

**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
May 9, 2006**

Directors participating in Trenton: Sandi Kelly (Horizon BCBSNJ); Gale Simon (DOBI).

Directors participating from other locations: Darrel Farkus (Oxford); Ulysses Lee (Guardian); Steve Lenox; Christine Stearns; Mary Taylor (Aetna Health Inc.).

Others present: Ellen DeRosa, 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. She took roll call. A quorum was present.

Since the meeting was being held via teleconference, E. DeRosa asked Directors and others to identify themselves when speaking.

II. Minutes

April 11, 2006

S. Kelly offered a motion to accept the Open Session minutes of the April 11, 2006 Board meeting, as amended. G. Simon seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

III. Report of Staff

Expense Report

R. Lenox noted several unusual charges on the Expense Report. She briefly discussed the charges from Deloitte & Touche for the administrative audits, a quarterly charge from the Division of Law and a charge for the accounting package used for both Boards.

M. Taylor offered a motion to approve the payment of the expenses on the May 2006 expense report. S. Kelly seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

Interim Reconciliation – 1996 Assessment

R. Lenox reported that the interim reconciliation for \$7.9 million was billed on March 9, 2006. To date, \$7,452,877 has been collected. She said this is about 94.23% of the amount due. Due to challenges that have been filed, \$3,730,066 will not be available for disbursement and is being held in separate interest bearing accounts in Treasury. \$3,722,810 is available. M. Taylor said that staff should continue to attempt to collect the amounts as billed. The Board will discuss disbursing the amount available at an upcoming meeting.

R. Lenox said Centennial had been billed, but the company became insolvent some years ago. Additionally, National Health is operating under supervision from the Texas Department of Insurance. DAG E. Heck said she spoke with someone at the Texas Department of Insurance and confirmed that all payments National Health makes must be authorized by the Texas Department of Insurance.

IV. Report of the Technical Advisory Committee

S. Kelly said TAC met on May 4, 2006 to consider five filings.

M. Taylor recused herself from consideration of the rate filings submitted by Aetna Life since the filings were made by her employer, Aetna Health Inc.

S. Kelly said TAC recommended that the filing for Plans A/50-D be found complete subject to some clarification. S. Kelly said TAC recommended that the filing for the B&E plan be found incomplete because the filing failed to provide an example rate calculation, experience data, and provides no justification for a 17.2% rate increase.

G. Simon offered a motion to accept the recommendation from TAC and find the Aetna Life filing for Plans A/50 – D complete, subject to clarification, and the filing for B&E incomplete. C. Stearns seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

S. Kelly recused herself from consideration of the rate filing submitted by Horizon since the filing was made by her employer, Horizon.

E. DeRosa said TAC recommended finding the Horizon filing for HMO plans complete, subject to some clarification.

M. Taylor offered a motion to accept the recommendation of TAC and find the Horizon filing for HMO plans complete, subject to clarification. C. Stearns seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

D. Farkus recused himself from consideration of the rate filing submitted by Oxford since the filings were made by his employer, Oxford.

S. Kelly said TAC recommended finding the Oxford filing for HMO plans complete, subject to some clarification.

G. Simon offered a motion to accept the recommendation of TAC and find the Oxford filing for HMO plans complete, subject to clarification. U. Lee seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

U. Lee recused himself from consideration of the rate filings submitted by HealthNet since the filings were made by HealthNet, a company with which his employer, Guardian, has a joint venture.

S. Kelly said TAC recommended finding the HealthNet filings for HMO plans and the B&E plan incomplete. She noted the filing failed to provide historical experience and did not specify the anticipated loss ratio for the B&E plan.

M. Taylor offered a motion to accept the recommendation of TAC and find the HealthNet filing for HMO plans and B&E plans incomplete. C. Stearns seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

V. Executive Session

E. DeRosa said the Board would need to go into Executive Session to consider draft Executive Session minutes. She said the Board did not expect to conduct additional business following Executive Session.

S. Kelly offered a motion to begin Executive Session for the purpose of reviewing minutes. G. Simon seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

[Executive Session: 10:00 a.m. – 10:05 a.m.]

VI. Close of Meeting

M. Taylor offered a motion to close the meeting. D. Farkus seconded the motion. By roll call vote, the Board voted unanimously in favor of the motion.

The meeting closed at 10:05 a.m.

Attachment: sign-in sheet