

**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
March 14, 2006**

Directors participating: Sandi Kelly (Horizon BCBSNJ); Darrel Farkus (Oxford); Steve Lenox (arrived at 9:33 a.m.); Gale Simon (DOBI); Christine Stearns; Mary Taylor (Aetna Health Inc.).

Others present: Ellen DeRosa, Deputy Executive Director; DAG Eleanor Heck (DOL); Rosaria Lenox, Program Accountant.

I. Call to Order

E. DeRosa called the meeting to order at 9:30 a.m. She announced that notice of the meeting had been published in two newspapers and posted at the Department of Banking and Insurance (“DOBI”), the DOBI website, and the Office of the Secretary of State in accordance with the Open Public Meetings Act. A quorum was present.

II. Expense Report

M. Taylor offered a motion to approve the payment of the expenses on the March 2006 expense report. C. Stearns seconded the motion. The Board voted unanimously in favor of the motion.

[S. Lenox arrived.]

III. Minutes

February 14, 2006

S. Kelly offered a motion to accept the open session minutes of the February 14, 2006 Board meeting, as amended. M. Taylor seconded the motion. The Board voted in favor of the motion, with S. Lenox abstaining.

February 24, 2006

M. Taylor offered a motion to accept the open session minutes of the February 24, 2006 Board meeting. G. Simon seconded the motion. The Board voted unanimously in favor of the motion.

IV. Report of Staff

4Q05 Enrollment Reports

M. Taylor asked if enrollment reports could be provided to Board members electronically. Other Board members noted that having them electronically would make

it easier to refer to them. Staff agreed to distribute the information electronically. C. Stearns suggested that the information should be posted on the web site. Staff agreed to contact the webmaster regarding the posting of the information.

Regulatory Update

E. DeRosa said she filed the notice of adoption of the policy forms changes the Board voted to adopt during its February 24, 2006 meeting and explained that while the notice was filed February 24, 2006 and the adoption was therefore effective February 24, 2006, the adoption included a delayed operative date of July 1, 2006. She referred the Board to Advisory Bulletin 06-IHC-02 that was issued March 1, 2006 in which the policy forms changes that are operative July 1, 2006 are discussed.

Interim Reconciliation – 1996 Assessment

R. Lenox reported that the interim reconciliation was billed on March 9, 2006. She distributed a sample of the invoice along with the memorandum explaining the assessment and the assessment spreadsheet to the Board. DAG E. Heck stated that the period to file an appeal would expire 20 days following receipt of the assessment.

E. DeRosa noted that the interim reconciliation considered the liquidation of Home Insurance Company and the redistribution of the \$210.62 liability of that liquidated company.

V. Report of the Technical Advisory Committee

4Q05 B&E Reports

E. DeRosa said both AmeriHealth and Horizon submitted quarterly reports, as required by the Board's Bulletin. She said that TAC recommended that the data continue to be monitored, and that TAC had found that thus far there was no evidence of adverse selection. E. DeRosa reviewed the enrollment data that was included on the reports.

In response to the request staff sent to AmeriHealth and Horizon to be provided with a copy of the questionnaire the carriers used to capture the level of data needed for the quarterly reports, E. DeRosa said Horizon provided a questionnaire, and AmeriHealth stated they do not use a questionnaire and indicated that they contact applicants to ask follow-up questions. The Board would like the script of the follow-up questions, noting the importance of consistency in seeking information.

VI. Report of the Legal Committee

E. DeRosa said the Legal Committee discussed whether to seek a formal opinion from the Executive Commission on Ethical Standards concerning the application of the financial disclosure reporting of EO No. 1 to carrier representatives serving on the IHC Board. She said the Committee favored requesting such an opinion, unless carrier representatives have determined they are no longer concerned with filing the financial disclosure statement.

The Board agreed to proceed with securing a formal opinion, and would request such an opinion in conjunction with the SEH Board, if the SEH Board likewise concludes that it wishes to pursue a formal opinion.

[D. Farkus left the meeting at 10:01 a.m.]

VII. Election

E. DeRosa asked if any carrier present wished to submit ballots for the election of an insurer authorized to write health insurance in the state subject to Subtitle 3 of Title 17B of the New Jersey Statutes. No ballots were submitted. She counted the absentee ballots that were previously submitted.

Guardian: 11
AmeriHealth 2

Guardian was elected to serve for a term of 3 years.

VIII. Executive Session

E. DeRosa said the Board would need to go into Executive Session to receive advice from counsel and consider draft executive session minutes. She said the Board did not expect to conduct additional business following Executive Session.

M. Taylor offered a motion to begin Executive Session for the purpose of receiving advice from counsel and reviewing minutes. S. Lenox seconded the motion. The Board voted unanimously in favor of the motion.

[Executive Session: 10:10 a.m. – 10:45 a.m.]

IX. Close of Meeting

S. Lenox left the meeting at 10:45, during Executive Session. The meeting closed with his departure since there was no longer a quorum of Board members present.

Attached: Sign-In Sheet