

**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**  
**October 10, 2017**

**Directors participating:** Mary Beaumont; Don Henson (DOBI); Sandi Kelly (Horizon); Ulysses Lee (United/Oxford); Colleen Picklo; Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; Christine Machnowsky, Deputy Executive Director; Rosaria Lenox, Managing Financial Officer; Eleanor Heck, Deputy Attorney General.

**I. Call to Order**

E. DeRosa called the meeting of the IHC Board to order at 10:00 A.M. She announced that notice of the meeting had been posted at the Department of Banking and Insurance (“DOBI”), on the DOBI website, at the Office of the Secretary of State, submitted to the State House Press Corps, and published in three newspapers of general circulation 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 – September 12, 2017**

**T. Taliaferro made a motion, seconded by T. Pownall, to approve the minutes of the meeting of September 12, 2017, as amended. By roll call vote, the motion carried.**

**III. Report of Staff – Expense Report**

R. Lenox presented the expense report for October, totaling \$10,538.79, for salaries and fringe. She explained that the Board would need to transfer \$10,500 from its Money Market account to pay the operating expenses if approved.

**S. Kelly made a motion, seconded by D. Henson, to approve payment of the expense reported, and to transfer \$10,500 from the Board’s Wells Fargo Money Market account to its Wells Fargo checking account to pay the October operating expenses. By roll call vote, the motion carried.**

**IV. Operations & Audit Committee (OAC) Report**

R. Lenox reported that the OAC met to discuss the financial statement for the year ended June 30, 2016 (FY2017), as well as Management’s Discussion and Analysis (MDA). R. Lenox highlighted the following from the MDA:

- The audits for the losses for the loss calculation periods 1997/1998 and 1999/2000 were completed in FY2017. In addition, the administrative audit for the fiscal year ended June 30, 2016 was completed, and an unqualified opinion was issued on January 1, 2017.
- Program assets decreased about \$3.4 million relative to FY2016 because of a decrease in cash.
- Total liabilities decreased by \$742,787 primarily due to refunds made to carriers that incurred losses related to the 1997/1998 loss calculation period and the 2014/2015 final administrative assessment offset by interest income of \$81,830.
- Expenditures were favorable compared to budget for FY2017 due to less than expected legal fees and having one less staff member; however total expenditures for FY2017 increased by \$22,509 compared to FY2016 primarily because of an increase in fringe, and legal fees.

R. Lenox then discussed the Statement of Net Assets, the Statement of Changes in Net Assets, the Statement of Cash Flows, and the Comparison of Budget and Actual Expenditures Statement for the year ended June 30, 2017.

T. Taliaferro commended staff and counsel for coming in under budget, given all of the moving parts that have had to be addressed.

R. Lenox noted that the auditors are scheduled to meet with the OAC on October 23, 2017 to start the FY2017 administrative audit.

#### **V. Draft Rule Adoption**

E. DeRosa stated that a hearing was held with respect to the proposal approved by the Board on August 8, 2017 to amend rules and policy forms to comply with P.L. 2017, c. 117 and c. 176, among other things. She reported there were no comments provided at the hearing nor any submitted in writing by the close of the comment period.

She explained that there are agency-initiated changes suggested upon adoption in the draft presented to the Board regarding the interpretation of the telehealth legislation (P.L. 2017, c. 117), in an attempt to better align the language in the forms with the intent of the legislation. E. DeRosa explained that the mandate presented by Chapter 117 differs from the more typical mandate, in that it requires a specific service to be covered when available in-network (and covered the same as any comparable in-person visit), but does not require that any health care provider offer the service, or that carriers assure that such services will be available in-network. She stated that, accordingly, specific reference to telehealth in the schedule pages was removed (assuming it will be treated as any other primary or specialty visit), and any variable text suggesting that telehealth is at the option of the carrier is also removed; however, the Practitioner's Charges section is more specific to telehealth/telemedicine to highlight the conditional nature of it. She noted that the ability to provide telehealth/telemedicine will not factor into network adequacy considerations.

The question arose whether the cost-share could be different for telehealth or telemedicine health care providers, particularly those that don't offer an in-person appointment option. E. DeRosa stated she raised this question and would be discussing it with the DOBI.

E. DeRosa also explained that there is an agency-initiated change with respect to the triggering events to better capture the intent of the federal law with respect to individuals who are denied coverage under NJ FamilyCare. She noted that the denial of NJFamilyCare eligibility becomes a triggering event when the application for NJFamilyCare was submitted during the annual open enrollment period or a special enrollment period, and the declination of eligibility is issued after the open enrollment period or the special enrollment period ends. E. DeRosa stated that the adoption draft was still under review by the Attorney General's Office.

**T. Taliaferro made a motion, seconded by M. Beaumont, to approve moving forward with the adoption as presented, subject to the review of the Attorney General's Office. The motion carried.**

E. DeRosa stated that the draft will undergo the typical review process before it can be forwarded to the Office of Administrative Law for publication, but that once it is submitted for publication, she will prepare a Compliance and Variability Rider (C&V Rider) so that carriers have the option to use the C&V Rider rather than re-issuing all of their contracts.

**VI. New Staff**

E. DeRosa announced that Christine Machnowsky has joined the staff of the IHC and SEH Programs as a Deputy Executive Director, and that Lilah Gumbas has joined as a new Administrative Assistant, replacing Celeste Hill. E. DeRosa noted that C. Machnowsky had been a Regulatory Officer with the DOBI for three years, and had been at both IHC and SEH meetings prior to joining the staff, but that the primary reason she is now with the Programs' staff is because the DOBI recognized there are not many people within the DOBI with expertise in health insurance, and one of the better ways to learn it is to work with the IHC and SEH Programs and their associated staff. She stated that DOBI is funding the fifth position, so that the IHC and SEH Programs' payroll remains at four.

**VII. Close of meeting**

**S. Kelly made a motion, seconded by M. Beaumont, to adjourn the meeting. By roll call vote, the motion carried.**

*[The meeting ended at 10:40 A.M.]*