

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
October 8, 2019

Directors participating: Philip Gennace (DOBI); Sandi Kelly (Horizon); Robert Morrow (United); Colleen Picklo; Thomas Pownall (Aetna).

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 10:00 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.

II. Review of Minutes – September 10, 2019

C. Picklo made a motion, seconded by P. Gennace, to approve the minutes of the meeting of September 10, 2019, without amendment. By roll call vote, the motion carried.

III. Report of Staff – *Expense Report; Interest Distribution; Draft Amendments to the Standard Plans*

Expense Report

R. Lenox presented the expense report for October 2019 with expenses totaling \$11,721.29 for professional services, and the Board’s share of staff salaries (shared with the Small Employer Health Benefits Program). She explained that professional services were provided by Admiral Consulting to upgrade and transfer software following on a new computer. She noted the contract is between the IHC Board and Admiral Consulting, so the IHC Board will pay the full amount of the costs, then be reimbursed by the SEH Board and the MSU50 Program. R. Lenox stated that a transfer of \$11,700.00 from the IHC Board’s Wells Fargo Money Market account to its checking account would be necessary to pay the expenses.

R. Lenox also recommended the IHC Board approve the transfer of IHC funds from the DOBI account, which does not earn interest, into interest bearing accounts, specifically: \$175,000 from the DOBI account to the Board’s Wells Fargo Money Market account, and \$100,000 from the DOBI account to the Board’s account with the New Jersey Treasury. E. DeRosa explained that it has been the Board’s policy to keep less than the Federal Deposit Insurance Corporation’s insured funds limit in the Money Market account, in order to mitigate financial risk, notwithstanding the more limited interest earnings from the Treasury.

S. Kelly made a motion, seconded by C. Picklo, to approve payment of the expenses reported, the transfer of \$11,700 from the Board’s Wells Fargo Money Market account to its checking account to do so, transfer of \$175,000 from the Board’s account with the DOBI to the Board’s Wells Fargo Money Market account for the purpose of earning interest and paying future expenses, and the transfer of \$100,000 from the Board’s account with the DOBI to the Board’s account in the New Jersey Department of Treasury for the purpose of earning interest. By roll call vote, the motion carried.

Interest Distribution

R. Lenox reminded Board members that, following the discussions in August and September about how to distribute interest earned in Treasury from July 2017 through January 2018 on the loss and administrative assessments (but not posted by Treasury until after the January 2018 reconciliation had been made), the Board asked staff to contact the carriers to which between \$10 and \$50 in interest was owed, and ask each one whether they wanted a check for the amount, or to forego the payment. She explained that she contacted 8 carriers, and 7 responded that they wanted a check for the amount due. She suggested that all 8 carriers be issued a check.

R. Morrow made a motion, seconded by S. Kelly, to issue interest payments to all carriers to which at least \$10 is determined due based upon the January 2018 reconciliation process. By roll call vote, the motion carried.

Third Draft of Amendments to the IHC Policy Forms

E. DeRosa stated that carrier members were asked to check with various operating areas within their companies about certain draft benefit changes:

- Following discussion, there was no objection to the addition of variable text to permit immunizations to be paid through the pharmacy benefit, rather than the medical benefit, if the carrier wishes to administer the benefit thusly. E. DeRosa noted that it generally shouldn’t have an impact on consumers, who will have \$0 cost-sharing regardless of the method chosen by the carrier.
- Following discussion, it was agreed to remove the possible exception of Legend drugs (through variable text) from the vitamin exclusion; therefore, all vitamins not otherwise required as part of a preventive service would be excluded from coverage.
- Following discussion, there was general agreement that the drafted transplant language (removing the list, and making the benefit somewhat more generic rather than specifying organs, conditions, or combinations thereof) was acceptable.

E. DeRosa stated that the Legal Committee met after the September meeting to consider “third-party payment issues.” She explained that the Legal Committee determined that, although federal guidance discourages acceptance of third-party payments generally, federal law sets forth three categories of entities from which carriers must accept payments on behalf of an individual applicant/enrollee (essentially, Ryan White Programs, tribal organizations, and other government programs, including grantees of such programs). She noted that there was no expectation that carriers will refuse payments from relatives, but that carriers should be permitted to establish their own business rules as to the acceptance of payments from someone other than the covered person/family if not otherwise specified by state or federal law. There was discussion as to whether

the carriers could have different business rules based upon whether plans are offered on and/or off Exchange, whether carriers should have full discretion over such business rules, and whether any guidance that may be provided should be in the policy forms, in rules, or both. There was also a suggestion to include some notice in the application form (albeit, not the federal application form).

It was agreed that the Board would not be able to come to a conclusion during the meeting on this issue, and that the Legal Committee should consider whether guidance should be in the policy form or the rules, and if in the policy form, what language is appropriate.

E. DeRosa pointed out additional differences between the second and third drafts of the policy form changes, which were few. She noted that, based upon a question from a carrier, she clarified that neurodevelopmental disabilities and developmental disabilities are equivalent terms in the policy forms, based upon current medical literature. She also discussed revisions to therapy services, clarifying that whether a limit applies on visits for physical therapy, speech therapy and occupational therapy is based upon whether the service is for habilitative or rehabilitative services, and that therapy services for developmental disabilities is habilitative in nature. Carrier representatives determined they needed to look more closely at the developmental disability issue.

There was agreement that carriers should try to get any issues they may have to E. DeRosa as soon as possible, so that she could send out information to Board members regarding issues raised on November 4.

IV. 2020 Meeting Dates

Board members discussed proposed meeting dates for calendar year 2020. The Board agreed on the proposed dates as follows: January 14, February 11, March 10, April 14, May 12, June 9, July 14, August 11, September 15, October 13, November 10, December 8. E. DeRosa stated that legal notices and postings will be pursued shortly.

V. Close of Meeting

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

[The meeting ended at 11:27 A.M.]