

**FINAL
MINUTES OF THE MEETING OF THE
NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
AT THE OFFICES OF THE
NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
TRENTON, NEW JERSEY
September 12, 2006**

Directors participating: Kevin Ericson (Oxford); Sandi Kelly (Horizon BCBSNJ); Ulysses Lee (Guardian) (arrived at 9:50 a.m.); Gale Simon (DOBI); Christine Stearns; Mary Taylor (Aetna Health Inc.); Lisa Yourman (arrived at 10:00 a.m.).

Others present: Ellen DeRosa, Executive Director; DAG Eleanor Heck (DOL); Rosaria Lenox, Program Accountant.

I. Call to Order

E. DeRosa called the meeting to order at 9:37 a.m. She announced that notice of the meeting had been published in two newspapers and posted at the Department of Banking and Insurance (“DOBI”), the DOBI website, and the Office of the Secretary of State in accordance with the Open Public Meetings Act. A quorum was present.

II. Minutes

August 1, 2006

G. Simon offered a motion to accept the Open Session minutes of the August 1, 2006 Board meeting, as amended. C. Stearns seconded the motion. The Board voted in favor of the motion, with S. Kelly abstaining.

August 25, 2006

C. Stearns offered a motion to accept the Open Session minutes of the August 25, 2006 Board meeting, as amended. G. Simon seconded the motion. The Board voted unanimously in favor of the motion.

III. Comments from Public

E. DeRosa explained that Carolyn Samit asked to address the Board. As C. Samit had just arrived, the Board invited her to the table to make her presentation.

C. Samit gave Board members a copy of her prepared text at the conclusion of her presentation.

III. Report of Staff

Expense Report

M. Taylor offered a motion to approve the payment of the expenses on the September 2006 expense report. U. Lee seconded the motion. The Board voted unanimously in favor of the motion.

Enrollment Reports

E. DeRosa noted that the 2Q06 enrollment reports were included in Board meeting materials. She also noted that enrollment data has been posted on the website. (www.state.nj.us/dobi/reform.htm)

2007 Meeting Schedule

E. DeRosa asked Board members to review the draft 2007 meeting schedule and provide comments by the end of September.

V. Report of the Technical Advisory Committee

Oxford Rate Filing

K. Ericson recused himself from consideration of the rate filing submitted by Oxford since the filing was made by his employer.

S. Kelly discussed the rate filing that was submitted to provide rates for a PPO plan that features a common deductible rather than separate network and non-network deductibles. She said TAC recommends that the filing be found incomplete since Oxford indicated the common deductible option would only be available on renewal to members who request it, and the filing was not clear regarding what happened on renewals beginning July 1, 2006 to members renewing PPO plans. S. Kelly noted that until Oxford files to withdraw the common deductible option, Oxford must continue to offer such plan design.

M. Taylor offered a motion to find the Oxford filing for a common deductible PPO Plan C incomplete. L. Yourman seconded the motion. The Board voted unanimously in favor of the motion.

B&E Quarterly Reports

S. Kelly reported that TAC believed additional information would be necessary from AmeriHealth and that clarification was needed from Oxford.

2005 Loss Ratio Reports and Refund Plan

S. Kelly reported that TAC considered the loss ratio data for 2005 and recommends that the Board approve the refund plan submitted by Fortis, noting that the payment must be made within 45 days.

L. Yourman offered a motion to approve the refund plans submitted by Fortis, subject to refunds being made within 45 days. C. Stearns seconded the motion. The Board voted unanimously in favor of the motion.

VI. Report of the Operations & Audit Committee

Financial Statements

R. Lenox reviewed the Balance Sheet as of June 30, 2006 with the Board. She also discussed revenues and expenses and cash flows.

Budgets for FY06 and FY07

R. Lenox reviewed the budgets for FY 2006 and FY 2007.

M. Taylor offered a motion to approve the budgets for FY06 and FY07. K. Ericson seconded the motion. The Board voted unanimously in favor of the motion.

Administrative Assessment for 2006 and 2007

The Board reviewed assessment spreadsheets to bill an administrative assessment to fund the FY06 and FY07 Budgets.

Overnight Mail Service Invoices

E. DeRosa asked the Board to permit staff to pay Fed Ex invoices when due, rather than waiting for the Board to vote to make payment. The payment would be included on the expense report for the next Board meeting. She said there was a recent incident where FedEx would not make a delivery because the account was delinquent. FedEx requires payment within 15 days.

C. Stearns offered a motion to authorize Board staff to pay overnight mail invoices up to \$500. L. Yourman seconded the motion. The Board voted unanimously in favor of the motion.

Status of Audits

M. Taylor noted that Deloitte & Touche was not available to participate in the Committee meeting so there were no audit status updates. She noted that PFL and MEGA Life agreed to cooperate with the full audits of their reported losses, PFL for 1999/2000 and MEGA for 1997/1998 and 1999/2000.

VI. Executive Session

E. DeRosa said the Board would need to go into Executive Session to consider draft Executive Session minutes, receive legal advice from counsel and discuss current or pending litigation and personnel matters. She said the Board may conduct additional business following Executive Session.

M. Taylor offered a motion to begin Executive Session for the stated reasons. S. Kelly seconded the motion. The Board voted unanimously in favor of the motion.

[Break: 10:45 a.m. – 10:50 a.m.]

[Executive Session: 10:50 a.m. – 12:02 p.m.]

VII. Final Business and Close of Meeting

M. Taylor said that during the discussion of the Report of the Operations and Audit Committee, the Board had considered a draft administrative assessment for 2006/2007. However, assessment amounts for some carriers are below the \$20 amount the Board's rule established as the minimum amount for which a carrier would be billed. The Board recognized that the method to reallocate the assessment amounts that are below \$20 is set forth in N.J.A.C. 11:20.2.17, as proposed. The Board agreed to bill the assessment, and defer reallocation of the amounts that are less than \$20 until N.J.A.C. 11:20-2.17 has been adopted.

C. Stearns offered a motion to bill the 2006/2007 administrative assessment, and defer reallocation of amounts that are less than \$20 until after N.J.A.C. 11:20-2.17 has been adopted. L. Yourman seconded the motion. The Board voted unanimously in favor of the motion.

S. Kelly offered a motion to close the meeting. K. Ericson seconded the motion. The Board voted unanimously in favor of the motion.

The meeting adjourned at 12:08 p.m.

Attachment: sign-in sheet