

Joint Meeting
New Jersey Individual Health Coverage
Program Board (IHC)
New Jersey Small employer Health Coverage
Program Board (SEH)
Trenton, New Jersey
May 28, 1993

*Approved
as amended
6/23/93*

Directors: IHC - C. Wowkaneck (Ch.), L. Moskowitz, S. Connor, R. Rondum, J. O'Connor, J. Beck, C. Wolf, P. Carmody, L. Giannotta, F. Chavana SEH - M. Lopes (Ch), M. Willoughby, A. Bossi, J. Bellingham, E. Crandall, L. Moskowitz, F. Title, K. Robinson, J. Eick

I. Call to Order

The meeting was called to order at approximately 9:45 a.m. A quorum of both boards was present and all were present except for Mr. Chavana. Melanie Willoughby joined the meeting in progress. A Statement of Compliance with the Open Public Meeting Act was made.

II. Order of Business

The Board spent considerable time reviewing the list of items identified by the Drafting Subgroup, chaired by Emily Crandall. The Drafting Group, in the course of drafting the policy forms for the five required plans, identified a number of issues on benefit plan coverage requiring specific Board direction. Most items involved only matters of clarification for the Drafting Group based on Board discussion. Other items were discussed in more detail and votes were taken. Subject to specific contract drafting provisions, the boards agreed to include coverage for contraceptives by prescription, but agreed to exclude smoking cessation programs from coverage.

The Boards also discussed how best to handle the exclusion of experimental and investigational procedures and treatments. The Board voted unanimously that the plans should not only contain an "experimental and investigational" exclusion provision but should also list certain specific procedures and treatments in the contract and set forth the conditions under which coverage would or would not be provided. The use of high dose chemotherapy in conjunction with certain transplants was an example of a treatment for which greater specification about what would be excluded should be set forth in the benefit plans being developed by the boards. After discussion, the boards voted to include a coordination of benefit provision providing for reimbursement up to amount of charges incurred, including COB with individual policies, but no recovery of penalties.

The Boards discussed whether hmo's should be required to provide pharmacy coverage by means of the 50% coinsurance provision applicable to the indemnity coverages or whether a copay equivalency could be established. The Technical Advisory group, chaired by Dana Benbow of the Prudential, was asked to examine whether such a copay equivalency ~~to the 50% coinsurance~~ could be developed, and was also asked to examine having a \$100,000 lifetime maximum on the benefit. *a copay equivalency*

A number of minor directions were provided, after discussion, to the Drafting Group regarding items on the exclusion list as well.

Upon motion made and ~~secured~~ *seconded*, the boards adopted a joint letter to the Commissioner reflecting the desire of both Boards to see that any rules promulgated by the Department of Insurance to authorize managed care networks pursuant to the technical corrections legislation pending in the legislature provide a level regulatory playing field for all carriers. The letter recognized that compromise legislative wording was agreed to by the carriers based on this understanding. A copy of the joint letter is on file with the Commissioner.

Ms. Bossi noted it was important for the boards to make sure that the plans developed by the boards all allowed for their delivery by means of managed care systems. After discussion, the boards voted to authorize any carrier to use in and out of network plan combinations provided that the coverage provided, whether in or out network is provided these are of the approved plans. The Department of Health and Insurance abstained.

The two chairs presented a draft letter to authorize the retention of an independent actuarial firm to assess the relative effect of the benefit plan designs on premiums. The directors did not see the need or time for the individual plans, but directed the Finance Committee of the SEH Board to review the proposal. The Attorney General's representative noted some State law provisions on bidding that might pertain.

The Directors discussed the steps that will be needed for the IHC Board to issue emergency rules to meet their timeline. The IHC Board had meetings scheduled for the following week to address these matters; the SEH Board noted its next meeting was scheduled for June 16, at which time they intend to review the Plan of Operations, the work of the Marketing Committee and to discuss the work of the Drafting Group.

Ms. Bossi noted the SEH Finance Committee would meet on June 9 at The Prudential's Woodbridge offices.

At approximately 3:45 p.m. the joint meeting was adjourned.

Prepared by
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