

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 12, 2018

Directors participating: Joseph Camargo; Ulysses Lee (United); Philip Gennace (DOBI); Colleen Picklo; Thomas Pownall (Aetna); Sandi Kelly (Horizon); Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Christine Machnowsky, Deputy Executive Director; Jeffrey Posta, 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. A quorum was present. She stated that voting would be by roll call because some directors were participating by phone.

E. DeRosa informed the IHC Board that she had received a letter from Mary Beaumont informing the IHC Board that she retired from NJBIA and was therefore resigning from the IHC Board. The IHC Board will have to wait for the Governor to appoint another representative of an employer.

II. Review of Minutes – May 8, 2018

T. Pownall made a motion, seconded by C. Picklo, to approve the minutes of the meeting of May 8, 2018. By roll call vote, the motion carried. T. Taliaferro abstained from voting.

III. Report of Staff

Expense Report

E. DeRosa presented the expense report for June, noting that \$3,065 in expenses were allotted for legal services for the third quarter, \$16,336.31 was allotted for salaries and fringe to be paid to the Small Employer Health Benefits (SEH) Program and \$99.92 was allotted for invoices from the Star-Ledger and Trenton Times. These expenses totaled \$19,501.23. E. DeRosa stated that a transfer of \$19,500 from the IHC Board’s Money Market account to its checking account would be necessary to pay these expenses.

S. Kelly made a motion, seconded by J. Camargo, to approve payment of the expenses reported, and transfer of \$19,500 from the Board’s Money Market account to its checking account to do so. By roll call vote, the motion carried.

Readoption of N.J.A.C. 11:20

E. DeRosa informed the IHC Board that no written comments on the proposed Readoption of the IHC regulations were received and that nobody appeared at the public hearing held for these same regulations. Additionally, there were no agency initiated changes. C. Picklo mentioned the recent legislation¹ regarding the insurance mandate and exemptions from the requirement to have insurance and asked if the IHC Board needed to reference this mandate in the IHC regulations which addresses a notice of exemption. E. DeRosa explained that the recently enacted individual mandate is unrelated to the exemption text that was proposed for deletion from the Board's current regulations (which address exemption of carriers from certain assessments by the IHC Board).

C. Picklo moved to approve the Readoption of the IHC Regulations. P. Gennace seconded the motion. By roll call vote, the motion carried.

Good Faith Marketing in 2017

E. DeRosa discussed the Good Faith Marketing Reports and noted that a 2009 law requires that carriers must demonstrate that they marketed in good faith in the Individual Market as a condition of participation in the Small Employer Market. N.J.A.C. 11:20-24.6, which sets forth the good faith marketing standards, requires that the application must have at least three options for individual health plans, or, for HMOs, at least one option, and must demonstrate how the individual application was made available to individual consumers during the prior calendar year, and must demonstrate at least one effort to market in direct support of the sale of the individual plan during the prior calendar year. E. DeRosa further noted that she had received Good Faith Marketing Reports from Aetna, AmeriHealth, Cigna, Horizon and Oxford. Oscar did not file a report since they were not in the market in 2017.

[T. Pownall recused himself from any action taken by the IHC Board regarding the Aetna Good Faith Marketing Report due to the interest of his employer and its affiliates in the outcome of the IHC Board's actions.]

E. DeRosa discussed the Good Faith Marketing Report for Aetna. She noted that Aetna's application was a part of the report and that Aetna had at least three plans available. Aetna also submitted a brochure entitled "Take Charge of Your Health," website materials and SBCs. The IHC Board staff recommended that the Board find that Aetna marketed in good faith in 2017.

C. Picklo made a motion to accept the IHC Board staff's recommendation that Aetna be found to have marketed in good faith in 2017. S. Kelly seconded this motion. By roll call vote, the motion carried.

[T. Taliaferro recused himself from any action taken by the IHC Board regarding the AmeriHealth Good Faith Marketing Report because of the interest of his employer and its affiliates in the outcome of the IHC Board's actions.]

E. DeRosa discussed AmeriHealth's Good Faith Marketing Report. AmeriHealth submitted an application which listed at least three plans. AmeriHealth also submitted marketing material, rate cards, a brochure entitled "Benefits at a Glance" and emails to brokers talking about their products.

¹ The New Jersey Health Insurance Market Preservation Act, P.L. 2018, c. 31 (codified at N.J.S.A. 54A:11-1 et seq.)

The IHC Board staff recommended that the IHC Board find that AmeriHealth marketed in good faith in 2017.

T. Pownall made a motion that the IHC Board find that AmeriHealth marketed in good faith in 2017. U. Lee seconded this motion. By roll call vote, the motion carried.

E. DeRosa discussed Cigna's Good Faith Marketing Report. Cigna's application lists 1 HMO which satisfies the requirements for HMOs set forth by regulation. Cigna also submitted a Certificate of Compliance, materials from Cigna's website, a fulfillment kit that is sent to prospective purchasers and a link to its SBCs. IHC Board staff recommended that the IHC Board find that Cigna marketed in good faith in 2017.

S. Kelly made a motion that the IHC Board find that Cigna marketed in good faith in 2017. J. Camargo seconded this motion. By roll call, the motion carried.

[S. Kelly recused herself from any action taken by the IHC Board regarding the Horizon Blue Cross and Blue Shield and/or Horizon Healthcare Good Faith Marketing Report because of the interest of her employer and its affiliates in the outcome of the Board's actions.]

E. DeRosa discussed the Good Faith Marketing Report for Horizon and Horizon HMO. E. DeRosa noted that at least 3 plans were listed on the application. The Horizon packet also included a 2017 Health Plan Guide, SBCs, Omnia and Advantage products, information available on the web portal and documents issued to prospective members. IHC Board staff recommended that the IHC Board find that Horizon marketed in good faith in 2017.

C. Picklo made a motion that the IHC Board find that Horizon marketed in good faith in 2017. J. Camargo seconded this motion. By roll call, the motion carried.

E. DeRosa discussed Oxford's Good Faith Marketing Report. E. DeRosa noted that IHC Board staff received Oxford's Good Faith Marketing Report by the May 1 deadline. However, IHC Board staff requested that Oxford submit additional information the last of which was received by IHC Board staff on June 1. Since the regulations governing the good faith marketing requirements provide that the IHC Board has 45 days after a completed filing is received to make a determination as to whether or not a carrier marketed in good faith, such decision will be deferred with respect to Oxford. The IHC Board has 45 days from June 1 to make a determination.

IV. The NJ Health Insurance Premium Security Act²

E. DeRosa discussed the need for the IHC Board to meet in June. She inquired as to the Board members' availability on June 25 and June 28 and noted the importance of holding another meeting in June. E. DeRosa explained that the IHC Board would need to discuss the IHC Board's responsibility under the recently enacted legislation which would allow for the establishment of a reinsurance program for the Individual Market. E. DeRosa noted that the IHC Board would be responsible for determining the payment parameters for this reinsurance program.

² See P.L. 2018, c. 24 (codified at N.J.S.A. 17B:27A-10.1 through 10.13).

E. DeRosa further noted that the Technical Advisory Committee (TAC) was the logical committee to consider payment parameters and to make recommendations for the IHC Board to consider during the meeting later in June.

E. DeRosa also noted that the state hopes the application for a Section 1332 Waiver can be submitted in very early July. The first hearing required for such application will take place after the IHC Board meeting.

The Department plans to schedule a second public hearing, as required, regarding the Section 1332 waiver application, on June 28th or 29th. E. DeRosa noted that the second public hearing will not be held in Trenton because it must be held in a different location.

V. Report of the Operations and Audit Committee (OAC)

E. DeRosa also gave the report of the Operations and Audit Committee. She noted that Operations and Audit Committee met and reviewed the Financial Statements for the IHC Board as of March 31 and that C. Picklo was present at that meeting. E. DeRosa noted any specific questions regarding the financial statements could be directed to R. Lenox. There were no comments or questions regarding the report.

VI. Close of meeting

S. Kelly made a motion, seconded by J. Camargo, to adjourn the meeting. By roll call vote, the motion carried.

[The meeting ended at 10:40 A.M.]