

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
June 9, 2015

Directors participating: Sandi Kelly (Horizon); Lisa Levine (United/Oxford); Brendan Peppard and Avnee Parekh (DOBI); Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Program Accountant; Eleanor Heck and Ryan Schaffer, Deputy Attorneys General.

I. Call to Order

E. DeRosa called the meeting of the IHC Board to order at 10:00 A.M. E. DeRosa announced that notice of the meeting had been published in two newspapers of general circulation and posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, at the Office of the Secretary of State, and submitted to the State House Press Corps, in accordance with the Open Public Meetings Act. A quorum was present. She stated that voting would be by roll call because many of the directors were participating by phone.

II. Minutes – May 12, 2015

T. Taliaferro made a motion, seconded by S. Kelly, to approve the minutes of the May 12, 2015 Board meeting. In voting by roll call, the motion carried.

III. Staff Report

Expense Report – June

R. Lenox presented the expense report for June, totaling \$11,160.67, noting that the majority of it was payment to the Small Employer Health Benefits Program for the IHC Board’s share of staff salaries and fringe, but that there were also expenses from the newspapers for the notices required for the most recent rule proposal, and expenses from the Division of Law. She explained that the Board would need to transfer \$11,200 from its Wells Fargo Money Market Account to its Checking account to pay for the operating expenses, should the Board approve them.

T. Pownall made a motion, seconded by B. Peppard, to approve the June expense report, and the transfer of \$11,200 from the IHC Board’s Wells Fargo Money Market account to its Wells Fargo Checking account for the purpose of paying the June operating expenses. In voting by roll call, the motion carried.

Good-Faith Marketing Reports (N.J.A.C. 11:20-24.6)

E. DeRosa and C. McDevitt presented staff recommendations regarding the good-faith marketing reports submitted by carriers as required at N.J.A.C. 11:20-24.6. It was noted that this was the

first year for the good-faith marketing requirements for standard plans without a corresponding requirement for Basic & Essential Plans. C. McDevitt stated that all carriers had submitted the minimum required information, including reference to at least three standard plans on a carrier's standard application form, and some element indicating that the plans are accessible to the public through a carrier's website, brokers or other active marketing efforts. Staff recommended finding all of the carriers marketed the standard plans in good faith in 2014. The Board proceeded to take action on each of the reports separately.

[T. Pownall recused himself from any action or discussion by the Board with respect to Aetna because of the interest of his employer in the outcome of such action.]

S. Kelly made a motion, seconded by T. Taliaferro, to accept the Good-Faith Marketing Report of Aetna, and to find that it marketed IHC standard plans in good faith in 2014. By roll call vote, the motion carried.

[T. Taliaferro recused himself from any action or discussion by the Board with respect to AmeriHealth because of the interest of his employer in the outcome of such action.]

L. Levine made a motion, seconded by B. Peppard, to accept the Good-Faith Marketing Report of AmeriHealth, and to find that it marketed IHC standard plans in good faith in 2014. By roll call vote, the motion carried.

[S. Kelly recused herself from any action or discussion by the Board with respect to Horizon because of the interest of her employer in the outcome of such action.]

T. Taliaferro made a motion, seconded by B. Peppard, to accept the Good-Faith Marketing Report of Horizon, and to find that it marketed IHC standard plans in good faith in 2014. By roll call vote, the motion carried.

T. Taliaferro made a motion, seconded by T. Pownall, to accept the Good-Faith Marketing Report of Cigna, and to find that it marketed IHC standard plans in good faith in 2014. By roll call vote, the motion carried.

B. Peppard made a motion, seconded by L. Levine, to accept the Good-Faith Marketing Report of Health Republic, and to find that it marketed IHC standard plans in good faith in 2014. By roll call vote, the motion carried.

[B. Peppard recused himself from any action or discussion by the Board with respect to Oxford because of the interest of his recent, former employer in the outcome of such action.]

[L. Levine recused herself from any action or discussion by the Board with respect to Oxford because of the interest of her employer in the outcome of such action.]

[Avnee Parekh substituted for B. Peppard as representative of the Commissioner of the Department of Banking and Insurance for the duration of the remainder of the Board's discussion and action on this matter.]

S. Kelly made a motion, seconded by T. Pownall, to accept the Good-Faith Marketing Report of Oxford, and to find that it marketed IHC standard plans in good faith in 2014. By roll call vote, the motion carried.

IV. Reports of the Operation and Audit Committee (OAC), and Technical Advisory Committee (TAC) – Budget and Administrative Assessments for FY2016 and FY2017

R. Lenox presented the proposed budget for FY2016 through FY2017, noting that both the OAC and the TAC met separately to consider the budget and the administrative assessments needed to fund the budget. She explained that the total for the two fiscal years, \$699,540, includes a decrease in the expected costs of the program audits, based on experience with the FY2014 audit, but an increase in cost for salaries and fringe (because of continuing upward projections on fringe), and the DOBI overhead allocation for upper management and shared DOBI services. She noted that legal service charges remain the same from the current budget period, and continue to be budgeted in expectation of litigation.

R. Lenox then presented the administrative assessment to fund the budget for FY2016 through FY2017. She reminded Board members that the assessments are based on the budgeted amount and the net earned premium reported on the 2013/2014 Exhibits K. She noted there will be reconciliation at a later point in time. She reported that both the OAC and TAC recommended the Board approve the budget and the initial administrative assessment.

R. Lenox explained that, if approved, invoices for the assessment would be sent to carriers before the end of the week.

S. Kelly made a motion, seconded by L. Levine, to approve the budget for FY2016 and FY2017 and approve invoicing IHC Program members the administrative assessments to fund the budget. By roll call vote, the motion carried.

V. HINT Form

The Board asked to include the subject of changes to the HINT application form on the July agenda. E. DeRosa noted that, while the HINT form is a DOBI construct, suggestions from the Board would be welcomed by the DOBI.

VI. Elections

After brief discussion, the Board postponed voting on the Director seat for a health insurer authorized pursuant to Subtitle 3 of Title 17 of the New Jersey Statutes. It was noted that carriers currently filling a seat may continue to occupy the seat until the elections occur.

VII. Close of Meeting

S. Kelly made a motion, seconded by B. Peppard, to adjourn the meeting. In voting by roll call, the motion carried.

[The meeting adjourned at 10:18 A.M.]