

**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  
FEBRUARY 10, 2009**

**Directors participating in person:** Darrel Farkus (United); Ulysses Lee (Guardian); Christine Stearns; Gale Simon (DOBI)

**Directors participating by phone:** Sandi Kelly (Horizon); Mary Taylor (Aetna Health Inc.)

**Others present:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Accountant; Vicki Mangiaracina, DAG (*by phone*).

**I. Call to Order**

E. DeRosa called the meeting to order at 10:05 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. Upon roll call, it was determined a quorum was present. She indicated all votes would be by roll call.

**II. Minutes – January 13, 2009**

**M. Taylor made a motion, seconded by G. Simon, to adopt the minutes of the January 13, 2009 meeting, with amendments. The Board voted unanimously in favor of the motion.**

**III. Staff Report**

*Expense Report*

R. Lenox presented the February Expense Report, totaling \$34,306.43, primarily for salary and fringe benefits for staff, and an invoice from the Division of Law.

**S. Kelly made a motion, seconded by U. Lee, to approve the payment of the expenses on the February expense report. The Board voted unanimously in favor of the motion.**

*Litigation*

E. DeRosa reported the Appellate Division has scheduled oral arguments for all outstanding cases against the IHC program (disputing varying aspects of the loss reimbursement assessment mechanism) on March 4 in Morristown. Deputy Attorney General Eleanor Heck will be representing the Board at the hearing. E. DeRosa indicated she intends to attend.

*Monthly Rate Information and Buyer's Guide*

E. DeRosa briefly explained that rate filings are now made with the Department of Banking and Insurance (DOBI), and consequently, the production of rate sheets has, by and large, been taken over by DOBI as well. However, the rate tables are still being made available on the IHC web pages, and are still being enclosed with mailings of buyer's guides to the public. It was noted that a majority of the carriers are continuing to rate without consideration of age, but the expectation is this may change over time. Recognizing that the design of the rate sheets is really within DOBI's purview now, there was a suggestion to eliminate reference to one of the Plan A/50 options (because no carriers are offering it), and to add space for Horizon's second HMO Plan split copay option, and clarify the AmeriHealth split copay option.

E. DeRosa reported that she has updated the Buyer's Guide to assure that it contains no inaccurate information given changes to the law, and that she hoped to have it posted to the web page by the end of the week.

*Meeting Regarding Reimbursement of Hospital Charges*

E. DeRosa reported that the intended readoption of the Small Employer Health (SEH) Benefits Program rules (N.J.A.C. 11:21), with amendments, following the settlement agreement reached between the New York Attorney General's Office and UnitedHealthCare (and others) regarding use of the Ingenix databases resulted in numerous comments to the SEH Board's proposal. She noted that the language in controversy for the N.J.A.C. 11:21 readoption (with amendments) is substantially the same as that already adopted by the IHC Board without comment. E. DeRosa suggested to the Board that it may want to begin considering an alternative to continued use of the PHCS given the future development of a new database consistent with the terms of the New York settlement.

Following discussion, the Board agreed to revisit the issue in March, after the SEH Board has an opportunity to act on its readoption (with amendments), and IHC Board members have an opportunity to raise the issue within their respective companies. Among the points noted: waiting until a new database is available (pursuant to the settlement agreement) is a valid option at this time; and, it may make sense for the boards to act jointly in considering any move to another payment database/standard.

**IV. Report of the Operations and Audit Committee (OAC)**

*Joint RFP/Contract for Administrative Audits*

M. Taylor reported that a suggestion had been made to establish some written procedures for a jointly-organized ad hoc evaluation committee for review before making any recommendations on a joint RFP, bid and contracting process to the Board. She noted that the primary question is what happens if there is a disagreement between the two boards on selection of a vendor (auditor). She noted staff is working on draft procedures for the Operations and Audit Committee's (OAC) review.

*Investment Policy*

M. Taylor reminded Board members that the auditors had strongly suggested that the Board have an established investment policy, and that the Board had subsequently requested that staff develop a draft investment policy for the OAC's consideration and further recommendation. She reported that the OAC had received the investment policy and is reviewing it, but had no recommendations on it for this Board meeting.

**V. Other Business**

*Financials for 2Q09*

R. Lenox presented the financial statements (Statement of Net Assets, Statement of Changes in Net Assets, Statement of Cash Flows and Comparison of Budget and Actual Expenditures) for the second quarter of fiscal year 2009. She noted the transfer of \$21,961,147 in funds on December 5, 2008 from the Wachovia Evergreen account to a Treasury account. She also noted the IHC program has earned \$4,000,000 in interest since inception.

*Ethics Commission*

E. DeRosa reminded Board members that they will need to file their financial disclosures in May, and noted the State Ethics Commission had requested mailing information on each Board member – which she had provided – in order for the Commission to contact members directly this year.

**VI. Close of Meeting**

**G. Simon offered a motion to close the meeting, seconded by U. Lee. The Board voted unanimously in favor of the motion.**

*The meeting adjourned at 11:05 A.M.*