

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
April 24, 2020

Directors participating: Joseph Camargo; Philip Gennace (DOBI); Sandi Kelly (Horizon); Robert Morrow (United); Colleen Picklo; Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Eleanor Heck, Deputy Attorney General.

Additional representatives of Board members who participated in discussions: Vladimir Itkin (Horizon), Hugh Lakshman (AmeriHealth), Caitlyn Prescott (Aetna); Seong-Min Eom (DOBI).

I. Call to Order

E. DeRosa called the meeting to order at 2:00 P.M. She explained that this is a special meeting of the Board, with notice occurring separately from the Board's annual meeting schedule. She noted that, pursuant to P.L. 2020, c. 2, as a result of the state of emergency and public health emergency declared by Governor Murphy on March 9, 2020 through Executive Order 103 (subsequently extended by Executive Order 119 on April 7, 2020) due to the COVID-19 pandemic, this special meeting is being held entirely telephonically rather than at the Board's offices in Trenton. She stated that, in accordance with P.L. 2020 c. 11, electronic notice of the meeting and the means by which the public could attend the meeting telephonically was posted on the Board's website, and in addition, issued electronically to all known interested parties.

E. DeRosa determined a quorum was present. She stated that voting would be by roll call.

Members of the public were asked to identify themselves.

II. Reinsurance Program – Payment Parameters for Plan Year 2021

E. DeRosa stated that the purpose of the meeting was to continue discussions regarding payment parameters for PY2021 for the New Jersey reinsurance program.

Aetna, United and Horizon indicated they could endorse Option 3 in the Oliver Wyman (OW) analysis, setting forth the following:

- attachment point = \$35,000
- coinsurance = 50%
- reinsurance cap = \$245,000

AmeriHealth stated that it still preferred Option 1 in the OW analysis, with the following:

- attachment point = \$30,000
- coinsurance = 55%
- reinsurance cap = \$150,000

J. Camargo stated he believed the carriers collectively would better know which option would best serve the interests of both the consumers and the reinsurance program.

C. Picklo pointed out that the report indicates that the variability in what the carriers can expect to receive becomes increasingly less certain moving from Option 1 to Option 3, and that she questions whether Option 3 may put undue pressure upon one payor versus another. She stated it is optimal to have many healthy and financially stable carriers participating in the market for consumer interests, and she is somewhat concerned about Option 3 in that regard.

P. Gennace stated that C. Picklo's point is well-taken, but that the lower attachment points help reduce variability, and there are other factors to consider. He noted the DOBI has no particular preference between Options 1, 2 or 3. Seong-Min Eom, DOBI's actuary, stated that the carriers best know their claims experience and current claims volume, and she expected they were considering their specific circumstances as well as the goals of the program in making choices.

S. Kelly made a motion, seconded by R. Morrow, to recommend Option 3 of the OW analysis, featuring an attachment point of \$35,000, a coinsurance of 50%, and a reinsurance cap of \$245,000 as the payment parameters for Plan Year 2021 for the New Jersey reinsurance program.¹ By roll call vote, as set forth below, the motion carried.

J. Camargo: Yes

P. Gennace (DOBI): abstained

S. Kelly (Horizon): Yes

R. Morrow (United): Yes

C. Picklo: Yes

T. Pownall (Aetna): Yes

T. Taliaferro (AmeriHealth): No

E. DeRosa explained she would send the recommendation to the Commissioner, who will have 15 days within which to take action on the Board's recommendation.

VI. 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 2:17 P.M.]

Public:

Chrissy Buteas, NJBIA

¹ New Jersey Health Insurance Premium Security Plan, established pursuant to P.L. 2018, c. 24 (as codified, N.J.S.A. 17B:27-10.1 through 10.13).