

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 3.6 percent increase from December 2013 to December 2014 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 3.6 percent effective July 1, 2015, as follows:

- a) \$2,849,514.76 specified at N.J.A.C. 11:24-11.1(a) shall be \$2,952,097.29;
- b) \$1,899,675.41 specified at N.J.A.C. 11:24-11.1(b) and 11.4(b) shall be \$1,968,063.72;
- and
- c) \$569,902.95 specified at N.J.A.C. 11:24-11.4(a) and (b) shall be \$590,419.46.

Existing HMOs shall make adjustment for their minimum net worth no later than July 1, 2015. The required deposit shall be made no later than July 1, 2015, pursuant to N.J.A.C. 11:24-11.4(e) to include the specific CPI adjustment. Existing HMOs were made aware of these requirements in early 2015 and made adjustments where appropriate.