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
MAY 13, 2014

Directors participating in person: Gale Simon (DOBI); Christine Stearns

Directors participating by phone: Sandi Kelly (Horizon); Lisa Levine (United); Thomas Pownall (Aetna); 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 Corps, in accordance with the Open Public Meetings Act. A quorum was present. She stated that voting would be by roll call because many of the directors were participating by phone.

II. Minutes – *April 8, 2014*

T. Pownall made a motion, seconded by S. Kelly, to approve the minutes of April 8, 2014, with amendments. In voting by roll call, the motion carried.

III. Staff Report

A. Expense Report and Transfer of Funds

R. Lenox stated that the Board has expenses totaling $10,608.45 on the May 2014 expense report, primarily for the IHC Board's portion of salaries and fringe. She stated that the Board would need to approve a transfer of $10,600 from its Wells Fargo Money Market account to its Wells Fargo Checking account, if the Board approved payment of its operating expenses on the May expense report.

C. Stearns made a motion, seconded by G. Simon, to approve payment of the expenses, and to approve the transfer of $10,600 from the Board's Wells Fargo Money Market account to its Wells Fargo Checking account in order to pay May operating expenses. In voting by roll call, the motion carried.

B. Quarterly Enrollment Reports

E. DeRosa reported that no additional changes had been made to the enrollment reports since the Board reviewed them at the April meeting, so staff intended to send out that version of the forms

to the carriers for completion. She reported that information from some carriers indicated they could submit completed reports for the first quarter of calendar year 2014 by mid-June, but it was agreed that if carriers need a little more time, that would be acceptable.

C. Optional Benefit Rider

E. DeRosa indicated that there had been one optional benefit rider filing by AmeriHealth.

T. Taliaferro recused himself from discussions and any action that might be taken by the Board regarding the filing by AmeriHealth because of the interest of his employer in the outcome of any action on the matter.

E. DeRosa explained that the rider would amend EPO and POS plans to add coverage for vision care for covered persons age 19 and older. She recommended the Board find it complete.

T. Pownall made a motion, seconded by C. Stearns, to find the filing complete. In voting by roll call, the motion carried.

D. Good Faith Marketing Reports – Standard Individual Plans

E. DeRosa presented the review by staff of the good faith marketing reports submitted by carriers as required by N.J.A.C. 11:20-24.6.

T. Taliaferro again recused himself from discussions and any action that might be taken by the Board regarding the filing by AmeriHealth because of the interest of his employer in the outcome of any action on the matter.

T. Pownall recused himself from discussions and any action that might be taken by the Board regarding the filing by Aetna because of the interest of his employer in the outcome of any action on the matter.

S. Kelly recused herself from discussions and any action that might be taken by the Board regarding the filing by Horizon because of the interest of her employer in the outcome of any action on the matter.

L. Levine recused herself from discussions and any action that might be taken by the Board regarding the filing by Oxford because of the interest of her employer in the outcome of any action on the matter.

E. DeRosa reminded Board members that this report is intended to demonstrate that carriers offering small employer coverage are also making a good faith effort to market at least three of the standard individual plans, and that carriers can demonstrate such effort by: including at least three of the standard individual plans on the carrier's standard application for individual coverage (unless an HMO); showing the carrier undertook at least one marketing effort to support the sale of the standard individual plans; and, filing rates and forms for the standard individual plans. E. DeRosa stated that all of the carriers that are required to submit a report for calendar year 2013 had done so, and all met the minimum standards except that AmeriHealth did not include its rate submission letter, so its report is incomplete, but can be easily corrected (and

the DOBI acknowledges receipt of rate filings for the standard plans). She briefly described some of the marketing options that carriers submitted as evidence of their marketing efforts.

G. Simon made a motion, seconded by C. Stearns, to find the reports of Aetna, Cigna, Horizon and Oxford to be complete and acceptable, and to find the report of AmeriHealth to be complete and acceptable pending receipt of its rate submission letter. In voting by roll call, the motion carried.

E. Good Faith Marketing Reports – Basic & Essential (B&E) Plans

E. DeRosa presented staff review of the good faith marketing reports submitted by carriers as required by N.J.A.C. 11:20-22.6.

T. Taliaferro recused himself from discussions and any action that might be taken by the Board regarding the filing by AmeriHealth because of the interest of his employer in the outcome of any action on the matter.

T. Pownall recused himself from discussions and any action that might be taken by the Board regarding the filing by Aetna because of the interest of his employer in the outcome of any action on the matter.

S. Kelly recused herself from discussions and any action that might be taken by the Board regarding the filing by Horizon because of the interest of her employer in the outcome of any action on the matter.

L. Levine recused herself from discussions and any action that might be taken by the Board regarding the filing by Oxford because of the interest of her employer in the outcome of any action on the matter.

E. DeRosa reminded Board members that this report is intended to demonstrate that carriers offering standard individual plans are also making a good faith effort to market B&E plans, and that carriers can demonstrate such effort by: including the B&E plan on the carrier's standard application for individual coverage; certifying that the B&E plan was included in a list of individual plan choices if a carrier's marketing material for individual plans included a list of individual plan options. She stated that all carriers that are required to submit a report did so, and that all submitted the requisite information. She noted that the report for calendar year 2013 will be the final Good Faith Marketing Report for the B&E plans.

G. Simon made a motion, seconded by C. Stearns, to find the reports of Aetna, AmeriHealth, Cigna, Horizon and Oxford to be complete and acceptable. In voting by roll call, the motion carried.

F. Draft Proposed Amendments to the Standard Plan Forms

E. DeRosa discussed additional changes that should be made to the standard plan forms. She highlighted the following:

- There is no longer any need to refer to an anniversary date with respect to individual plans: all individual plans will renew on January 1, and cost-sharing occurs on a calendar year basis. Accordingly, the term "anniversary date" and its definition would be deleted, and the term "renewal date" and reference to January 1 would be added.
- Reference to the policy being issued for a one year term would be removed, because many initial purchases of individual plans may be for less than 12 months prior to the first renewal date. Similarly, the language of the non-renewal provisions would also be changed, partly to acknowledge the new, additional reasons for a non-renewal (for example, decertification of a Marketplace plan, or change in a person's eligibility for a catastrophic plan), and the types of notices required. After discussion, Board members requested that the timeframes for the different types of non-renewals be specified.
- Although the federal rules indicate that the annual open enrollment period should be from October 15 through December 7 inclusive, the federal government has already stated that the dates will be different from that for the forthcoming open enrollment period, making the language in the forms inaccurate. Accordingly, reference to specific dates would be removed and more generic language would be added to indicate that there will be a designated open enrollment period annually.
- Language regarding the mammography coverage would be modified to assure compliance with P.L. 2013, c. 196.

E. DeRosa asked the Board members to review the forms and prior to the June meeting.

It was noted that the changes discussed are not the types of things that would be reflected in the templates required to be filed (on or before June 27, 2014) for the 2015 plans.

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

RFP for Program Audits
C. McDevitt stated that the contract with WithumSmith+Brown ends with the 2013 fiscal year audits, and a new RFP for audit services needs to be issued, probably jointly with the SEH Board. She stated that the OAC reviewed the RFP, and made some revisions, and that the revised RFP would be presented to the SEH Board's Finance and Audit Committee as well for review prior to either committee making any recommendations to their respective Boards.

Financial Statements
R. Lenox stated that the OAC members had an opportunity to review the financial statements, and had no questions. Board members had no questions either.

V. Report of the Technical Advisory Committee (TAC)

S. Kelly reported that the TAC met to review the questions regarding out-of-network claims that would be sent to carriers to make sure the desired information would be captured appropriately. E. DeRosa acknowledged that the questions have since been emailed, but responses have not yet been received.

VI. Elections of Directors

C. McDevitt reported that the current directors had been re-elected to their seats for an additional three-year period, as follows:

- Horizon Blue Cross Blue Shield represents health service corporations
- Oxford Health Insurance Plans represents foreign health insurers authorized to do business in New Jersey
- Aetna Health Inc. represents HMOs

VII. Close of Meeting

C. Stearns made a motion, seconded by S. Kelly, to adjourn the meeting. In voting by roll call, the motion carried.

[The meeting adjourned at 10:55 A.M.]