

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
September 15, 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, 171, and 180, the last being issued August 27, 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, if any, are identified at the end of these minutes.

II. Minutes – August 11, 2020

C. Picklo made a motion, seconded by J. Camargo, to approve the minutes of the meeting of August 11, 2020, without amendment. By roll call vote, the motion carried.

III. Annual Meeting – Election of Officers and Reconstitution of Committees

E. DeRosa reminded Board members that the Board traditionally elected officers at the Board’s annual meeting, and reconstituted its standing committees. She noted that the Board’s officers currently consist of a Chair and Vice Chair, who are Sandi Kelly and Tom Pownall, respectively. She pointed out that there are no term limits on service as an officer.

Election of Officers

T. Taliaferro nominated S. Kelly to serve as Chair another year, and C. Picklo seconded the nomination. S. Kelly acknowledged a willingness to serve another year. There were no other nominations for Chair.

S. Kelly nominated T. Pownall to serve as Vice Chair another year, and C. Picklo seconded the nomination. T. Pownall indicated he was willing to serve another year. There were no other nominations for Vice Chair.

C. Picklo made a motion, seconded by J. Camargo to elect the slate as nominated, and by a roll call vote, the motion carried.

Reconstitution of Standing Committees

E. DeRosa noted that the Board has 4 standing committees: Legal, Technical Advisory, Operations & Audit, and Marketing. She suggested addressing each separately.

E. DeRosa explained that the Legal Committee is currently composed of representatives of Aetna, DOBI, and Horizon. No one expressed an interest in altering the current composition.

S. Kelly made a motion, seconded by C. Picklo, to reconstitute the Legal Committee as is. By roll call vote, the motion carried.

E. DeRosa explained that the Technical Advisory Committee is currently composed of representatives of AmeriHealth, DOBI, and Horizon. No one expressed an interest in altering the current composition.

S. Kelly made a motion, seconded by J. Camargo, to reconstitute the Technical Advisory Committee as is. By roll call vote, the motion carried.

E. DeRosa explained that the Operations & Audit Committee is currently composed of representatives of DOBI, United/Oxford, and C. Picklo. No one expressed an interest in altering the current composition.

S. Kelly made a motion, seconded by C. Picklo, to reconstitute the Operations & Audit Committee as is. By roll call vote, the motion carried.

E. DeRosa explained that the Marketing Committee is composed of representatives of Horizon and United/Oxford, and has a vacancy. She noted that the committee has not been active in recent years, and suggested that the Marketing Committee could be suspended for the time being.

In response to questions, E. DeRosa explained that the primary function of the Marketing Committee is not to address marketing practices of carriers, per se, but rather, the Marketing Committee has traditionally developed, redesigned, and updated the IHC Buyer's Guide, frequently asked questions and similar materials over time, as well as finding opportunities for outreach and education for consumers and others. She noted it has been several years since the Marketing Committee had been engaged.

Several Board members suggested retaining the Marketing Committee as a constituted standing committee so that it will be functional should the Board determine a need for additional or different outreach and education approaches with respect to IHC plans offered off the SBE.

J. Camargo noted that he believed he was a member of the Marketing Committee, and indicated an interested in being added to it if, indeed, he was not a member.

S. Kelly made a motion, seconded by T. Taliaferro, to reconstitute the Marketing Committee with representation from Horizon, United/Oxford, and J. Camargo. By roll call vote, the motion carried.

IV. Report of Staff – Expense Report; Enrollment; 2018/2019 Final Administrative Assessments; FY2020 Financial Statements

Expense Report

R. Lenox presented the expense report for September 2020, explaining that the IHC Board owed its share of staff salaries for August, totaling \$11,555.78, to the Small Employer Health Benefits (SEH) Program, but that several adjustments had been made to other shared expenses, which she suggested offset the current shared expense owed. She explained that the DOBI had overcharged both programs for FY2020 staff benefits in July (paid in August), which now results in a credit of \$4,705.39 to the IHC Program. She further explained that there was an additional charge for FY2020 overhead expenses, resulting in another credit of \$3,345.72. She stated that, when offset against the IHC Program's share of staff salaries and shared expenses for September, the two credits reduce the total amount owed by the IHC Program to the SEH Program to \$3,504.67, and can be accomplished by a single internal transfer performed by the DOBI fiscal office.

C. Picklo made a motion, seconded by T. Pownall, to pay the expenses as presented on the September expense report, and authorize the internal transfer of \$3,504.67 from the IHC Program's Department Funds to the SEH Program's Department Funds. By roll call vote, the motion carried.

Enrollment

E. DeRosa explained that she was including the enrollment information for informational purposes, but noted that, as expected, 2Q enrollment numbers had dropped relative to 1Q, but that the decrease was less than the decrease that had occurred in some prior years. S. Kelly suggested that the gentler slope of decrease in enrollment may result from purchases of individual coverage by people losing employer coverage. S. Kelly stated that it appears there is a difference in the decrease in enrollment between the subsidized and unsubsidized markets, with the decrease in enrollment in off-Exchange plans being comparatively greater than the decrease in enrollment in the on-Exchange plans. E. DeRosa agreed that loss of employer sponsored coverage (and income) may be driving some of the continued enrollment in 2Q, and noted that NJ FamilyCare enrollment continues to increase over the quarters, suggesting an increasing number of people are becoming income-eligible for NJ FamilyCare.

There was discussion among Board members about whether there would be another enrollment report available prior to the end of the upcoming open enrollment period – a 3Q report should be available in November – and whether to shorten the reporting dates, which were lengthened from

45 days after the close of a quarter to 60 days several years ago. It was agreed that the trade-off in timing and accuracy with the 45-day period versus the 60-day period was not optimal, and the Board agreed to leave the current requirements as they are.

Technical Advisory Committee (TAC) Report – FY2018/2019 Final Administrative Assessment

S. Kelly reported that TAC met to review the final administrative assessment for fiscal years ending June 30th 2018 and 2019¹ prepared by staff. She explained that the initial assessment had been based on net earned premiums reported in Exhibits K filed for CY2015/2016, while the reconciliation is based on net earned premiums reported in Exhibits K filed for CY2017/2018. She noted there would be a total refund to carriers of a little more than \$153,000, including interest that had been earned on the funds held by the IHC Program, totaling nearly \$9,900, although five carriers would also be invoiced for about \$800 total. S. Kelly reported that the TAC recommended the Board approve the distribution of invoices and refunds to carriers as presented in the final administrative assessment.

E. DeRosa noted that the Operations & Audit Committee (OAC) also reviewed the final administrative assessment, and made the same recommendation.

C. Picklo made a motion, seconded by J. Camargo, to approve the transfer of funds from the IHC Program’s Treasury account to its Wells Fargo Checking Account for the purpose of refunding carriers a total of \$153,121.76 in accordance with the distributions set forth in the FY2018/2019 Final Administrative Assessment, and the issuance of invoices to carriers for amounts due to the IHC Program as specified in the FY2018/2019 Final Administrative Assessment. By roll call vote, the motion carried.

When asked about timing, E. DeRosa explained that it may be a month or more before the checks to carriers are mailed, because a formal request will have to be made for transfer of the funds from Treasury, the checks will have to be printed, and signed, which will require multiple trips into the office.

OAC Report – Review of Financial Statements for FY2020

R. Lenox reported the OAC reviewed the financial statements for the fiscal year ended June 30, 2020, along with the Management’s Discussion and Analysis (MDA) for the 2019 and 2020 fiscal period. She then briefly discussed the MDA and the Financial Statements (Statement of Financial Position, Statement of Activities and Changes in Assets, Statement of Cash Flows, and Comparison of Budget and Actual Expenditures) with the Board, highlighting the following:

- An unqualified opinion was issued by WithumSmith+Brown in January of 2020 for an audit of the fiscal year ended June 30, 2019
- IHC Program assets and liabilities each equaled \$290,428, which is a decrease of about \$25,000 from the prior fiscal year, and results from payment of current year operating expenditures and refunds to carriers of nearly \$69,000 in interest earned on final assessments in January 2018.
- The Program earned interest on funds held in Treasury and Wells Fargo collectively, totaling \$2,764.
- Program revenues from FY2020 administrative assessments totaled \$306,950.

¹ NB: This marks the last of the two-year budget and administrative assessment cycles for the IHC Program.

- Total expenditures from current operations totaled \$275,363.52. Total expenditures increased by \$16,000 as compared to FY2019, primarily due to salaries and fringe, offset by a decrease in overhead; however, expenditures in FY2020 were still favorable as compared to budget for FY2020.

V. Other Business – *HINT; IHC Rule Proposal*

In response to questions, E. DeRosa indicated that she was not aware of any activity regarding the changes to the HINT form, or the IHC Program’s rule proposal.

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 10:45 A.M.]

Identified Public Attendees:

No members of the public identified themselves as participating in the meeting.