

FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)
November 9, 2021

Directors participating: 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 10:02 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 emergency and state of emergency declared by Governor Murphy on March 9, 2020 through Executive Order 103, subsequently extended,¹ 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 – October 12, 2021

T. Pownall made a motion, seconded by T. Taliaferro, to approve the minutes of the meeting of October 12, 2021 without amendment. By roll call vote, the motion carried.

III. Report of Staff – Expense Report; Reinsurance (1332 Waiver)

Expense Report

R. Lenox presented the expense report for November 2021, totaling \$12,038.31, which she explained included the Board’s portion of staff salaries and other shared expenses payable to the Small Employer Health Benefits (SEH) Program. R. Lenox stated that the Board can approve an

¹ Due to the requirements of N.J.S.A. 26:13-3(b), which limits declaration of a Public Health Emergency by the Governor to 30 days, the Public Health Emergency established by E.O. 103 (Murphy) was continuously extended through multiple executive orders until E.O. 244 (Murphy), issued June 4, 2021, which declared the Public Health Emergency ended; however, E.O. 244 (Murphy) did not end the State of Emergency established by E.O. 103 (Murphy). Consequently, the Board continues to meet remotely, and public access is limited to telephonic means.

internal transfer by the DOBI fiscal office of the amount due from the IHC Board's DOBI account to the SEH Board's DOBI account for the salaries and shared expenses.

S. Kelly made a motion, seconded by J. Camargo, to approve the expenses, and the payment of the shared salaries and other shared expenses via a transfer by the DOBI of \$12,038.31 from the IHC Board's account to the SEH Board's account within the DOBI. By roll call vote, the motion carried.

Reinsurance Program (Payments; Public Forum; 3Q Reports CY2021; Other)

E. DeRosa stated that the New Jersey Treasury transferred \$294,701,145.25 in reinsurance payments to carriers for plan year 2020, consistent with the payment deadlines set forth in statute.² She noted she has not heard from any of the carriers about the payments, so believes all received the funds without any problems.

E. DeRosa reminded Board members that she sent an email to them with the specific information regarding the reinsurance program public forum for 2021, which will be at 1:30 P.M. on November 12th.³ She explained that the forum will be held virtually, using Microsoft Teams, noting that the link for that, as well as a call-in number, is on the DOBI's website.⁴

E. DeRosa reported that she received the 3Q reinsurance requests from carriers for PY2021, totaling \$106,254,397.07. She advised that this is the largest 3Q request thus far, by a substantial amount, and provided a comparison of the third quarter requests for the prior two calendar years, as follows:

	2019	2020	2021
3Q	\$75,109,732.79	\$84,905,703.50	\$106,254,397.07

E. DeRosa noted that the reinsurance requests have increased each quarter over the course of each calendar year; consequently, the increase from quarter to quarter is expected, but the significant increase year-over-year is greater than expected. She pointed out that the request for 2021 year-to-date is \$211,326,949.86 already, but is still less than the pass-through allotted to New Jersey.

The question arose as to how much of the increase in claims may be attributable to increased enrollment and an increase in utilization of health care services following postponement of many services during the earlier months of the COVID-19 pandemic. E. DeRosa stated that she assumed the increase is attributable to both these factors, plus the change in the reinsurance payment parameters for 2021. She reminded Board members that the reinsurance program's payment parameters were the same for plan years 2019 and 2020, and then revised for plan year 2021. She pointed out that, without an actuarial study, the Board cannot know which factor(s) are contributing most to the increase in the total dollars, or what other factors may also be applicable. There was agreement that: the increase in enrollment was substantial; there is no clear knowledge

² N.J.S.A. 17B:27A-10.4.

³ NB: The public forum is a requirement of the Standard Terms and Conditions for approval of the 1332 Waiver upon which the Reinsurance Program (New Jersey Health Insurance Premium Security Program, N.J.S.A. 17B:27A-10.1 through 10.13) is based.

⁴ The announcement was posted on the DOBI's webpage dedicated to the 1332 State Innovation Waiver, at https://www.state.nj.us/dobi/division_insurance/section1332/index.html.

about the health profile of the market in its current composition; and that it is clear there is a rebound in health services utilization, but the full impact of postponing services is not yet clear.

P. Gennace commented that the federal government had taken into consideration New Jersey's subsidy program, which supplements federal premium tax credits starting in calendar year 2021,⁵ when making the initial pass-through allocation for New Jersey, but that the initial allocation occurred before the enactment of ARPA.⁶ He further explained that, following the enactment of ARPA, which resulted in temporarily increasing federal subsidy eligibility, and which New Jersey followed-up with a contemporaneous increase in New Jersey's state subsidy, the federal government re-evaluated the allocations, taking into consideration its analysis of the anticipated impact of ARPA on enrollment and claims, and adjusted (increased) the pass-through amount. He commented that, overall, the reinsurance system seems to be working to reduce premiums and help increase enrollment, and acknowledged that much of the success thus far is attributable to the cooperation of the carriers participating in the markets.

The question arose as to whether further guidance would be issued regarding claims criteria and the audit process, and it was suggested that further discussions should occur. E. DeRosa pointed out that standard claims handling procedures apply to claims subject to the reinsurance program, but noted that results from the audit process indicate there could be a benefit in having a detailed group discussion on several issues. It was suggested that carriers provide a list of questions for which they are seeking more guidance or clarification. The Board agreed it would be helpful to have a group meeting of all market carriers, with the auditor, if possible, as soon as possible. E. DeRosa stated she would work with the Department to arrange such a meeting, noting that it may be particularly helpful for the newest entrant to the individual market to hear and be involved in the group discussion.

VI. Close of Meeting

R. Morrow made a motion, seconded by T. Pownall, to adjourn the meeting. By roll call vote, the motion carried.

[The meeting ended at 10:31 A.M.]

Identified Public Attendees:

Robert Axelrod, Oscar Garden State Health Ins. Corp.⁷

⁵ The Health Insurance Affordability Fund Act, P.L. 2020, c. 61 (N.J.S.A. 17B:27A-65 through 66).

⁶ The federal American Rescue Plan Act of 2021, enacted March 11, 2021.

⁷ Robert Axelrod is a member of the Small Employer Health Benefits Program Board of Directors, as are several of the Directors on the IHC Board; however, there was not a quorum of the SEH Board present, and all discussions and actions at the meeting concerned the specific public business of the IHC Board.