

MEETING MINUTES OF THE
UNDER 50 MED SUPP PROGRAM BOARD

TUESDAY, MAY 29, 2001

Board Members Present:

Pam Bishop	-	Mutual of Omaha
Chris Palme-Krizak	-	United HealthCare
Keitha Lackey	-	Horizon Blue Cross Blue Shield of NJ
Victor Shulman	-	Public Member
Rebecca L. Smart	-	Central States Health & Life Co.

Others Present:

Debbie Breslin	-	SHIP
Trish Kaciuba	-	SHIP
Michael Malloy	-	Department of Banking and Insurance
Bob King	-	Department of Banking and Insurance

The New Jersey Medigap Under 50 Plan Board meeting was held via telephone conference, at 1:00 p.m. (CST) on Tuesday, May 29, 2001.

1) Minutes of Last Meeting

The Board reviewed the minutes from the Board meeting held on March 12, 2001. The Minutes were approved by the Board with one correction: Rebecca Smart/Central States will fill the open Board position for the HIAA member. Approved meeting minutes for March 12, 2001 are attached hereto.

2) Update on Board Members

The public member Board position is still open. Debbie Breslin will give some thought to possible members and make a recommendation to the Commissioner. Most Board members received written confirmation from the Commissioner regarding their terms. Rebecca Smart asked for each Board member to let her know when his/her term expires.

3) Collection Status

The Pool Administrators are working on collecting the outstanding balance from the assessment. Approximately \$350,000 is still outstanding, primarily from Amerihealth and Aetna/US HealthCare. Names of carriers who have not paid their assessment will be sent to the Commissioner's office with a request to help facilitate payment.

The program has cash on hand of approximately \$326,000. It still owes Horizon \$589,824.72 for 1999 program administration; \$34,000 for 2000 auditing expenses and another \$11,000 to the Pool Administrators for 2000 administrator expenses. The Board passed a motion to pay for the 2000 audit and pool administrator expenses and pay any remaining balance to Horizon to offset the amount owed for 1999. The Board also passed a motion that any additional amounts received from the 2000 assessment would be paid to Horizon on a monthly basis until they are paid in full for 1999 services. The Board also discussed the need to review the assessment timing and mechanics since the program is always put in a position of having outstanding balances due and payable without a quick mechanism for processing assessments.

4) 2000 Program Losses and Assessment

Horizon submitted their year 2000 program losses to the Department which was approved by Commissioner Suter on March 27, 2001. The total program losses submitted and approved for 2000 were \$1,055,068.

There will be another \$45,000 in program costs relating to audits and Pool Administrators. Rebecca will prepare an assessment recommendation including all of these expenses and bad debt or uncollectable amounts for the next Board meeting.

The Board discussed the carrier premium reports. There are several carriers who have not yet submitted their 2000 premium report and others who have provided information which is inconsistent with prior year reports and the IHC Board. The 2001 assessment will be made based on available data and an audit/reconciliation completed when better data is made available.

5) **Program Issues** - Pam Bishop will work with staff from Horizon to update the underwriting guidelines to reflect changes in federal law regarding eligibility and enrollment timing. These will be presented to the Board and the Commissioner for approval.

6) Other

The next meeting will be held via conference call on Tuesday, June 26, 2001 at 1:00 p.m. central, 2:00 p.m. eastern time. The call-in number is 1-800-937-6016; Access # 9367107.

There being no additional business, the meeting was adjourned at 2:15 p.m. central time.