

PUBLIC NOTICE

INSURANCE

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF THE COMMISSIONER

Minimum Net Worth Requirements for Health Maintenance Organizations

Notice of Increase in Medical Component of the Consumer Price Index

Take notice that the Commissioner of Banking and Insurance, in compliance with N.J.A.C. 11:24-1.2, 11.1, and 11.4, hereby provides notice of an average 1.8 percent increase from December 2014 to December 2015, in the medical component of the Consumer Price Index (CPI) for all urban consumers in the New York-Northern New Jersey-Long Island region and the Philadelphia-Wilmington-Atlantic City region as reported by the United States Department of Labor, Bureau of Labor Statistics.

The rules at N.J.A.C. 11:24-11 shall be read as including an increase of 1.8 percent effective July 1, 2016 as follows:

- a) \$2,952,097.29 specified at N.J.A.C. 11:24-11.1(a) shall be \$3,005,235.04;
- b) \$1,968,063.72 specified at N.J.A.C. 11:24-11.1(b) and 11.4(b) shall be \$2,003,488.87; and
- c) \$590,419.46 specified at N.J.A.C. 11:24-11.4(a) and (b) shall be \$601,047.01.

Existing HMOs shall make adjustment for their minimum net worth no later than July 1, 2016. The required deposit shall be made no later than July 1, 2016, pursuant to N.J.A.C. 11:24-11.4(e) to include the specific CPI adjustment.