

**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**  
**January 9, 2018**

**Directors participating:** Mary Beaumont; Sandi Kelly (Horizon); Ulysses Lee (United/Oxford); Brendan Peppard (DOBI); Colleen Picklo; Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Christine Machnowsky, Deputy Executive Director; Eleanor Heck, Deputy Attorney General.

**I. Call to Order**

E. DeRosa called the meeting of the IHC Board to order at 10:03 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. A quorum was present. She stated that voting would be by roll call because some directors were participating by phone.

**II. Review of Minutes – December 12, 2017**

**S. Kelly made a motion, seconded by B. Peppard, to approve the minutes of the meeting of December 12, 2017, as amended. By roll call vote, the motion carried.**

**III. Report of Staff – Expense Report, Sunsetting of the IHC Program Rules**

*Expense Report*

E. DeRosa presented the expense report for December, with expenses totaling \$18,161.87, primarily for salaries and fringe to be paid to the SEH Program, and payment to WithumSmith&Brown (WSB) for the fiscal year ended June 30, 2017. She explained that the Board would need to transfer \$18,100 from its Money Market account to its checking account in order to pay the operating expenses if approved.

**T. Pownall made a motion, seconded by M. Beaumont, to approve payment of the expenses reported, and to transfer \$18,100 from the Board’s Wells Fargo Money Market account to its Wells Fargo checking account to pay the January operating expenses. By roll call vote, the motion carried.**

E. DeRosa reported that the draft audit report has been prepared, and that she anticipated that the Operations & Audit Committee will meet with WSB prior to the February Board meeting. She stated that the goal is to perform the final reconciliations for the administrative assessments for FY2016 not long after the final audit report is released.

*Sunsetting of the IHC Program Rules*

E. DeRosa reminded the Board that the regulations for the IHC Program will sunset in accordance with law in May. She explained that the Department of Banking and Insurance is working on their rules, while staff is working on the Board’s rules. She discussed an early draft of the rules with amendments, noting that the draft does not address the policy forms, pending final action by Governor Christie on legislation passed by the Assembly and Senate within the first few days of January. She stated that she anticipated having another

draft of possible amendments to the rules plus the policy forms for the Board's review during February. She highlighted a couple of items for the Board to consider:

- Whether the Board's definition of hospital confinement indemnity should be revised to increase the benefit that such plans can offer, recognizing that the definition has not been changed since its inception.
- Whether the Board should revise its administrative assessment process, to return to an annual budget and assessment, noting that the two-year calculation periods had been adopted substantially because it was consistent with the loss assessment mechanism, which is no longer in use. This would result in a concomitant revision to the Exhibit K, as well as rules regarding the loss assessment mechanism and two-year calculation periods.

She noted that several definitions would require amendments, and that some amendments would be needed to clean-up inconsistencies within the rules or between the rules and federal law. She requested that Board members bring any additional changes to the rules or the policy forms that Board members are interested in to her attention as soon as possible. She noted that so long as the Board (or the Department) proposes to readopt N.J.A.C. 11:20 (in whole or in part) before the expiration date, the rules will receive a 180 days extension.

#### **IV. Close of meeting**

**B. Peppard made a motion, seconded by T. Pownall, to adjourn the meeting. By roll call vote, the motion carried.**

*[The meeting ended at 11:33 A.M.]*