

**FINAL**  
**MINUTES OF THE MEETING OF THE**  
**NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD**  
**HELD TELEPHONICALLY PURSUANT TO EXECUTIVE ORDER 103 (MURPHY)**  
**April 12, 2022**

**Directors participating:** Sandi Kelly (Horizon); Robert Morrow (United); Colleen Picklo; Thomas Pownall (Aetna); Gale Simon (DOBI); Tony Taliaferro (AmeriHealth).

**Others participating:** Ellen DeRosa, Executive Director; Chanell McDevitt, Deputy Executive Director; 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 public health emergency and state of emergency declared by Governor Murphy on March 9, 2020 through Executive Order 103, subsequently extended,<sup>1</sup> due to the COVID-19 pandemic, the IHC Board’s regularly scheduled meeting was being held telephonically, and not at the Board’s offices in Trenton. She stated that, in accordance with P.L. 2020 c. 11, electronic notice of 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; public attendees, if any, are identified at the end of these minutes.

**II. Minutes – March 8, 2022**

**T. Pownall made a motion, seconded by S. Kelly, to approve the minutes of the meeting of March 8, 2022 without amendment. By roll call vote, the motion carried.**

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

E. DeRosa presented the expense report for April 2022, totaling \$19,885.62, for the IHC Board’s share of staff salaries and other expenses payable to the Small Employer Health Benefits (SEH) Program at \$17,698.78, actual charges from the Division of Law (at \$1,283.00), and charges

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<sup>1</sup> Pursuant to N.J.S.A. 26:13-3(b), a Public Health Emergency lasts for 30 days unless extended, while States of Emergency declared in accordance with N.J.S.A. App A:9-33 et seq. remain in effect until declared ended by a subsequent executive order. The Public Health Emergency was continuously extended through multiple executive orders until E.O. 244 (Murphy), issued June 4, 2021, declared the Public Health Emergency ended. However, Governor Murphy has not yet ended the State of Emergency established by E.O. 103 (Murphy). Thus, the Board continues to meet remotely, and public access is limited to telephonic means. (Notably, E.O. 280, issued January 11, 2022, resulted in another Public Health Emergency due to COVID-19, which was extended by E.O. 288 on February 10, 2022, then lifted by E.O. 292 on March 4, 2022.)

related to Admiral Consulting Group's support services for the Great Plains accounting software (at \$903.84), which is paid in full by the IHC, subject to reimbursement from the SEH and the Medicare Supplement Under 50 Program, which share use of the software and support services. E. DeRosa stated the Board can approve an internal transfer by the DOBI fiscal office of the amount due for salaries and operating expenses from the IHC Board to the SEH Board, and recommended a transfer of \$2,186.84 from the Board's Wells Fargo Money Market account to its Wells Fargo Checking account to pay the remaining expenses from the Division of Law and Admiral Consulting Group.

**R. Morrow made a motion, seconded by C. Picklo, to approve the expenses; pay the salaries and shared expenses via an intra-department transfer of \$17,698.78 from the IHC Board's Department funds to the SEH Board's Department funds; and, transfer \$2,186.84 from the Board's Money Market account to its Checking account at Wells Fargo to pay the remaining March operating expenses. By roll call vote, the motion carried.**

#### **IV. Reinsurance Program – Payment Parameters; Agreed-upon Procedures (AUPs); 2022 Requests**

##### *2023 Payment Parameters*

E. DeRosa explained that a request for specific data was issued to company actuaries on April 8, seeking return of the information by April 15, but because that is a State holiday, an earlier return would be appreciated. She further explained that the Commissioner indicated a willingness to act upon the recommendation of the Board if received in early May, and suggested the Board meet on May 2. Board members agreed to meet at 10:00 A.M. on May 2nd for the specific purpose of reviewing and making a recommendation on the payment parameters for the reinsurance program for plan year 2023.

##### *2021 AUPs*

E. DeRosa stated that WithumSmith+Brown (WSB) had begun the AUPs for the 2021 plan year for the reinsurance program, and expects to prepare preliminary draft reports in May.

##### *1QPY2022 Requests*

E. DeRosa reminded Board members that the first quarter reinsurance payment requests are due at the end of the month.

#### **V. Annual Financial Disclosure**

E. DeRosa noted that the DOBI has a new Ethics Officer, Kimberly Williams, and that she may be reaching out to Board members to remind them that the annual financial disclosure statements for Special State Officers must be submitted by May 15 to avoid any potential penalties.

#### **VI. Kevin O'Leary**

E. DeRosa reported that she had received information regarding the unexpected death in the first week of April of Kevin O'Leary through one of his daughters. She explained that K. O'Leary had been the IHC Program's first Executive Director, and served in that capacity for both the IHC Program and the SEH Program from March 1994 through early 1997. It was noted that K. O'Leary had served as one of the Deputy Attorneys General for the two programs prior to becoming Executive Director, and was the face of the two programs in their early days. Board members agreed to send condolences to the family on behalf of the Board.

## **VII. Report of the Operations and Audit Committee (OAC) – FY2021 Audit; 2QFY2022 Financial Statements**

### *FY2021 Audit*

E. DeRosa reported that the OAC met with WSB for presentation of the completed FY2021 program audit, which included financial statements. She stated WSB issued the report without qualifications or findings of significant or material deficiencies, and the OAC had no comments or questions regarding the audit report.

### *2QFY2022*

E. DeRosa stated that R. Lenox had prepared the following FY2022 financial statements for the period ended December 31, 2021:

- Statement of Financial Position, with total assets and liabilities of \$299,822
- Statement of Activities and Changes in Net Assets
- Statement of Cash Flows
- Comparison of Budget and Actual Expenditures

E. DeRosa stated that R. Lenox is anticipating the Board will be over-budget for fringe, explaining that the Board budgeted fringe conservatively at 55% of salaries, but the actual fringe rate from the New Jersey Treasury was 61.05%. She noted fringe is difficult to predict, with the rate over the prior 10 fiscal years having significant variances. E. DeRosa pointed out that other expenses (Legal and Overhead) are coming in under-budget to date. She stated the OAC members recommended the Board accept the financial statements as presented.

**S. Kelly made a motion, seconded by T. Taliaferro, to accept the financial statements as presented. By roll call vote, the motion carried.**

## **VIII. Close of Meeting**

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

*[The meeting ended at 10:30 A.M.]*

**Identified Public Attendees:** Robert Axelrod, Oscar Garden State Health Ins. Corp.<sup>2</sup>

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<sup>2</sup> Oscar is a member of the Small Employer Health Benefits Program Board of Directors, as are several of the Directors on the IHC Board; however, there was not a quorum of the SEH Board present, and all discussions and actions at the meeting concerned the specific public business of the IHC Board.