

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
August 11, 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.

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.

E. DeRosa noted that, pursuant to P.L. 2020, c. 2, as a result of the public health state emergency declared by Governor Murphy on March 9, 2020 through Executive Order 103 (subsequently extended by Executive Orders 119, 138, 151, 162, and 171, the last being issued August 1, 2020) due to the COVID-19 pandemic, the IHC Board’s regularly scheduled meeting was being held telephonically, and not at the Board’s offices in Trenton. She stated that, in accordance with P.L. 2020 c. 11, electronic notice of the change in the meeting and the means by which the public could attend the meeting telephonically was posted on the Board’s website, and 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; public attendees are identified at the end of these minutes.

II. Minutes – July 14, 2020

T. Taliaferro made a motion, seconded by T. Pownall, to approve the minutes of the meeting of July 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 August 2020, with expenses totaling \$92,583.88, related to costs from the Division of Law for the 4th quarter of fiscal year 2020, two months of staff salaries, and fringe for staff for fiscal year 2020. She reminded Board members that salaries and fringe are shared with the Small Employer Health Benefits (SEH) Program. She recommended the IHC Board authorize transfer of \$1,000 from the its Money Market account with Wells Fargo

to its Wells Fargo Checking to pay the expenses for the Division of Law. She also recommended the Board authorize transfer of \$91,465.88 from the IHC DOBI funds to the SEH Department funds to pay for current month shared expenses, explaining that the internal transfer would be performed by the DOBI fiscal office.

S. Kelly made a motion, seconded by J. Camargo, to approve the payment of the expenses on the August expense report, and authorizing the transfer of \$1,000 from the Board's Wells Fargo Money Market account to the Board's Wells Fargo Checking account to pay the expenses charged by the Division of Law and authorizing the transfer by the DOBI of \$91,465.88 from the DOBI's IHC Board account to the DOBI's SEH Board account for the payment of current month's shared expenses.

Reinsurance Program and Agreed-Upon Procedures

E. DeRosa provided an update on reinsurance claims submissions, noting the following:

- 2Q2020 reinsurance requests total \$60,949,018.96
- 1Q2020 reinsurance requests total \$20,496,959.54

She stated that the large increase from the first quarter to the second quarter was expected and consistent with CY2019 experience, but noted that both the 1Q and 2Q totals for CY2020 are lower than the 1Q and 2Q totals for CY2019 (at \$24,147,916.46, and \$62,821,231.11, respectively). She noted that not all carriers submitted lower reinsurance requests compared to last year, but that the aggregate totals are lower in CY2020 thus far.

E. DeRosa explained that run-out claims for CY2019 continue to be reported, and there is continued review of the claims through the Agreed-Upon Procedures by WithumSmith+Brown.

IV. Other Business – HINT forms; Renewal Notices; Health Insurance Affordability Fund

HINT

In response to questions, E. DeRosa explained that edits have been drafted to update the individual HINT form for Plan Year 2021 for use in the off-Exchange markets, including change of the Open Enrollment Period to be inclusive of January 31, 2021, and updating of triggering events, while maintaining such things as earlier effective date options than would otherwise be available through the Exchange. She reminded Board members that the HINT form is part of the DOBI's regulations, so guidance regarding HINT is issued by the DOBI. S. Kelly stated that this is a high priority for carriers due to systems edits needed to make the form changes operational.

Renewal Notice

It was noted that Get Covered NJ issued information on renewal notices recently, but that the information was specific to on-Exchange activity, raising the question of whether carriers must use the same information suggested by Get Covered NJ, or use federal language, or whether carriers may design their own renewal notices for off-Exchange renewals. E. DeRosa reminded the Board that before New Jersey began using the Federally Facilitated Exchange's renewal text, there was no standardized renewal notice language, although carriers were required to submit their renewal notices for review, primarily to ensure wording with respect to rate increases. It was agreed that the change in operations necessitates some clarification soon.

Health Insurance Affordability Fund

It was noted that New Jersey recently enacted legislation¹ creating a new tax on carriers of 2.5%, and the question arose as to whether the tax would be deposited into an existing fund or whether the monies would be in an entirely new fund. P. Gennace responded that the funds collected from the 2.5% would be held in a newly created dedicated fund in the New Jersey Treasury, and the tax is referred to as the Health Insurer Assessment (HIA) by the DOBI.

V. Close of Meeting

S. Kelly made a motion, seconded by J. Camargo, to adjourn the meeting. By roll call vote, the motion carried.

[The meeting ended at 10:22 A.M.]

Identified Public Attendees:

Hunter Griffin, NJBIA

¹ NB: P.L. 2020, c. 61, enacted July 31, 2020 (as codified, N.J.S.A. 17B:27A-65 through 67). Essentially, the new law establishes a 2.5% assessment against an entity's net written premium, as defined by the law. The monies collected are to be deposited into a non-lapsing revolving Department of Treasury fund (the Health Insurance Affordability Fund), and used to address affordability of and access to individual health coverage in New Jersey, as determined by the Commissioners of the Departments of Banking & Insurance, Human Services, and Health in consultation with one another.