

NEW JERSEY
Individual Health Coverage Program Board
Trenton, New Jersey

Minutes of the Individual Health
Coverage ("IHC") Program Board
Meeting held May 3, 1994

Directors: C. Wowkanech, D. Marco, D. Benbow,
R. Rondum, G. Young., B. Pryor-Waugh

Deputy Attorney General: M. Smyth

Communications Consultant: P. Wolcott

Executive Director: K. O'Leary

Other Attendees:
List maintained in records of NJDOI

1. Call to Order

The meeting was called to order by C. Wowkanech at 10:50 a.m. Roll call was taken by E. Gallagher. F. Chavana, L. Giannotta and R. Smart were not present. E. Gallagher delivered a statement that the meeting was properly noticed in compliance with the Open Public Meetings Act and noted a quorum was present.

2. Approval of Minutes

D. Marco made the motion to approve the minutes of April 18, 1994 as amended. G. Young seconded the motion and the Board unanimously approved.

3. Report of Chairman - C. Wowkanech

C. Wowkanech read a letter addressed to the Board from the Governor

thanking the IHC Board for its interest regarding, the Small Group legislation.

C. Wowkanech reported that several names have been sent to the Director of Appointments for the vacant public member Director seats. Additionally, he noted that Assemblyman Felice will be recommending a name for one of the open Director seats.

4. Report of Executive Director - K. O'Leary

K. O'Leary reported that obtaining office space and computers is contingent upon hiring his staff. He stated that he has met with DOI and Prudential computer experts to assess the needs of the office before bidding.

K. O'Leary reported on DOI enforcement activities against non-complying carriers. He stated that he met with T. Smith, P. D'Angelo and B. Pryor-Waugh regarding the enforcement procedures. He noted that he will be meeting with the Legal Committee on May 9, 1994 to further review these enforcement procedures. R. Rondum requested that the issue of the "Refusal of Treatment" section also be added to the Legal Committee agenda.

5. Report of the Marketing Committee - D. Marco

C. Wowkanech expressed thanks on behalf of the Board for the hard work of the Marketing Committee in preparing the Buyer's Guide.

D. Marco stated that he will be reviewing the comprehensive communications plan for 1994 prepared by P. Wolcott. A Marketing Committee meeting will be scheduled to review the communications plan as well. D. Marco stated that the Marketing Committee will be looking into advertising in the special health care supplements in the Star Ledger, Trentonian and NJ edition of the NY Times. The Committee will also follow up on the mailing of the Buyer's Guide to Assemblymen and Senators. C. Wowkanech suggested arranging a Congressional breakfast in D.C. to promote the IHC program. The Board directed the Executive Director to make arrangements for the Congressional breakfast. G. Young suggested incorporating the Enrollment Status report figure which should be available after May 15, 1994.

6. New Business

R. Rondum thanked J. Donnellan for his technical input during the press conference. The Board agreed to have another press release after the May 15th Enrollment Status Report numbers are finalized.

D. Benbow requested that the rate chart insert for the Buyer's Guide be revised to reflect that Prudential does not offer a Prescription Rider but merely provides a Prescription Drug card program which is included in the monthly HMO rates.

7. **Adjournment**

G. Young made the motion to adjourn the public session at 11:15 am to immediately convene in Executive Session. D. Marco seconded the motion and the Board unanimously approved.

Respectfully submitted,



Eileen L. Gallagher, for
Dennis Marco, Secretary

File IHC
Minutes

**NEW JERSEY
Individual Health Coverage Program Board
Trenton, New Jersey**

Minutes of the Individual Health
Coverage ("IHC") Program Board
Meeting held May 17, 1994

Directors: D. Marco, D. Benbow, R. Rondum, G.
Young., B. Pryor-Waugh, R. Smart

Executive Director: K. O'Leary

Deputy Attorney General: M. Smyth

Other Attendees: List maintained in records of NJDOI

1. Call to Order

The meeting was called to order by D. Benbow at 9:35 a.m. Roll call was taken by E. Gallagher. F. Chavana, L. Giannotta and C. Wowkanech were not present. E. Gallagher delivered a statement that the meeting was properly noticed in compliance with the Open Public Meetings Act and noted a quorum was present.

2. Approval of Minutes

G. Young made the motion to approve the minutes of May 3, 1994 as amended. R. Smart seconded the motion and the Board unanimously approved.

3. Report of Chairman - D. Benbow

A. Pending Legislation

H. Meisner reported on pending legislation. He stated that S-937, which clarifies the loss ratio requirement limits and requires BCBSNJ to file a plan to reflect how self-sustaining rates will be achieved, is in the Senate Health Committee for review. D. Benbow stated that the Board would support this legislation because it allows all plans to compete on a level playing field.

S-1014 which mandates childhood immunizations and screening for lead poisoning was reported on by H. Meisner. The SEH plans were specifically carved out of this legislation. It was noted that although the IHC policies were not carved out, that these services would be covered under the current benefit design. D. Benbow stated that the Board should seek to have the IHC program specifically carved out to diminish disruption in the benefit and policy design. The Board directed K. O'Leary to represent the Board's position at the public hearing on Thursday.

H. Meisner reported on S-866 which expands the eligibility to purchase SEH plans. The participation requirement changes have been proposed, to allow renewable policies where a small employer has only two employees where one of those employees has coverage through another means (i.e. covered as a spouse). D. Benbow stated that the Board supports this legislation and that this position is supported by the SEH Board as well.

B. Other matters

D. Benbow reported that the Congressional Breakfast for N.J. Representatives is planned for June 9th in Washington D.C.. **D. Marco made the motion to conduct the Congressional briefing and to reimburse the expenses of the Board members who attend the meeting. B. Pryor-Waugh seconded the motion and the Board unanimously approved.** R. Rondum raised her concern that the Governor has not selected additional public members to fill the vacant seats on the Board. D. Benbow agreed that not having the appropriate compliment of public members is a serious issue and that the Board has made numerous appeals to rectify the situation, including letters, phone calls and nominations. The Board discussed the details of preparing for the Congressional Breakfast and directed K. O'Leary to arrange for all necessary details.

After Board discussion, R. Smart made the motion that any Board member attending the Congressional Breakfast may be reimbursed under state guidelines, and that public members' expenses would be paid in advance. D. Marco seconded the motion and the Board unanimously approved.

4. Report of Executive Director - K. O'Leary

K. O'Leary reported that approval has been received to hire Assistants to the

Director, both offers have been accepted and the Assistants will start on May 31, 1994. He stated that the office space and necessary computer equipment should be ready for their May 31st start date.

K. O'Leary commented that the Press Conference held on May 3, 1994 was well attended and well publicized. A significant increase in phone calls to the "1-800" were received as a result. J. Donnellan reported that additional Buyer's Guides are being shipped to Kentucky to send out in response to calls to the toll free number. K. O'Leary commented that the press conference was both a cost and time effective approach to publicizing the program.

K. O'Leary reported on DOI enforcement activities against non-complying carriers. He stated that the number has been reduced to three carriers who are non-complying.

5. Report of the Marketing Committee - D. Marco

D. Marco stated that the Marketing Committee met last week to review the draft Communications Plan. He reported that the Committee discussed using a follow up ad campaign to continue to publicize the program.

K. O'Leary distributed a copy of the Fair Marketing Standards regulation and stated that the purpose was to collect information from carriers to determine what the basis should be in reviewing and analyzing marketing standards. R. Rondum questioned whether the DOI regulations regarding marketing standards should be referenced. R. Smart stated that the DOI regulations address quality, the Board's regulation is designed to assess quantity and efficacy. B. Pryor-Waugh suggested that where questionable marketing materials are received, that they be passed on to the DOI for further action. S. Kelly recommended that additional language be added indicating that if a carrier did not file a report then no exemption could be obtained. **G. Young made the motion to adopt the fair marketing standards as amended. B. Pryor-Waugh seconded the motion and the Board unanimously approved.**

6. Interim Administrator - J. Donnellan

J. Donnellan distributed the Enrollment Status report for the first quarter. J. Donnellan expressed concern that not all carriers are responding to the requirement to file Enrollment Status Reports. The Board directed J. Donnellan to communicate to carriers the necessity of filing timely reports. K. O'Leary suggested that a reminder letter be sent two weeks prior to the due date of the Enrollment Status Reports. The Board discussed the positive results of the Program.

J. Donnellan distributed copies of two complaints that were received regarding carrier activities. The first identified a problem with receiving

notification of effective date. The Board discussed the provisions of the application that indicate coverage is effective no later than the first of the month following submission of a completed application. The Board agreed that this provision was adequate notice to the consumer. The second complaint addressed the application of the Utilization Review penalty for non-compliance. D. Benbow made the statement that carriers should use their own business judgement in conducting its business. He also suggested that the Board modify the Plan of Operation to provide for dispute resolution mechanism. K. O'Leary and M. Smyth will devise a system to resolve disputes, according full and fair investigation with public members and DOI participation.

J. Donnellan distributed the 1993 exemption calculations.

Based on the report of J. Donnellan, G. Young made the motion for the Board to approve payment of the following items: 1.) \$429.15 to the AFL-CIO for the cost of mailing of the Buyer's Guide to Congressional Offices; 2.) \$26,819 for the legal expenses of the AG; 3.) \$251.82 to Fort Dearborn Life, who had been assessed incorrectly; and 4.) \$77.84 for UPS bulk mailing of the Buyer's Guide to Kentucky. D. Marco seconded the motion and the Board unanimously approved.

R. Smart made the motion to pay \$10,000 to BCBSNJ for 1992 reimbursable losses. D. Benbow seconded the motion and the Board approved the motion. G. Young abstained.

After brief discussion of the 1993 assessments, D. Benbow made the motion to authorize the Operations Committee to proceed to work with BCBSNJ to have an audit of the 1993 assessments. R. Smart seconded the motion and the Board unanimously approved. D. Marco commented that the filed 1993 losses are less than what had been predicted. Additionally, D. Benbow stated that the audit timing did not have any relation to sending out the 1993 reimbursable loss invoices. The invoices will be sent out by July 11, 1994.

The Board recessed for a short break at 11:10 am and reconvened at 11:30am.

7. TAC Report - D. Benbow

D. Benbow made the motion to approve the rate filing for Manhattan National Life as complete. D. Marco seconded the motion and the Board unanimously approved. K. O'Leary reported that Manhattan National Life has agreed to convert all policies sold through the ASBA since August of 1993 to standard plans and to send a copy of the Buyer's Guide and a carrier listing to all affected parties.

D. Benbow made the motion to approve the requests from Oxford and the Mutual Group for conditional exemptions. R. Smart seconded the motion and the Board unanimously approved.

D. Benbow reported that TAC will meet on Thursday to review the Access Program and will review the necessary changes to be made to the IHC Program. He also stated that TAC will complete its review of the IHC and SEH policy form changes for the next meeting.

8. Report of the Forms Committee - R. Smart

R. Smart distributed a copy of the Forms Report. R. Smart made the motion to accept the alternative policy form filings of 1.) Metropolitan Life Insurance Company (Plans A-E); and 2.) Time Insurance Company (Plans A-E). R. Rondum seconded the motion and the Board unanimously approved. R. Smart thanked S. Burke for her work on the Forms Committee and announced that she will be continuing her participation with that Committee.

R. Smart questioned that timing of the revision of the standard policy forms. After discussion, the Board agreed to propose all revisions to the standard policy forms by July 1, 1994. The comment period would run through August 1, 1994 including conducting the public hearing, with the intent to finalize the standard policy forms by August 1, 1994. The standard policy forms would have an October 1, 1994 effective date. The Board directed the Forms Committee to conduct a joint meeting with TAC to make a joint recommendation to the Board at its next meeting of proposed changes. R. Rondum requested that the Legal Committee's redraft of the "Refusal of Treatment" section of the HMO policy form also be included.

9. Report of the Legal Committee - M. Smyth

M. Smyth reported that the Legal Committee met with R. Olick to further discuss the "Refusal of Treatment" section of the HMO policy form. The committee agreed to review NCQA and Joint Commission language for possible inclusion or reference. The Legal Committee will be revising the language based on the discussions.

M. Smyth stated that confirmation was received from ITT Hartford asserting that they do not issue open enrolled community rate plans, therefore they are not eligible for reimbursable losses.

M. Smyth reported that J. Donnellan has sent a letter to Colonial Penn at the request of the Legal Committee to resubmit its Exhibit K in light of the Board's decision on what plans are included versus excluded.

10. New Business

B. Pryor-Waugh commented that L. Moskowitz plans to attend the Congressional Breakfast in Washington D.C. if his health permits.

D. Benbow commented that the comment period for the Access Program runs through June 15, 1994. He requested that a volunteer from a carrier not writing in New Jersey's Individual market should participate on the Technical Advisory Committee.

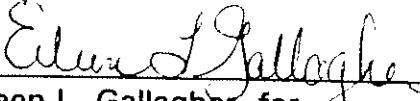
R. Smart made the motion to adjourn the public session at 12:05 am to immediately convene in Executive Session. D. Marco seconded the motion and the Board unanimously approved.

G. Young made the motion to issue an order to vacate the order for the Insurance Company of North America. D. Benbow seconded the motion and the Board unanimously approved.

11. Adjournment

G. Young made the motion to adjourn the public session at 1:25 pm to immediately convene in Executive Session. D. Marco seconded the motion and the Board unanimously approved.

Respectfully submitted,


Eileen L. Gallagher, for
Dennis Marco, Secretary

NEW JERSEY
Individual Health Coverage Program Board
Trenton, New Jersey

Minutes of the Individual Health
Coverage ("IHC") Program Board
Meeting held May 31, 1994

Directors: C. Wowkanech, S. Connor, D. Benbow,
R. Rondum, G. Young., L. Moskowitz,
R. Smart

Executive Director: K. O'Leary

Deputy Attorney General: M. Smyth

Communications Consultant: P. Wolcott

Other Attendees: List maintained in records of NJDOI

1. Call to Order

The meeting was called to order by C. Wowkanech at 9:35 a.m. Roll call was taken by E. Gallagher. F. Chavana, S. Connor and L. Giannotta were not present. (S. Connor arrived shortly after roll call.) E. Gallagher delivered a statement that the meeting was properly noticed in compliance with the Open Public Meetings Act and noted a quorum was present.

2. Approval of Minutes

R. Rondum made the motion to approve the minutes of May 17, 1994 as amended. D. Benbow seconded the motion and the Board unanimously approved.

3. **Report of Chairman - D. Benbow**

C. Wowkanech welcomed L. Moskowitz back from his health related absence.

C. Wowkanech stated that the press conference held in the beginning of May was very successful in generating inquiries. He has received numerous requests from legislative offices for additional copies of the Buyer's Guide. K. O'Leary is working on the having the Buyer's Guide printed in Spanish.

C. Wowkanech reported that the Congressional Breakfast is planned for June 9, 1994. K. O'Leary will be coordinating all arrangements including travel.

S. Connor arrived.

4. **Report of Executive Director - K. O'Leary**

a. **Congressional Breakfast**

K. O'Leary reported that a summary and charts will be prepared for distribution at the Congressional Breakfast. The Board discussed the focus of the meeting including whether or not the Board was prepared to take a position on the issue of universal health care. The Board agreed that the most important emphasis should be the Program's success thus far. The Board also discussed press participation in the Congressional Breakfast. C. Wowkanech stated that the Board will defer to Congressman Hughes since he is hosting the meeting.

b. **Good faith marketing standards**

K. O'Leary reported that he filed the Good Faith Marketing Standards with OAL and the Board should be prepared to adopt the regulation at the next meeting.

c. **Pending Legislation**

K. O'Leary reported that he testified before the Senate Health Commission regarding two bills that would impact the IHC Program. He reported that he commented on the IHC Board's opposition to the bill for immunizations and lead screenings for children since these would be covered in the standard policies.

He stated that an amendment was offered subsequent to his testimony providing for first dollar coverage for these benefits. He also testified on the bill that would change the renewal provision of the SEH law. His recommendation to strike certain language to allow new issues and renewals to be treated alike was accepted. C. Wowkanech stated that both of the bills were released from the Senate Committee.

d. Enforcement of non-complying carriers

K. O'Leary reported on the enforcement of non-complying carriers. He stated he met with the DOI and Mega Life. Mega Life agreed to no longer sell to one life groups and will file standard plans in two weeks. L. Moskowitz questioned whether any actions have been taken against Great West. K. O'Leary responded that a letter of inquiry has been sent. K. O'Leary stated that he will be meeting with USA for Healthcare and P. D'Angelo (DOI). L. Moskowitz expressed the concern that those carriers which are compliant may not be aware that the Boards are operating for the benefit of the Program. B. Pryor-Waugh suggested reporting on the successful enforcement activities via a newsletter sent to carriers. P. Wolcott suggested sending a periodic report on enforcement activities in bulletin form. D. Benbow suggested that the publicizing of enforcement activities should be referred to the Marketing Committee for action and the Board agreed.

e. Staff of Executive Director

K. O'Leary introduced Susan Church and Ward Sanders, his new assistants. He is still working on obtaining office equipment, including computers.

f. Dispute Resolution Committee

K. O'Leary questioned the Board on how to proceed with disputes as they arrive. S. Connor stated that disputes are sent either to the Legal Committee or TAC depending on the nature of the issue. After the initial review, if further advice is necessary, the issue is brought to the appropriate committee or to the Board. R. Rondum stated that before a new approach is taken, that the Board should wait until the full complement of public members is achieved. S. Connor stated that the current procedure should be elaborated upon in the final Plan of Operations whereby disputes will be forwarded by the Executive Director to the appropriate committee (TAC, Legal or Forms committees).

g. Miscellaneous

K. O'Leary stated that refreshments will be provided by the Board at the scheduled meetings. R. Rondum made the motion to approve payments for coffee and danish at the Board meetings. C. Wowkanech seconded the motion and the Board unanimously approved.

5. Report of the Marketing Committee - P. Wolcott

P. Wolcott distributed a copy of the press release stating that the Program now

covers over 50,000 lives (copy filed with these minutes). He also reported that based on enrollment reports, additional marketing efforts will be focused on Mercer and Burlington counties to increase enrollment. L. Moskowitz suggested contacting the Life and Health Agents Association to promote the standardized policies.

6. Interim Administrator - J. Donnellan

J. Donnellan distributed the revised Enrollment Status report for the first quarter. D. Benbow made the motion to pay the following bills based on J. Donnellan's report, 1.) Fed Ex (Buyer's Guide, \$126.50, 2.) Fed Ex (Buyer's Guide), \$172.00, 3.) Larry's Coffee Shop (Board refreshments) \$40.00, 4.) KOL - shipping costs, \$77.84, 5.) KOL - expense reimbursement, \$126.63, and 6.) Wolcott-Thomas (May) \$4000.00. G. Young seconded the motion and the Board unanimously approved.

J. Donnellan reported that Acacia paid its 1992 assessment as a result of administrative order.

J. Donnellan distributed the Reimbursable Loss Report (copy filed with these minutes). He stated approximately \$40,000 will be reassessed against 1993 reimbursable losses because of incorrect assessments in 1992. There are three outstanding assessment bills. D. Benbow made a motion to pay \$2,000 to BCBSNJ for 1992 reimbursable losses. C. Wowkanech seconded the motion and the Board unanimously approved. G. Young left the meeting.

7. TAC Report - D. Benbow

D. Benbow stated that TAC will be commenting on the Access Program's proposed regulations. He also reported that a joint Forms Committee and TAC meeting was held to discuss policy form changes.

8. Report of the Forms Committee - R. Smart

R. Smart distributed copies of the Summary of Substantive Differences in Forms (in chart form) to the Board and to members of the audience (copy filed with these minutes). D. Benbow stated that the time frame for the standard policy forms will be for renewals and new issues on or after October 1, 1994. The Board agreed to the recommendations as noted in the Summary of Substantive Differences (see copy filed with these minutes) and included the following:

1. Calendar Year Cash Deductible: retain IHC benefit. The Board will recommend to the SEH Board that they conform to the IHC benefit.
2. Therapy Services: retain IHC benefit but include chelation, dialysis and respiration therapy as unlimited therapy services.
3. Prescription drugs - awaiting AG opinion on "off-label drug" issue
4. Utilization Review - change non-compliance penalty from 100% to 50%. Carrier must use UR section.
5. Prescription drug rider - no riders for prescription drugs. Will allow indemnity carrier to offer either 50% drug program or \$15 copayment program for prescriptions.
6. Mental/Nervous/Substance Abuse rider - no riders for M/N/S.
7. Definition of Dependent - The Board referred the issue of coverage for students studying abroad to the Forms Committee.
8. PPO/POS standard language - Forms Committee will review SEH language and current language as filed by carriers with the IHC Board and make a recommendation at the next meeting.

R. Smart stated that the Forms Committee will propose policy form language at the next Board meeting incorporating the changes. S. Connor noted the Board's appreciation for the hard work of the Forms Committee in preparing the comparison and recommendations for the Board, including R. Smart, R. Rondum, S. Burke, J. Donnellan, G. Young, S. Geske and C. McDevitt.

D. Benbow appointed J. Donnellan as his alternate and left the meeting.

The Board discussed outstanding issues from R. Smart's memo dated May 11, 1994 (copy filed with these minutes).

1. Definition of Mental and Nervous Centers - the Forms Committee will check with the proper licensing entity regarding these facilities and other facilities defined in the policy forms and where appropriate add the language "accredited or licensed by the state of New Jersey to provide [mental health services]."

K. O'Leary requested that the word "mainly" be reviewed by the DOH to determine appropriateness.

The Board agreed to change "Doctor" to "Practitioner" to accommodate the variety of licensed professionals who are eligible providers under the standard policy forms.

The Board agreed not to expand benefits for marriage, family, sex, and financial counseling and marriage therapy.

2. Utilization Review - the Board agreed to maintain the standard UR language except the change of the standard penalty for non-compliance to 50% (from 100%) and agreed to clarify the steps of seeking pre-approval for a medical emergency and non-medical emergency situation.
 3. Coordination of Benefits (Reduction of Benefits) - DOI will review. L. Moskowitz stated that the Board must distinguish legal issues versus policy issues of DOI. He recommended that policy issues be treated separately, so the Board reviews policy issues fully to determine whether an appropriate position for the IHC Program to maintain or not. The Board concurred.
 4. Carryover Credit - The Board agreed to permit carryover credit between plans within the same benefit year, the burden of proof will be on the consumer at the time of claim.
 5. Subrogation - M. Smyth will research this issue to determine whether statutory/regulatory authority or DOI policy. TAC and Forms Committee recommend that if legally permissible, that subrogation be permitted. L. Moskowitz stated that an individual should not be permitted to profit from dual insurance coverage. The Board directed the Forms Committee to draft "third party liability" language.
 6. Child only coverage - TAC recommends that no separate rating category be made available for a child only policy. As an alternative, language was provided that would permit multiple children to obtain a Parent and Child(ren) policy. This position would permit children to obtain coverage where the parent or guardian is not the policyholder.
 7. Wellness Promotion Act - S. Connor stated that the AG's office is reviewing and the Legal Committee will review the opinion.
 8. Complications of Pregnancy - R. Smart questioned whether the Board would adopt the previous mandate that required coverage for complications of pregnancy even where the pregnancy itself was pre-existing and not covered. S. Connor stated the Legal Committee will review to determine the legal implications.
- L. Moskowitz requested that the Forms Committee contact the SEH Board and request conforming changes where applicable.

9. **Report of the Legal Committee - S. Connor**

S. Connor stated that the Legal Committee will meet following this Board meeting.

10. **New Business**


R. Smart made the motion to adjourn the public session at 1:15 pm to immediately convene in Executive Session. R. Rondum seconded the motion and the Board unanimously approved.

L. Moskowitz made the motion to have K. O'Leary serve as a signatory on the IHC bank account subject to the appropriate bonding requirement. R. Smart seconded the motion and the Board unanimously approved.

11. **Adjournment**

L. Moskowitz made the motion to adjourn the Executive and public session at 2:40 pm R. Smart seconded the motion and the Board unanimously approved.

Respectfully submitted,



Eileen L. Gallagher, for
Dennis Marco, Secretary

**New Jersey
Individual Health Coverage Program Board
Trenton, New Jersey**

Minutes of the Individual Health
Coverage ("IHC") Program Board
Meeting held June 14, 1994

Directors: C. Wowkanech (AFL-CIO), D. Benbow (Prudential), R. Rondum, G. Young (US Healthcare), L. Moskowitz (DOI), R. Smart, (Mutual of Omaha), S. Kelly (BC/BS)

Executive Director K. O'Leary

Deputy Attorney General: M. Smyth

Communications Consultant: P. Wolcott

Other Attendees: List maintained in records of NJDOI

I. Call to Order

The meeting was called to order by C. Wowkanech at 9:45 a.m. Roll call was taken by K. O'Leary. The meeting was properly noticed in compliance with the Open Public Meetings Act and a quorum was present.

II. Approval of Minutes

D. Benbow made the motion to approve the minutes of May 31, 1994 as amended. R. Smart seconded the motion and the Board approved unanimously.

III. Report of Chairman-C. Wowkanech

C. Wowkanech announced that Ms. Sandi Kelly will act as the alternate for D. Marco for BC/BS.

The trip to Washington, DC was a great success. C. Wowkanech, J. Donnellan, K. O'Leary, G. Young, Ann Weiss, A. Mansue, D. Marco, V. Wicks, and C. McDevitt were in attendance. Victoria Wicks represented the Essential Health Services Commission's Access Program.

Seven members of the Congressional Delegation attended the briefing and several members sent legislative aides. The Congressional Budget Office sent a health economist to the briefing. The entire briefing and question and answer session lasted one and a half hours with substantive questions and an exchange of valuable information.

C. Wowkanech thanked K. O'Leary for doing an excellent job organizing the Legislative Briefing. D. Marco was thanked for providing the overheads used at the briefing.

C. Wowkanech reported that he was invited by Mark Wasserman to speak on the IHC Program at the next LAB 6 Meeting. LAB 6 is a local health advisory group representing the Monmouth, Ocean and Cape May Counties. He will use the Washington briefing material as a presentation outline. There was discussion on the need for more presentations of the IHC program to area groups. The Chamber of Commerce, Rotary, and other business groups were discussed as possible organizations to which board members could present the IHC Program. L. Moskowitz suggested investigating presentations to consolidated LAB meetings in the future. The Board agreed that there would be followup with the LAB to also put the organization on the IHC mailing list.

There was discussion of Mr. Lauffenberg, Director of the New Jersey Carpenter's Union, reissuing the IHC rate sheet in his own version. The Board agreed that K. O'Leary will write a letter cautioning Mr. Lauffenberg in his interpretation of the rate sheet information.

IV. Report of Executive Director-K. O'Leary

Enforcement of non-complying carriers

K. O'Leary reported that the DOI, M. Goldman from the AG's office met with USA for Healthcare. They have agreed to stop selling to one life groups. They will comply with the IHC Program and issue only standard plans. Every person enrolled after 8/1/93 will receive a buyer's guide, rate sheet, and they will convert to the standard plans.

Field Trip

K. O'Leary, Susan Church and Ward Sanders went to Prudential to review Jim Donnellan's materials and responsibilities as interim administrator.

Washington Briefing

K. O'Leary distributed copies of the Washington legislative briefing information packets. This material included the presentation overheads, presentation narrative, buyer's guide and rate sheet.

Office Setup

K. O'Leary reported that he has received bids from approved contractors for constructing Board's Offices. The location is yet to

be determined. The bids are for erecting the modular office space. Kevin also received bids for the office computers. He asked the Board to approve spending to purchase computer equipment and construct offices, as long as total spending remains within the administrative budget already approved by the Board.

D. Benbow made a motion to authorize Kevin to move ahead with establishing offices as long as overall spending remains within the Board approved budget. R. Rondum seconded the motion and the Board unanimously approved.

L. Moskowitz commented that the Boards need room for growth. R. Rondum said that the Board needs public meeting space. Additional space for expansion and access to public meeting space will be taken into consideration in planning the Board office space.

Staffing and Board Office Activity

K. O'Leary said he was proceeding with hiring a secretary. There is a tremendous volume of work coming into the Board's offices. K. O'Leary reported an average of 30 to 35 serious questions coming into the office on a daily basis. There are a number of brokers who do not have copies of the regulations who are calling the Board offices.

Several members of the Board discussed the need to inform brokers about the IHC Program.

Board Farewell

K. O'Leary thanked E. Gallagher for the tremendous job that she has done working with the Board. E. Gallagher accepted a job working for New York Life. On behalf of the Board, we thank her for an excellent job.

D. Benbow made a motion to adjourn for a short recess at 10:45 am and go into Executive Session. C. Wowkanech seconded this motion and the Board unanimously approved.

D. Benbow made a motion to go back into open session at 11:22 am. G. Young seconded the motion and the board unanimously approved.

VI. Report of the Marketing Committee-P.Wolcott

P. Wolcott requested the Board approve an advertising placement charge of \$61,220 and an advertising production charge of less than \$5,000. The advertising campaign will begin on Sunday, June 19 and run for four weeks, excluding the week of July 4th. The ads will alternate Sunday and daily insertion. The ads are 3 col. x 10 1/2 inches. P. Wolcott reported that there was one insertion change from the Trentonian to the Burlington County Times.

D. Benbow made a motion to amend the advertising budget up to \$70,000 and C. Nowkanech seconded the motion. The motion was passed unanimously.

J. Donnellan reported that the programmer would be in on Thursday to fix the program so that new carrier rate sheets will be available.

K. O'Leary questioned the expiration date on Prudential's 800 number to be certain that it would still be available when the phone number was listed in the advertisements. J. Donnellan said that the 800 number will be available indefinitely.

V. Report of the Forms Committee-R. Smart

R. Smart distributed revised copies of Plans A through E and the HMO plan. These changes were initiated by the Board to conform the policy forms to the Small Employer Health Benefits Program, to conform the policy forms to the Access Program, to conform the policies to changes in the law, to clarify the intent of the Board, or to correct typographical or grammatical errors. When appropriate, these changes were initiated to make the language consistent for all policies.

PPO/POS Prescribed Schedules

R. Smart provided revised PPO/POS Prescribed Schedules. J. Donnellan reported that this is the language that the SEH Board is using. R. Smart stated that the Board wants to define facility and use the SEH wording. Sandi Kelly said that BC/BS wants to review the POS/PPO prescribed schedules. This decision was tabled for vote until the June 23 meeting.

Wellness Act

K. O'Leary will draft a letter for the Legislature stating that the IHC board believes that the wellness benefit provided for in the standard plans is sufficient. There will be a Bulletin distributed to the carriers.

Refusal of Treatment

The refusal of treatment language change to the HMO form was discussed by the Board. It was determined that this language would be sent to the SEH Board.

D. Benbow made a motion to revise the HMO policy with the proposed language and C. Nowkanech seconded this motion. C. Nowkanech requested a roll call vote on this motion. R. Smart, L. Moskowitz, C. Nowkanech, S. Kelly, R. Rondum, G. Young, and D. Benbow unanimously approved the motion by roll call vote.

Subrogation/Third Party Liability

L. Moskowitz stated that there is a mandated DOI general health regulation that he has reviewed. He said that DOI is prepared to

approve the policy form with a subrogation clause provided that the individual is informed through the policy and certificates.

Complications of Pregnancy

The Board discussed whether complications of pregnancy should be considered an exception to preexisting conditions. R. Smart reported that most carriers consider this to be a standard covered exception.

The IHC Board reached a consensus and decided to incorporate normal complications of pregnancy into the list of exceptions to the preexisting conditions. There was discussion of citing the Department of Insurance regulation on complications of pregnancy in the policy form. This decision was conveyed back to the SEH Board.

Foreign Exchange Student Coverage

The Board discussed whether a dependent travelling or studying outside the United States would be covered under a standard plan. K. O'Leary reported that there have been recent inquiries seeking clarification of this issue. The Board decided to include coverage for a dependent who is studying abroad for one year at a time.

Child Only Coverage/Rates

D. Benbow reported that TAC recommends that multiple children without an adult be included in the parent and children rate category of the policy. The Board agreed and this will be incorporated into the revisions of the policy forms.

Coordination of Benefits

R. Smart reported that DOI was asked to review changes to the coordination of benefits language suggested by comments from a carrier. DOI reported that it did not agree with the carrier's suggested language changes, and that the current provision should remain as is, with several citation corrections. D. Benbow requested that the DOI draft responses to the carrier regarding its language changes and other questions. C. McDevitt agreed to draft written responses. L. Moskowitz requested the Attorney General's Office provide a legal opinion on the statutory requirements for coordination of benefits. C. Wowkanech requested separate legal opinion on this issue.

C. McDevitt recommended title change from "Coordination of Benefits" to "Benefits from other Plans". She also recommended deleting the last paragraph in this provision on all policies.

Benefit Deductible/Coinsurance Credit

R. Smart presented the new information on the benefit deductible/coinsurance section. The Board decided to drop the following from policies C,D,E and retain it for the basic and B policies: "Credit for any inpatient hospital deductible satisfied during a period of confinement immediately preceding or continuing into a new benefit period."

The Board decided to add the first sentence from the Deductible/Coinsurance Carryover statement from the basic and B policies to policies C, D, & E: "There will be no carryover of Deductibles or Coinsurance into the next Benefit Period."

Credit for prior coverage is mandatory and will be added to this section.

Prescription Drug Alternative

D. Benbow reported on the TAC opinion on prescription drug alternative policy form language. TAC reviewed the alternative benefit language provided and decided that it was inappropriate. The Board decided to drop second line for prescription drug section on Policies B-E.

Mandatory Conversion to Revised Policy Forms

R. Smart reported that some carriers have said that they want a mandatory conversion of existing standard forms to the revised IHC policy forms for administrative purposes as of 10/1/94. D. Benbow recommended rolling conversion that would be consistent with renewal of consumer's policy. This issue will be reviewed and vote will be deferred until the June 23 IHC Board Meeting.

D. Benbow made a motion to adopt a differential between in and out of network benefits of no more than 30% but in no event should the carrier pay less than 60% for PPO and POS plans. Sandi Kelly seconded this motion and the Board approved unanimously.

K. O'Leary will communicate to carriers that a resolution was adopted by the Board and that regulations will be promulgated.

C. Wowkanech made a motion for a short recess at 1:45 pm and the motion was seconded by D. Benbow.

C. Wowkanech called the Board meeting back to order at 2:00 pm.

VII. Interim Administrator Report-J. Donnellan

J. Donnellan distributed a revised rate sheet disclaimer with two wording options. The Board agreed to adopt alternative #2.

Reimbursable Loss Calculation

J. Donnellan reported that Liberty Mutual filed multiple Exhibit K's.

Two carriers have not paid their portion of the assessment. A recommendation was made that \$3,000 be transferred as a loss payment to BC/BS.

J. Donnellan also requested payment of: \$20.16 for legal advertising in The Trenton Times; \$115. to Charles Wowkanech for Washington travel reimbursement; and \$9.00 for Federal Express.

D. Benbow made a motion that \$3,000 for 1992 reimbursable losses be paid to BC/BS and for approval of payment of other identified expenses. Rebecca Smart seconded the motion. The Board voted unanimously to pay the expenses.

VI. Report of the Marketing Committee-K. O'Leary

K. O'Leary distributed the proposed Good Faith Marketing Standards and requested approval from the board.

D. Benbow made a motion to approve the final rules, with changes as a result of public comment. C. Wowkanech seconded the motion and the Board unanimously approved the motion.

VIII. TAC Report-D. Benbow

D. Benbow reported that TAC reviewed rate filings for Banker's Life, Principal and U.S. Healthcare, and all were deemed complete.

D. Benbow made a motion to accept the TAC report and L. Moskowitz seconded the motion. The Board approved unanimously.

X. Discussion of New Business-C. Wowkanech

The Board decided to hold the next Board Meeting on Thursday, June 23 at 9 am in order to approve the policy forms changes. The meeting will be held in Conference Room C on the 12th floor. J. Donnellan will represent D. Benbow. R. Smart will conduct the meeting via conference call.

The Board decided that IHC public hearing on forms changes will be held on Thursday, July 21, at 10 am in Room 218. The Board selected August 2 for the adoption meeting to be held at 9:30 am in Room 220.

The policy form changes will be mailed to the 20 carriers after the June 23 meeting.

D. Benbow made a motion to go into Executive Session and C. Wowkanech seconded this motion. The Board approved the motion unanimously and adjourned to Executive Session at 3:40 pm. The Board ended Executive Session at 4:00pm.

The Board then returned to open session and adjourned.

New Jersey
Individual Health Coverage Program Board
Trenton, New Jersey

Minutes of the Individual
Health Coverage ("IHC")
Program Board Meeting held
June 23, 1994

Directors:

C. Wowkanech (AFL-CIO), J.
Donnellan (Prudential), R.
Rondum, G. Young (US
Healthcare), L. Moskowitz
(DOI), R. Smart (Mutual of
Omaha), S. Connor (BC/BS)

Executive Director:

K. O'Leary

Deputy Attorney General:

M. Smyth

Other Attendees:

List maintained in records of
NJDOI

I. Call to Order

The meeting was called to order by K. O'Leary at 9:45 am. Roll call was taken by K. O'Leary. The meeting was properly noticed in compliance with the Open Public Meetings Act and a quorum was present.

II. Approval of Minutes

The Board reviewed the minutes of the June 14 meeting. L. Moskowitz made the motion to approve the minutes of June 14, 1994 as amended. J. Donnellan seconded the motion and the Board unanimously approved.

III. Report of the Chairman-C. Wowkanech

C. Wowkanech reported that Communications Consultant, P. Wolcott, sent a letter of resignation to the IHC Board and that the Board would be interviewing for a replacement on a project by project basis. C. Wowkanech said that marketing the program is the Board's priority, after amending the forms.

C. Wowkanech passed out the New Jersey Association of Health Underwriters Update newsletter which is read by 5,000 licensed agents. He recommended sending information on the IHC Program to the editor.

R. Rondum asked Bob Gada whether it would be possible to include a Q & A column in the Association's newsletter free of charge. He said that there appeared to be no problem with this request.

C. Wowkanech stated that Kevin O'Leary would speak to the North Jersey Chapter of New Jersey Underwriters on June 28 and his presentation to LAB 6 was rescheduled to July 25.

C. Wowkanech discussed several letters he had received and referred them to Kevin O'Leary and his staff for responses.

Legislative Report

C. Wowkanech reported that a bill to expand the number of people appointed to the SEH Board passed the Senate this week and would be before the Assembly next week.

He informed the Board that the Governor's Office would process next week two names that the Board submitted for additional public representation to the IHC Board.

Report of the Forms Committee-R. Smart

R. Smart led the discussion on changes to the policy forms. There was a lengthy discussion about the forms.

R. Smart reported that the table of contents would be updated at the end of the editing process.

Standard PPO/POS Schedule of Benefits were discussed. S. Connor said the final Standard PPO/POS Schedule of Benefits was an excellent solution.

R. Smart said that the minutes needed to reflect that the Board was not trying to restrict the services provided by the carriers. Rather the Board was establishing a standard framework in which the carrier may offer a variety of benefits within the PPO/POS Plan Design framework and the carriers have the flexibility to vary the benefits offered within the standard design.

J. Donnellan presented the HMO Comments for the Forms Committee.

Changes recommended by R. Smart, J. Donnellan and the Forms Committee were incorporated into the forms for approval.

Coordination of Benefits

The Board discussed coordination of benefits between plans at length and asked that the Coordination of Benefits language be developed by the Forms Committee, the Department of Insurance and the Attorney General's Office, consistent with the conceptual understanding agreed to by the Board. This understanding was that the Coordination of Benefits language would reflect that coverage under the standard forms would be secondary to coverage of benefits from other plans, to the extent allowed by law. L. Moskowitz made a motion to include the Coordination of Benefits

language with the proposed policy form language. C. Wowkanech seconded the motion and the Board unanimously passed the motion.

Implementation of Revised Standard Plans

C. Wowkanech made a motion that all policies sold on or after 10/1/94 conform to the standard policies and all other policies conform with the revised policy forms as of the renewal date. L. Moskowitz seconded the motion and the Board unanimously passed the motion.

C. Wowkanech called for a 15-minute break at noon and called the meeting back to order at 12:15.

Report of the Interim Administrator-Jim Donnellan

J. Donnellan reported that \$5,593 in interest had been earned in the IHC account. He proposed that the Board transfer the funds to offset future assessments. L. Moskowitz made a motion to transfer the \$5,700 in account funds including the \$5,593 in interest. R. Smart seconded the motion and the Board voted unanimously to pass this motion.

J. Donnellan recommended that the July 1994 assessment include the annual \$650,000 total administrative cost to avoid the need to send assessments more than once a year.

C. Wowkanech made a motion to assess for the entire 1993 reimbursable loss of approximately \$54 million and the \$650,000 administrative charge to cover the total administrative expense annual budget. R. Smart seconded this motion and the Board voted unanimously to approve this motion.

J. Donnellan reported that Principal Financial Group submitted a late exemption request and did not file a timely Exhibit K. There was a discussion of this matter. L. Moskowitz recommended that the 1994 Principal Financial Group exemption request be reviewed by the Legal Committee and M. Smyth and that they make a recommendation for the Board to consider at the July 21 Board Meeting. J. Donnellan was asked to write to Principal Financial Group for an extension of time for a decision on its request.

Report of the Executive Director-K. O'Leary

K. O'Leary distributed the draft bulletin for Permissible Differential Between In-and Out-Of-Network Benefits. L. Moskowitz suggested that C. McDevitt provide K. O'Leary with the language change that will be included in the bulletin. The bulletin was referred to TAC for review.

K. O'Leary requested approval for payment for the following: the pro rata payment for communication services rendered by

Wolcott-Thomas for \$3,000; payment to K. O'Leary for \$347.98 for reimbursement for Washington, DC trip hotel rooms for C. McDevitt, C. Wowkanech and K. O'Leary; and the classified notice for the Courier-Post notice for \$22.57.

C. Wowkanech made the motion to approve the payments. L. Moskowitz seconded this motion and the Board unanimously approved.

C. Wowkanech thanked R. Smart for the tremendous effort on revising the forms for the IHC Program.

K. O'Leary presented the HIP Rutgers comment on the Good Faith Marketing Report proposed rule which had been submitted in a timely manner but was not included in the Board's adoption notice. L. Moskowitz requested a modified version. K. O'Leary, M. Smyth and S. Connor agreed to work on the new language. K. O'Leary stated he would send the comment to the Office of Administrative Law in order for it to be published in the NJ Register.

C. Wowkanech asked if there was any more new business. There was no new business.

C. Wowkanech made a motion that the Board move into Executive Session in order to receive confidential legal advice protected by the attorney-client privilege. S. Connor seconded the motion and the Board voted unanimously to move into Executive Session at 12:55 pm. The Board ended Executive Session at 1:53 pm.

The Board then returned to open session and adjourned.

New Jersey
Individual Health Coverage Program Board
Trenton, New Jersey

Minutes of the Individual
Health Coverage ("IHC")
Program Board Meeting held
July 21, 1994

Directors:

C. Wowkanech (AFL-CIO), J.
Donnellan (Prudential), R.
Rondum, L. Moskowitz (DOI),
R. Smart (Mutual of Omaha), S.
Kelly (BC/BS)

Executive Director:

K. O'Leary

Deputy Attorney General:

M. Smyth

Other Attendees:

List maintained in records of
NJ DOI

I. Public Hearing

C. Wowkanech called the public hearing to order at 10:00 am to hear testimony on proposed changes to standard policy forms. Roll call was taken by S. Church. No one was present to testify.

J. Donnellan made a motion to close the public hearing and C. Wowkanech seconded the motion. The Board voted unanimously to approve this motion. The Public Hearing adjourned at 11 am. Public Hearing Minutes are on file in the IHC Board Office.

II. . Call to Order

C. Wowkanech called the meeting to order at 10:20 am and stated that the meeting was properly noticed in compliance with the Open Public Meetings Act. A quorum was present.

III. Approval of Minutes

The Board reviewed the minutes of the June 23, 1994 meeting. R. Rondum made a motion to accept the minutes of June 23, 1994 as amended. J. Donnellan seconded the motion and the Board unanimously approved.

IV. Report of the Chairman-C. Wowkanech

C. Wowkanech reported that K. O'Leary would speak to the New Jersey Association of Health Underwriters on July 21 and C. Wowkanech's presentation to LAB 6 was rescheduled for July 25.

C. Wowkanech reported that he received a call from the New Jersey Department of Labor Response Team which provides unemployment and job search support for New Jersey companies that are closing. In 1993, the team assisted 27,639 people. C. Wowkanech said that the response team would like the IHC Board to work with them and provide Buyer's Guides. K. O'Leary and he would meet with the response team in a week to discuss collaborative efforts.

C. Wowkanech reported that he and K. O'Leary met with Alan Marcus, President of The Marcus Group, Inc., a public relations firm, to discuss public relations activities for the Individual Health Coverage Program.

C. Wowkanech reported that K. O'Leary issued to three firms requests for proposal for public relations services. The Marcus Group, Inc., was the only firm that responded to the RFP. The proposal was referenced in the Board's packet of materials. C. Wowkanech recommended that the Board retain the Marcus Group, Inc. for public relations services.

C. Wowkanech reported that Dutch Vanderhoof would like a copy of the coordination of benefits language that the Board proposed.

V. Report of the Executive Director-K. O'Leary

K. O'Leary introduced the IHC Program's new secretary Ms. Diane Rustay.

K. O'Leary referenced an updated administrative staff listing, including work and home phone numbers, for the Board's information included in the Board packet.

K. O'Leary reviewed the letter to G. Lauffenberg.

Community Rating Letters

K. O'Leary reviewed the two letters addressing the issue of community rating that were distributed to the Board members in their information packets. There were several comments made by Board members to expand on the letter to Barbara Mitrani, a graduate student. J. Donnellan requested expansion of the section of the letter that addressed the costs and benefits of community rating. B. Pryor-Waugh asked whether the plans being compared were comparable. S. Kelly suggested expanding the explanation of community rating. K. O'Leary said he would revise the letter.

Bulletin Update

K. O'Leary reported that W. Sanders had written and mailed to all carriers and interested parties Bulletin 94-02 which described the timing of conversion to amended standard policy forms and the end of the use of the alternative policy forms.

Lobbying Material

K. O'Leary discussed the American Chambers Life Insurance Company lobbying materials that he received from Sen. Bradley's office. K. O'Leary followed up with the lobbyist from American Chambers Life Insurance. J. Donnellan commented that this carrier had a small market share and that this carrier's experience was not reflective of the marketplace.

Success Story

K. O'Leary discussed a letter to J. Donnellan from Dr. Henry Hermo, the father of a cancer patient seeking a bone marrow transplant. Dr. Hermo expressed his thanks to the IHC Program and J. Donnellan's efforts, as a result of which Alicia Hermo would receive a bone marrow transplant. K. O'Leary reported that Ms. Hermo would be willing to participate in public relations activities surrounding her transplant. C. Wowkanech asked if the Legislature was informed of this success story. K. O'Leary reported that Dr. Hermo had sent letters to certain Members of Congress.

Buyer's Guide

K. O'Leary reported that he had received bids for the Spanish translation of the Buyer's Guide and proofreading contract from the Bureau of Translation Services, Burlitz, and the Language Center. On the basis of cost, K. O'Leary recommended the Bureau of Translation Services receive the translation contract and the Language Center receive the proofreading contract.

C. Wowkanech made the motion to accept the contractors recommended by K. O'Leary and R. Smart seconded the motion. The Board unanimously approved the motion.

The Board discussed how many Spanish version Buyer's Guides to print. S. Kelly suggested that the translation services would know the correct amount to print.

State Fair

K. O'Leary reported that he had been asked to participate in an information booth at the New Jersey State Fair during the second week of August. He stated that an IHC/SEH Program staff member would staff the Department of Insurance Booth on August 5, 10, and 13.

Health Reform Evaluation

K. O'Leary reported that the Robert Wood Johnson Foundation ("RWJ") was asked to conduct a study of the effects of New Jersey's health insurance reforms on the marketplace. There was a preliminary meeting at BC/BS. Harvard, Brandeis and the University of Colorado had submitted proposals to the Alpha Center in Washington, DC, which is working with RWJ. He reported that the people who wrote the proposals were asking for cooperation from the carriers on the Board to get accurate claim information particularly from BC/BS. S. Kelly said that these groups were also looking for intangibles and were being subjective. She asked for Board member's thoughts on the groups' approach. K. O'Leary said that the minutes, filings, etc. are public documents and that the groups would have access to this information. There was a general discussion about how time consuming this information was to provide. J. Donnellan said that it was very important that these groups get the information that they need. The Board agreed.

1993 Assessments

K. O'Leary reported that he was getting numerous responses from carriers when they received their assessment invoices. The staff were citing the regulations to the carriers and in some situations explaining the appeal process.

Insurance Professional Association Meeting

K. O'Leary reported that he worked with Maureen Lopes to set up a meeting to put a structure in place to communicate with the five major professional health and life insurance organizations in New Jersey. He said the group representatives seemed very cooperative and that the groups had biweekly newsletters or bulletins that would provide an opportunity to submit IHC Q&As. The first shipment of regulations, statutes, buyer's guides, and policy forms would be sent the following week. He said that P. Wolcott was developing the SEH Q & A for the second mailing.

K. O'Leary reported that he spoke to the North Jersey Health Underwriters Association on June 28. C. Wowkanech asked on what topics the agents had questions. K. O'Leary said that there were some SEH reform questions, and preexisting condition questions but that many of the questions spanned the entire program.

Meeting Schedule

K. O'Leary stated that August 2 was the last scheduled meeting of the IHC Board. There was discussion of monthly meetings. C. Wowkanech stated that the chairs of the Legal and Marketing Committees need to continue to meet. The Board would also need to meet to discuss the Legal Committee recommendations on the contested assessments. The Board agreed that the next IHC Board meeting would be held on August 23 and the remainder of 1994

Board Meetings would be held on the following dates: August 2, August 23, September 13, October 11, November 15, and December 13.

SEH Program

K. O'Leary reported that the SEH Board had proposed changes to regulations and policy forms on June 1, 1994. The Board adopted rating factors and rider filing procedures. He informed the Board that on or after September 11, 1994 all small employer plans being renewed would be guaranteed issued and modified community rated. Out-of-state trusts and associations would be allowed to continue to offer nonstandard plans for two years. In calendar year 1997, all old plans would terminate.

K. O'Leary stated that P. Wolcott was preparing the SEH Buyer's Guide

Expense Reports

K. O'Leary reported that all administrative expenses would be billed equally between the IHC and SEH programs. K. O'Leary reported that all administrative expenses are itemized in the Board's information packet. (See attached itemized expense report). An additional reimbursement was added to the list for \$24.00 for the Trenton Times public meeting notice.

R. Smart made the motion that all Board expenses be accepted and J. Donnellan seconded the motion. The Board voted unanimously to pass the motion.

Enforcement Report

K. O'Leary reported enforcement efforts are ongoing and that a small number of carriers were still trying to issue non-standard plans.

Administrative Activities

K. O'Leary reported that Great West Life had paid the 1992 assessment of \$76 twice; the second time with interest and had asked for a refund.

C. Wowkanech made a motion, which R. Rondum seconded, that the duplicate payment be refunded to Great West. The Board unanimously approved this motion.

K. O'Leary reported that Prudential had been providing administrative services to the Board until this time and that there was a balance owed for these services. K. O'Leary recommended that the Board pay off the balance owed to Prudential once the 1993 assessment had been collected.

R. Rondum made a motion that upon receipt of proper documentation the Board pay Prudential for administrative services rendered to the Board. C. Wowkanech seconded the motion. The Board approved by voice vote with J. Donnellan from Prudential abstaining.

K. O'Leary reported that J. Donnellan would have boxes of materials delivered to the IHC offices. K. O'Leary thanked J. Donnellan for the outstanding job he performed as Interim Administrator.

R. Rondum recommended that the Executive Director draft a letter commending J. Donnellan on the outstanding job that he has performed as interim administrator. This letter would be signed by the Chairman and all IHC Board members to be placed in his personnel file.

K. O'Leary reported that he would schedule a luncheon so that the Board could properly thank J. Donnellan.

K. O'Leary reported that D. Marco had been reassigned to the SEH Board.

C. Wowkanech made a motion for the Board to take a 15-minute break at 11:35 am and J. Donnellan seconded this motion. The Board unanimously agreed.

C. Wowkanech called the meeting back to order at 11:50 am. He introduced Cyndi Nicholas, Senior Vice President, The Marcus Group, Inc. who fielded questions from the Board on her marketing proposal.

R. Rondum said that the Marcus Group's proposal was a comprehensive plan but it was unrealistic to undertake the entire plan within 90 days. C. Nicholas said that the proposal is an overview of the Marcus Group, Inc. capabilities and that specific projects would be identified and undertaken.

C. Nicholas reported that she would attend Board Meetings and that time frames were reviewed. She reported that she understood that the IHC Program has short deadlines for projects. C. Nicholas reported that IHC would be added to the agency's master clipping service account and therefore get a discount.

J. Donnellan recommended providing the Board's Quarterly Enrollment Report to the Marcus Group.

K. O'Leary stated that it was not necessary for The Marcus Group staff to learn the IHC program in an in-depth manner. C. Nicholas agreed and said that the Marcus Group would concentrate on presenting the Board's message.

R. Rondum made a motion to accept The Marcus Group as the Public Relations agency for the Board and C. Wowkanech seconded the motion. The Board unanimously approved the motion.

C. Wowkanech said that R. Rondum as Vice-Chair of the Marketing Committee would work with C. Nicholas to get the process going. It was agreed that D. Marco would be contacted and that a Marketing Committee meeting would be organized. S. Church would provide an updated Marketing Committee list to C. Nicholas. The Marketing Committee Meeting would be held on July 27 at 2:00 pm, 11th floor, 50 W. State Street at The Marcus Group.

Good Faith Marketing Report

K. O'Leary reported that the Marketing Committee met to review the Good Faith Marketing Reports. Only one carrier did not do anything to market the Program and will be referred to the Legal Committee. The second purpose for meeting was to develop the Good Faith Marketing Report Standards prospectively. K. O'Leary referenced the Good Faith Marketing Standards that were included in the Board's information packet. The draft rule sets forth three criteria that the Board would use to evaluate each carrier's marketing program: whether a carrier had met 50% of its enrollment share; its use of media; or its use of agents.

Time Insurance Request

K. O'Leary reported that the Chicago branch office of Time requested approval from the Board staff to produce a customized employer brochure for marketing individual plans to employers that do not offer group coverage to their employees. The brochure would describe Time Insurance Company's individual health plans and have the employer's name printed on the brochure. There would be a letter accompanying the mailing to the employees explaining that this information was provided for the employee's information and the employer would not be paying for this benefit. Board members requested additional information.

Report of TAC

J. Donnellan reported that TAC was unable to meet.

Report of the Forms Committee-R. Smart

R. Smart reported that everyone knew the current status of the policy forms. There are a few old issues that the Forms Committee would review.

Report of the Legal Committee-K. O'Leary

K. O'Leary reported that the Legal Committee met on July 20, 1994 and that the issues were summarized for the Board in the packet.

K. O'Leary reported that the Attorney General's Budget for fiscal year 1994 allowed for two Deputy Attorneys General, one paralegal and one secretary. K. O'Leary conveyed the Legal Committee's recommendation that the Board request from the Attorney General's Office a revised budget for one Deputy Attorney General, one-half a paralegal and one-half of a secretary. The Board agreed.

K. O'Leary reported that, in certain circumstances, a company filing a late Exhibit K, would pay a significantly higher assessment. K. O'Leary reported that the Committee recommended that no exceptions be made to the Board's policy of not accepting late filings of Exhibit K. K. O'Leary stated the Principal Financial Group had missed their filing for exemption deadline by 10 days and that Principal Financial sent an appeal laying out why they should be granted a conditional exemption. On the grounds that the IHC Program rules were unclear that an exemption request would not be considered if not submitted on time, the Legal Committee recommended that the Board grant the Principal's conditional exemption.

J. Donnellan made a motion that the Board accept the Principal Financial Group conditional exemption request. R. Smart seconded this motion. The Board unanimously approved the motion.

New Business-C. Wowkanech

C. Wowkanech reported that Eileen Shrem's name had been placed into nomination as a public member for the IHC Board.

K. O'Leary reported that several of the assessment calls involved carriers not knowing that the nonmember status had to be renewed on an annual basis. K. O'Leary recommended that the annual filing for nonmember status be extended to allow permanent nonmember status and this would be referred to TAC.

C. Wowkanech made a motion to move into Executive Session and J. Donnellan seconded the motion. The Board moved into Executive Session at 12:45 pm.

The Board then returned to open session and adjourned.

New Jersey
Individual Health Coverage Program Board
Trenton, New Jersey

Minutes of the Individual
Health Coverage ("IHC")
Program Board Meeting held
August 2, 1994.

Directors:

C. Wowkanech (AFL-CIO), D.
Benbow (Prudential), R.
Rondum, L. Moskowitz (DOI),
R. Smart (Mutual of Omaha), D.
Marco (BC/BS)

Executive Director:

K. O'Leary

Deputy Attorney General:

M. Smyth

Other Attendees:

List maintained in records of
NJ DOI

I. Call to Order

C. Wowkanech called the meeting to order at 9:45 am. Roll call was taken by S. Church. The IHC Meeting was properly noticed in three newspapers in accordance with the Open Public Meetings Act.

II. Approval of the Board Minutes

C. Wowkanech asked the Board to review the July 21, 1994 minutes. C. Wowkanech made a motion to accept the minutes of July 21, 1994 as amended. L. Moskowitz seconded the motion and the Board unanimously approved.

III Report of the Chairman - C. Wowkanech

C. Wowkanech reported that he spoke at the LAB Region #6 Group Task Force Meeting on July 25 at Stockton State College. He said that the meeting was a success and that Diane Quinton from the Essential Health Services Commission spoke on the subsidy program. C. Wowkanech reported that IHC carrier rates were discussed at the LAB presentation.

C. Wowkanech reported that K. O'Leary drafted a letter that will be hand delivered by C. Wowkanech to the Governor's Office describing the New Jersey Department of Labor Response Team's collaborative effort with the IHC Board to provide the opportunity for the Governor to become involved with this effort.

IV. Report of the Executive Director - K. O'Leary

K. O'Leary reported that the assessment letters have been sent out on July 11 and the checks are coming into the IHC Office. K. O'Leary reported that \$20,381,400 million of assessment payments were collected to date. This figure included roughly \$18 million of assessment payments from Blue Cross/Blue Shield. The balance of \$2,432,218 was received from other carriers. There are \$34.5 million of assessment payments still to be received within 30 days of the certified letter being received by the carrier.

K. O'Leary reported that letters of appeal were received from 14 carriers: three letters from carriers who filed late Exhibit K's; ten letters from carriers who claimed to be nonmembers and one letter from a carrier who disputed the amount of the assessment. One carrier disputing the assessment amount claims that the Board did not accurately count the number of non-group persons enrolled.

D. Benbow stated that the carriers disputing the assessment amount may not have followed the rules correctly for counting number of non-group participants.

M. Smyth clarified that the letters of appeal would be sent to the Legal Committee for review. K. O'Leary confirmed this.

Advance Filing Notice & Rate Update

K. O'Leary reported that advance notice was sent out to carriers for the quarterly enrollment status report and loss ratio report.

K. O'Leary reported that the most recent carrier rate sheet was sent out to carriers in the market.

Good Faith Marketing Report Regulation

K. O'Leary reported that he distributed criteria to evaluate the Good Faith Marketing Report at the July 21 Meeting. He distributed the revised proposed Good Faith Marketing Report Regulation for review. K. O'Leary reported that the underlined sections would be added and the bracketed sections would be deleted. He said that criteria on the last page provided the filing information requirement.

R. Rondum asked if this was final since her recollection from previous meetings was that this was preliminary.

D. Marco said that when the Marketing Committee reviewed the Good Faith Marketing Reports, it was determined by Committee members that there were very specific materials included: media schedules, ads, videotapes etc. He said that the carriers gave us more detailed information than was expected. Having this

information, gave The Board the comfort level to propose this regulation.

D. Marco made the motion to accept the revised Good Faith Marketing Report Regulation and L. Moskowitz seconded the motion. The Board voted unanimously to accept the Good Faith Marketing Report Regulation.

C. Wowkanech recommended that the Board adjourn for a 15-minute break at 11:05 am.

Carrier Rate Chart

K. O'Leary referenced the new carrier rate sheet dated 7/27/94 distributed to the Board in the information packet.

C. Wowkanech requested notification when the carrier rates are reduced or increased. J. Donellan reported that the carrier rates change quarterly. D. Benbow reported that some carriers used the monthly rate change.

J. Donellan reported that the computer programmer was still working on expanding the rate sheet program capabilities to include historical and future rate sheet information.

IHC Program Meetings

K. O'Leary reported that C. Wowkanech arranged a meeting for August 18 with the Department of Labor's Response Team which he would also attend.

K. O'Leary reported that he spoke before the New Jersey Association of Health Underwriters on July 21. He was pleased to report that most of the questions related to the SEH Program which meant that the brokers had a clear understanding of the IHC Program.

Newspaper Article

K. O'Leary distributed and reported on the Sunday, July 31 Courier-Post article describing the IHC Program. Several errors made by the reporter were discussed and D. Benbow recommended that K. O'Leary call the editor. D. Marco recommended that C. Nicholas of The Marcus Group follow up with the editor.

Escrow Account

K. O'Leary reported that it was necessary for the IHC Board to open an escrow account in which to keep assessment funds during the appeal process for the contested assessments.

C. Wowkanech made a motion and R. Rondum seconded the motion to open the IHC Board escrow account. The Board voted unanimously to approve the escrow account.

Expense Report

K. O'Leary distributed and discussed the expense report. (See attached expense report). There was one additional expense for R. Rondum's mileage to attend the IHC Board Meetings from April 5 through June 23.

R. Rondum asked whether the Board staff was bonded. K. O'Leary said that he would investigate this.

J. Donnellan Thank-You Party

The SEH Board would be honoring J. Donnellan for his efforts as the SEH interim administrator at a luncheon immediately following the August 17 SEH Board Meeting. IHC Board members were invited to attend the August 17 Luncheon. There were several scheduling conflicts and the Board decided to hold a subsequent thank you luncheon immediately following the August 23 IHC Board Meeting.

V. Marketing Committee

D. Marco reported that the Marketing Committee met with Cyndi Nicholas to discuss the IHC Marketing/Public Relations Program. He reported that the Marcus Group was assigned the task of preparing a 90-day public relations outline. D. Marco introduced C. Marcus to discuss the public relations proposal.

C. Marcus distributed the public relations proposal from The Marcus Group and answered the Board's questions. (The plan covered August 1 through September 15, 1994). The Plan was well received by the Board. C. Wowkanech said that The Marcus Group should seek approval from himself or K. O'Leary to expedite the promotional programs.

C. Wowkanech requested that the Marketing and Legal Committee Chairmen submit schedules of when their Committees would meeting for the next several months.

C. Wowkanech requested a 15-minute recess at 11:05 am.

C. Wowkanech called the IHC Board Meeting back to order at 11:20 am.

VI. TAC Report

D. Benbow reported that TAC recommended HIP/Rutgers, Principal, Sanus, and MetLife (HMO plan) rate filings be accepted as complete.

D. Marco made the motion to accept the four rate filings and R. Smart seconded the motion. The Board voted unanimously to accept the four rate filings with C. Wowkanech not present.

D. Benbow assumed the chairman's responsibility's for the remainder of the meeting in C. Wowkanech's absence.

The TAC recommended denying The Mutual Group's PPO rate filing because it had not received approval of the Selective Contracting Arrangements Application for the Department of Insurance.

L. Moskowitz made the motion to deny The Mutual Group's PPO Rate filing and D. Marco seconded the motion. The Board voted unanimously to deny the rate filing.

D. Benbow requested K. O'Leary to draft a letter to The Mutual Group denying the rate filing.

D. Benbow reported that Centennial withdrew their PPO rate filing from consideration. He reported that Prudential filed a rate reduction for PruCare.

D. Benbow reported that TAC requested clarification of the rate filings received from Protective, MetLife (A-E), and Blue Cross/Blue Shield.

VII. New Business

L. Moskowitz stated that the ACCESS Program would like to offer a \$10 copayment on the Point of Service product. There was Board discussion on whether this option was possible with the current POS structure. D. Benbow said that clarification would be provided to include the \$10, \$15 and \$20 copayment structure for the POS.

D. Benbow made the motion to adjourn into Executive Session to receive legal advice from legal counsel and L. Moskowitz seconded this motion. The Board approved unanimously.

VIII. Forms Committee-R. Smart

R. Smart reported that there are copies of approximately forty comments on the proposed policy forms located in the Board's information folders. She stated that many of the comments are nonsubstantial clarifications and will not require reproposal. The Board discussed the policy forms changes and determined that the Policy Forms would be adopted at the August 23 Board Meeting.

IX. Legal Committee-K. O'Leary

K. O'Leary reported that S. Connor was comfortable with K. O'Leary reviewing the bill submitted by the Attorney General's Office with M. Smyth. K. O'Leary reported that he reviewed the bill and it appeared to be reasonable.

L. Moskowitz made a motion to pay the Attorney General's bill for Fiscal Year June 30 1994 for \$21,329 and D. Marco seconded the motion. The Board unanimously to approve the motion.

D. Marco made a motion to adjourn the IHC Board Meeting and D. Benbow seconded this motion. The Board voted unanimously to adjourn.

New Jersey
Individual Health Coverage Program Board
Trenton, New Jersey

Minutes of the Individual Health
Coverage Program Board Meeting held
August 23, 1994.

Directors:

C. Wowkanech (AFL-CIO), P. Carmody
(Mutual of Omaha), J. Donellan
(Prudential), C. Oliver, (Blue
Cross/Blue Shield), R. Rondum, L
Moskowitz, (DOI), Gerald Young (US
Healthcare)

I. Public Meeting

C. Wowkanech called the meeting to order at 9:40 am. Roll call was taken by S. Church. The Chair reported that the IHC Meeting was properly noticed in three newspapers in accordance with the Open Public Meetings Act.

II. Approval of the Board Minutes

C. Wowkanech asked the Board to review the August 2, 1994 minutes. L. Moskowitz made a motion to accept the minutes of August 2, 1994 as amended. P. Carmody seconded the motion and the Board unanimously approved.

III. Report of the Chairman-C. Wowkanech

C. Wowkanech reported that he received a letter from Dennis Marco dated August 22, 1994 stating that he would no longer serve on the IHC Board and that Tom Gordon, Vice President of Small Group/Consumer would represent Blue Cross/Blue Shield. Mr. Charles Oliver would act as alternate for Mr. Gordon.

C. Wowkanech received a second letter from Jim O'Connor dated August 18 stating that Dan Risku, Prudential's Assistant General Counsel, would replace him on the IHC Legal Committee, effective immediately.

C. Wowkanech reported that he received a third letter from Gerald A. Young, Esq., dated August 23 stating that Debbie Williams from US Healthcare's Corporate Marketing Department, would replace Stewart Lavelle on the IHC Marketing Committee.

C. Wowkanech reported that he spoke to Congressman Hughes' District Office Health Advisory Board in Linwood, NJ, on August 13. There were approximately 35 people in attendance and he spoke about the IHC program at some length.

IV. Report of the Executive Director-K. O'Leary

K. O'Leary referred to an assessment summary spreadsheet in the Board's information packet. He reported that \$54,778,140 assessment was billed, \$44,205,989 was accounted for and almost \$4 million was in dispute. Ninety-four percent of the assessment payment was accounted for and six percent was not accounted for.

K. O'Leary reported that there were separate negotiations occurring with US Healthcare officials on the escrow account for their assessment payment.

K. O'Leary recommended that once the funds were available, \$21,639,000 would be wire transferred to BC/BS. This would leave an payment balance of \$14,424,926.

L. Moskowitz asked whether there was an RFP for an audit for BC/BS's losses.

J. Donellan who reported for D. Benbow, stated that D. Benbow, who was reporting as chair of the TAC, said the money can be transferred to BC/BS prior to the audit because he believed that any discrepancies discovered at the time of the audit could be corrected at that time.

K. O'Leary said that the RFP for an audit was not sent out. He said that it would be several months before the completion of the audit.

C. Oliver agreed that the amount to be transferred to BC/BS was appropriate.

M. Smyth would review the transfer process and provide the Board with legal advice.

J. Donellan reported that last year the transfer to BC/BS was made without an audit.

L. Moskowitz recommended deferring the transfer decision until the AG's Office provided legal advice during Executive Session.

K. O'Leary reported that the Department of Labor Response Team Meeting was postponed by the Department of Labor.

V. Marketing Committee Report-C.Nicholas

C. Nicholas reported that she issued a letter to the editor after President Clinton's recent trip to New Jersey. Nicholas reported that the Courier News had printed the letter to the editor.

C. Nicholas reported that she had been working with the Marketing Committee to plan a press conference to announce the Second Quarter Enrollment Status Report results. She reported that the

press release would be written this week and that patients were being interviewed to represent the Program at the press conference. Prudential, HIP/Rutgers, and BC/BS had all submitted candidates for consideration for the press conference. A letter was delivered to the Governor's Office inviting her to attend.

C. Nicholas reported that the New Jersey Library Association was approached to provide IHC Buyer's Guides and Rate Sheets. The organization agreed to do a mailing to its members.

C. Nicholas also reported that the State Office of Personnel Management was also approached to place the IHC Program's materials in their information racks for State employees as an option. The State Office of Personnel Management was not cooperative.

C. Wowkanech requested that the leaders of the other State LABS be notified by letter that IHC members were available to speak to their representatives. K. O'Leary said that the IHC Office would obtain the list through the Department of Health. C. Wowkanech also said that the LABs should be put on the IHC mailing list.

C. Nicholas reported that the Marketing Committee would hold it's next meeting after Labor Day.

C. Nicholas also reported that the Marketing Committee and the Marcus Group decided that it would be more appropriate to have a separate press conference, probably in September, for the bone marrow transplant patient. The August 29 press conference would focus on the enrollment report and the relatively healthy patient success stories.

VI. TAC Report-J. Donellan

J. Donellan reported that TAC recommended the following rate filings need to be approved: BC/BS (HMO portion of rate filing was deemed complete); Prudential (decrease in rate deemed complete); and Oxford Health Plan (HMO only deemed complete). He reported that the C and D portions of the BC/BS rate filing would not be voted upon by the Board. J. Donellan said that TAC had serious reservations about The Oxford Health Plan Opt Out Option.

Steve Schwartz, attorney with the Oxford Health Plan presented a summary of his letter to the Board. TAC would review the letter from S. Schwartz and respond appropriately.

K. O'Leary referred the Board's attention to the Oxford Opt-Out Plan ad and the letter he had written on behalf of the Board to inform Oxford Health Plan officials to cease advertising this plan. Instead of pulling the advertisement, Oxford officials modified the ad.

G. Young stated that the TAC and Forms Committees were established to allow review of the Oxford request. He said that Oxford's letters and plans would be taken into consideration.

S. Schwartz claimed that E. Crandall and M. Lopes of the SEH Board said that it was acceptable to set up the Opt-Out System.

L. Moskowitz said that E. Crandall and M. Lopes were not authorized to speak for the IHC Board. He stated that the Oxford Plan was outside the approved Board plans. L. Moskowitz said that the Oxford Plan was a nonstandard plan and he is inclined to agree with TAC's recommendation and deny the Oxford Opt-Out Plan.

L. Moskowitz felt that the law was violated by the Oxford Plan advertisement and that he believed that S. Schwartz and Oxford were out of line. L. Moskowitz said that there were many carriers who would like to have an even playing field.

L. Moskowitz made a motion and C. Wowkanech seconded the motion recommending that the BC/BS (HMO only), Prudential and Oxford (HMO only) rate filings be deemed complete by the Board. The Board voted unanimously to approve the three rate filings.

J. Donellan reported that TAC was reviewing the Traveler's rate filing and that there was ongoing correspondence between the carrier and the Board.

C. Wowkanech requested a 15-minute break. The IHC Board Meeting was called back to order by C. Wowkanech at 10:45 am.

VII. Policy Forms Committee-J. Donellan

J. Donellan reported that R. Smart express mailed a copy of the policy forms changes to him and he reviewed the comments and prepared appropriate responses to reflect what the Board wanted conceptually. J. Donellan reviewed the comments for the Board.

The Board decided not to adopt the Coordination of Benefits Language at this time. This section would not be revised for the October 1994 version of the IHC Policy Forms.

R. Rondum said that she was troubled with the Termination of Contract provision comment #25 section (g) because as she understood it, the terminated enrollee in an HMO Plan goes to the Commissioner of Health for decision making. She was also concerned about what happened to a patient when the services and supplies were terminated and the patient was still paying the premium because of the time gap. She accepted the Termination of Contract provision comment #25 section (f). R. Rondum recommended that the contract stay the way that it was and not be modified by comment #25 section (g).

J. Donnellan recommended that the decision to adopt the Termination of Contract section of the IHC Policy Forms be tabled to be included with the Coordination of Benefits revision at a later date. The Board agreed to this.

L. Moskowitz made a motion to adopt the Policy Form changes as amended, effective on or after January 1, 1995, and R. Rondum seconded the motion. The Board voted unanimously to approve this motion.

Executive Director Report Addition-K. O'Leary

K. O'Leary reviewed the expense report that is attached. He reported that there was a \$3,000 expenditure for In Design for designing a software program for the redesigned rate sheet.

L. Moskowitz asked whether the Board had reviewed the rate sheet design. K. O'Leary reported that TAC did the review and that the rate sheet was the same design that was distributed at the last press conference.

L. Moskowitz moved that the Board authorize payment of all expenditures in the expense report and C. Wowkanech seconded the motion. The Board voted unanimously to approve the expense report.

L. Moskowitz made a motion that was seconded by R. Rondum to move into executive session in order for the Board to seek legal advice from counsel. The Board voted unanimously to move into executive session.

Following the executive session, C. Wowkanech made a motion and R. Rondum seconded the motion to return to general session. The Board voted unanimously to adjourn to general session.

C. Wowkanech made a motion and L. Moskowitz seconded the motion that the Board wire \$21,639,066 to Blue Cross/Blue Shield for reimbursement of 1993 reimbursable losses contingent upon the completion of the audit and that an adjustment would be made if necessary and that Blue Cross/Blue Shield would provide written assurance to the Board that it would return whatever portion, if any, determined by audit to not be reimbursable or if the audit discovered any discrepancies, then the funds would be returned. C. Wowkanech, L. Moskowitz, R. Rondum, J. Donnellan voted to approve the motion and G. Young and C. Oliver abstained from the vote.

L. Moskowitz made a motion that the rate filing for the Oxford Opt Out Plan be denied and that K. O'Leary would write Oxford a letter today requesting that they cease and desist the Plan. The matter would then be referred to the DOI for further action. C. Wowkanech seconded the motion. The Board voted unanimously to approve this motion.

C. Wowkanech made a motion and G. Young seconded the motion that the Board Meeting adjourn. The Board voted unanimously to adjourn at 1 pm.