

FINAL
MINUTES OF THE ANNUAL MEETING OF THE
NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
AT THE OFFICES OF THE
NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
TRENTON, NEW JERSEY
May 14, 2013

Directors present: Darrel Farkus (Oxford); Christine Stearns; Neil Sullivan (DOBI); Mary Taylor (Aetna)

Directors participating by phone: Sandi Kelly (Horizon); Tony Taliaferro (AmeriHealth)

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Program Accountant, Eleanor Heck, Deputy Attorney General.

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 of general circulation and posted at the Department of Banking and Insurance (“DOBI”), the DOBI website, the Office of the Secretary of State and submitted to the State House Press Corp, in accordance with the Open Public Meetings Act. A quorum was present. She stated that votes would be by roll call because of participation of multiple Board members by telephone.

II. Staff Report

Expense Report

R. Lenox presented the expense report for May, with expenses totaling \$55. She explained that the listed expenses are solely for newspaper notices related to the April 29 meeting.

M. Taylor made a motion, seconded by D. Farkus, to approve the expenses on the May 2013 report. By roll call vote, the motion carried.

III. Transition to 2014 standards

Notices to Consumers and Withdrawal

Board members discussed whether to issue specific rules or guidance about how carriers should transition to the offering in 2014 of standardized ACA-compliant plans, and the nonrenewal of pre-2014 standard and Basic & Essential (B&E) plans. The Board agreed that it does not need to promulgate specific rules because the discontinuance of current standard plans and the B&E plans is not occurring as a prerogative of the Board, nor is it voluntary on the part of the carriers, but rather, is occurring as a function of federal law. The Board discussed developing a communication that would provide an overview of what will occur to inforce plans starting in January of 2014. E. DeRosa commented that she has written to the Basic and Essential (B&E) policyholders previously to provide information about the waiver the State received for the B&E

plans; consequently, a significant portion of individual policyholders are already familiar with receiving correspondence from the State regarding their health insurance.

The Board discussed whether carriers should have, or be permitted to offer, a default enrollment option, or whether to require that current insureds affirmatively choose a new plan (acknowledging the consequence that some individuals may fail to do so timely). The Board did not come to a conclusion, and suggested that more discussion may be appropriate when more information becomes available (presumably by the June meeting) about the products and plans that will be offered.

The Board agreed that carriers did not need to engage in a formal withdrawal process, but determined the notice process used for withdrawals – with notice at 90, 60 and 30 days prior to nonrenewal – may be a reasonable process to use, probably with some modifications to take into consideration the beginning of the FFM open enrollment period on October 1, 2013.

Other Rule Changes

The Board acknowledged that it needs to make certain regulatory changes to the IHC Program in light of the ACA, including changes in definitions, opportunities for movement into and within the IHC market, certain carrier reporting obligations, and other changes. E. DeRosa suggested that Board committees (standing or ad hoc) consider sections of rules. The Board assigned sections thus:

- Market rules (essentially, N.J.A.C. 11:20-22, and relevant exhibits) → an ad hoc committee composed of Oxford, Horizon and the DOBI
- Definitions (N.J.A.C. 11:20-1.2 and related rules) → Legal Committee
- Movement among plans (essentially, N.J.A.C. 11:20-12 and 24.2) → Technical Advisory Committee
- Marketing and enrollment (portions of N.J.A.C. 11:20-24) → Marketing Committee

The Board suggested that staff draw up a list of the federal rules that apply across the individual markets. The Board also briefly discussed the rate filing and loss ratio rules as well as New Jersey's standard application forms, all of which are issues that the DOBI must address. N. Sullivan said suggestions from Board members are welcome.

IV. Minutes – April 29, 2013

C. Stearns made a motion, seconded by D. Farkus, to approve the minutes of the April 29, 2013 open session minutes, with amendments. By roll call vote, the motion carried.

V. Out-of-Network Reimbursement

E. DeRosa reminded Board members that in January they discussed the out-of-network (OON) reimbursement methodology to replace the Ingenix PHCS as a regulatory requirement for reimbursement of OON services. She noted that at that time, the Board wanted revisions to the draft white paper (to include more examples of the impact of changing from the Ingenix PHCS to

150% of the Medicare Resource-based Relative Value Scale (RBRVS)), but that no carriers forwarded examples to her, so the most recent draft looks virtually the same as it did in January. The Board discussed again the issue of whether and when to hold a stakeholder meeting. E. DeRosa reported that the Small Employer Health Benefits (SEH) Program Board had decided it wanted to have some stakeholder meetings, facilitated by the Rutgers Center for State Health Policy, but that no definitive steps had been taken on that as yet. After further discussion, the Board generally agreed that members are comfortable with the recommended change to the RBRVS, but are not yet comfortable with the presentation or timing of the change. There was brief discussion as to whether having a specified OON reimbursement methodology would be necessary in 2014 if most plans are no longer offering OON benefits. The Board requested that for the June meeting, staff provide a general description of the types of products that carriers intend to offer for 2014, if possible.

VI. Close of Meeting

M. Taylor made a motion, seconded by D. Farkus, to adjourn the meeting. By roll call vote, the motion carried.

The meeting adjourned at 11:30 A.M.