Money Market account to its checking account would be necessary to pay the expenses.

**S. Kelly made a motion, seconded by T. Pownall to approve payment of the expenses reported, and the transfer of \$24,400 from the Board’s Wells Fargo Money Market account to its checking account to do so. By roll call vote, the motion carried.**

*Reinsurance Program*

E. DeRosa reported that all IHC carriers submitted their quarterly reinsurance requests by January 30<sup>th</sup>. The quarterly reports specified the 4<sup>th</sup> quarter requested reinsurance amounts as well as estimated reinsurance eligible run-out. The total reinsurance payment request, including run-out, is \$295,368,929.45. She reminded the Board of the projected pass-through funding of \$180,201,687 which leaves \$115,167,242.45 to be picked up by the individual mandate penalty and, if the penalty amount is not sufficient, the General Fund. E. DeRosa explained that under the

law, the Board would issue an order to the legislature seeking an appropriation for any amount necessary to fully-fund the reinsurance program.

The Board briefly discussed the individual mandate penalty and the amount that might be anticipated from such penalty. E. DeRosa agreed to provide a link to the Treasury website that explains the requirements and how the penalty is calculated. A Board member noted that appropriations were needed to fully fund the Federal reinsurance program.

To assist with evaluating potential reinsurance payment parameters for 2021, carriers submitted information similar to the type of information that was collected prior to the creation of the reinsurance program. The last of that data was received the afternoon of February 10<sup>th</sup>. The information is being reviewed.

The Department issued a Scope of Work for audit services, seeking a firm to perform claims audits. Proposals were received and are under review by the Department's evaluation committee. Upon selection of a firm, carriers will be notified of the selection and the audits will commence. She said carriers might anticipate data requests from the selected audit firm before the end of the month.

#### **IV. Rule Proposal**

E. DeRosa confirmed that the proposed changes to the policy form had not yet been approved for publication, but that she would let carriers know when they are.

#### **V. Close of Meeting**

**S. Kelly made a motion, seconded by C. Picklo to adjourn the meeting. By roll call vote, the motion carried.**

*[The meeting ended at 10:26 A.M.]*