

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
April 14, 2020

Directors participating: Joseph Camargo; Philip Gennace (DOBI); Sandi Kelly (Horizon); Robert Morrow (United); Colleen Picklo; Thomas Pownall (Aetna); Tony Taliaferro (AmeriHealth).

Others participating: Ellen DeRosa, Executive Director; Chanell McDevitt, 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.

E. DeRosa noted that, pursuant to P.L. 2020, c. 2, as a result of the state of and public health emergencies declared by Governor Murphy on March 9, 2020 through Executive Order 103 (subsequently extended by Executive Order 119 on April 7, 2020) due to the COVID-19 pandemic, the IHC Board’s regularly scheduled meeting was being held entirely telephonically rather than at the Board’s offices in Trenton. She stated that, in accordance with P.L. 2020 c. 11, electronic notice of the change in the meeting and the means by which the public could attend the meeting telephonically was posted on the Board’s website, and issued electronically to all known interested parties.

E. DeRosa determined a quorum was present. She stated that voting would be by roll call.

Members of the public were asked to identify themselves.

II. Review of Minutes – March 10, 2020

T. Pownall made a motion, seconded by T. Taliferro, to approve the minutes of the meeting of March 10, 2020, without amendment. By roll call vote, the motion carried.

III. Report of Staff – *Expense Report; Reinsurance Program*

Expense Report

R. Lenox presented the expense report for April 2020 with expenses totaling \$12,172.46 for the Board’s share of staff salaries, meeting notices posted in the newspapers, her Continuing Professional Education subscription, and the services of Admiral Consulting for accounting software support. She noted that, with respect to Admiral Consulting’s services, expenses are shared with the SEH Board and the Medicare Supplement Under 50 Program. She stated that a

transfer of \$12,100.00 from the IHC Board's Wells Fargo Money Market account to its checking account would be necessary to pay the expenses.

S. Kelly made a motion, seconded by R. Morrow, to approve payment of the expenses reported, and the transfer of \$12,100 from the Board's Wells Fargo Money Market account to its checking account to do so. By roll call vote, the motion carried.

Reinsurance Program – Payment Parameters

E. DeRosa expressed thanks to the carriers for being responsive to Oliver Wyman's data requests and subsequent questions as it was preparing its analysis on the payment parameters. The data indicated that a very low number of members hit the \$40,000 attachment point established for PY2019. She reminded Board members that the existing payment parameters include an attachment point of \$40,000, a cap of \$215,000, and a coinsurance of 60%. E. DeRosa highlighted the following goals:

- Minimizing the State's exposure to volatility in aggregate reinsurance payments and per member per month (PMPM) payments to carriers
- Reducing variation in the State Reinsurance Fund payments PMPM between carriers
- Providing carriers with greater protection against the most significant catastrophic events, as opposed to functioning as a quota share reinsurance program
- Minimizing the level of conservatism included in the carriers' estimates of the impact of the reinsurance program on premium rates
- Minimizing interaction between the State reinsurance program and the federal risk adjustment program
- Ensuring an incentive for carriers to continue to manage care once claims meet the attachment point

E. DeRosa explained that Oliver Wyman developed three options intended to meet a majority of the stated goals, and continue to induce an average 15% reduction in rates, compared to what rates would be without the reinsurance option.

It was generally agreed that all Board members needed more time to review the analysis and the three proposed set of payment parameters. The question arose whether there was any sense if COVID claims are likely to hit any of the proposed caps, and acknowledgement that some patients might, but that much of the currently known information will be applicable to claims in PY2020, rather than PY2021, for which these payment parameters would apply. It was also acknowledged it is unclear what the degree of the effect of claims would be in PY2020 and PY2021 resulting from elective procedures postponed pursuant to Executive Order 109 (Murphy), and that companies should consider this, too.

VI. Close of Meeting

S. Kelly made a motion, seconded by J. Camargo to adjourn the meeting. By roll call vote, the motion carried.

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

Public Who Acknowledged Attendance:

- Joan Fusco
- Suzanne Fitzgerald, Savoy Associates
- Nicki Sandelier, NJBIA