

**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**  
**November 9, 2016**

**Directors participating:** Sandi Kelly (Horizon); Lisa Levine (United/Oxford); Tom Pownall (Aetna); Brendan Peppard (DOBI); Tony Taliaferro (AmeriHealth)

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Eleanor Heck and Jeff Posta, Deputy Attorneys General

**I. Call to Order**

E. DeRosa called the meeting of the IHC Board to order at 10:00 A.M. E. DeRosa announced that notice of the meeting had been published in three newspapers of general circulation and posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, at 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 some directors were participating by phone.

**II. Review of Minutes – *October 11, 2016 Open Session***

**S. Kelly made a motion, seconded by B. Peppard, to approve the minutes of the open session of the meeting of October 11, 2016, with amendments. By roll call vote, the motion carried.**

**III. Report of Staff**

*Expense Report*

R. Lenox presented the expense report for November, totaling \$100,438.26. She explained that \$90,000 is the bill from Deloitte & Touche (D&T) for audit expenses related to the Time Insurance Company (Time) loss audits performed for the 1997/1998 and 1999/2000 calculation periods, while the remaining \$10,000 is for salaries and fringe. R. Lenox explained that the Board would need to transfer \$100,400 from its Money Market account to its checking account to pay the expenses, if approved. She noted that payment of the November expenses would substantially deplete the Board’s current funds in its Wells Fargo accounts, and suggested the Board transfer \$200,000 from its funds in Treasury to the Board’s Money Market account for cash on hand to pay future operating expenses. E. DeRosa explained that, although the Board is responsible for only half of the audit costs related to loss audits, the Board will pay the audit expense in full, then reduce the amount owed in loss reimbursements by the liability of the carrier.

**T. Taliaferro made a motion, seconded by T. Pownall, to approve payment of the expenses reported, the transfer of \$100,400 from the Board’s Wells Fargo Money Market account to**

**its Wells Fargo checking account to pay the operating expenses, and the transfer of \$200,000 from Board funds held in Treasury to the Board's Wells Fargo Money Market account for the payment of future operating expenses. By roll call vote, the motion carried.**

#### **IV. Executive Session**

**S. Kelly made a motion, seconded by B. Peppard, to go into Executive Session, for the purpose of obtaining legal counsel, and to consider action on the Executive Session minutes of October 11, 2016, with action by the Board probable following its return to Open Session. By roll call vote, the motion carried.**

*[The Board was in executive session from 10:08A.M. until 10:18 A.M.]*

#### **V. Executive Session minutes – November 9, 2016**

**T. Pownall made a motion, seconded by B. Peppard, to approve the minutes of the Executive Session of the November 9, 2016 Board meeting. By roll call vote, the motion carried.**

#### **VI. Order – Time 1997/1998 and 1999/2000 Audit Reports**

S. Kelly explained that an Order had been prepared at the Board's request to memorialize discussions from the Board's October meeting regarding D&T's audit reports of Time; namely, specifying that the Board accepts Time's net paid losses for the two reporting periods to be as set forth in the D&T reports; that the Board will prepare final reconciliations for the 1997/1998 and 1999/2000 calculation periods; and, that subsequent to collection of the assessment, the Board will distribute payment based on the net paid losses as set forth in the D&T reports.

**S. Kelly made a motion, seconded by B. Peppard, to approve the Order establishing that Time's net paid losses for the 1997/1998 and 1999/2000 calculation periods shall be as set forth in the D&T reports for the two periods, and that the Board shall take further action as set forth in the Order to provide reimbursement towards the net paid losses. By roll call vote, the motion carried.**

E. DeRosa agreed to disseminate the Order to Time as soon as possible. It was acknowledged that Time will have 20 days following receipt of the Order to file an appeal.

#### **VII. Close of meeting**

**T. Pownall made a motion, seconded by B. Peppard, to adjourn the meeting. By roll call vote, the motion carried.**

*[The meeting ended at 10:25 A.M.]*