

FINAL
MEETING OF THE NEW JERSEY UNDER 50 MEDICARE SUPPLEMENT
PROGRAM BOARD
April 21, 2021

Board Members:

Present – Aetna (HMO) – Ashonti Davis
Present – UHC (Med Supp writer) – Steve Kane (Chair)
Present – Horizon (Contracting Carrier) – Jackie Duddy
Absent – Transamerica (Med Supp writer) – Moshe Nelkin
Present – Public Representative – Ron Ouellette
Present – Public Representative – Pat Walsh
Present – DOBI Representative – Phil Gennace
Vacant – AHIP Representative

Staff Present:

Ellen DeRosa, Executive Director, IHC/SEH Programs
Chanell McDevitt, Deputy Ex. Dir., IHC/SEH Programs
Rosaria Lenox, Managing Financial Officer, IHC/SEH Programs

I. Call to order

The meeting was called to order at 12:00 P.M. The meeting was held by conference call. Board members welcomed Ashonti Davis, the new representative from Aetna Health Inc.

II. Minutes

The Board reviewed the minutes of December 17, 2020.

S. Kane made a motion, seconded by R. Ouellette, to approve the minutes of December 17, 2020. By roll call vote, the motion carried.

III. Report of the Operations & Audit Committee (OAC) -- *Program Audits; Horizon Reimbursement; Financial Statements*

Program Audit

R. Lenox stated that the OAC met with WithumSmith+Brown for the closing presentation of the administrative audit of the MSU50 Program for the fiscal year ended June 30, 2020, noting that the auditors issued an unqualified opinion. She reminded the Board that the program audit is separate and apart from the audit of the Contracting Carrier, and also explained that the Board did not need to take action on the audit report.

Reimbursement of the Contracting Carrier

R. Lenox presented the report showing the adjustments made to Horizons audited losses for calendar years 2017 and 2018, and the consequent revisions to Horizon's reported and audited

losses for CY2019. She explained that a change in the losses also results in a change in Horizon's share of the losses, and that amounts overpaid for CY2017 and CY2018 have been netted against the amount due to Horizon for CY2019; thus:

- The audited loss for CY 2019 is \$6,199,671
- Horizon's share (at 35% of the losses) of the CY2019 loss is \$2,169,885
- The amount due Horizon in reimbursement is \$3,122,937.23
- After reducing the amount owed to Horizon by the amounts determined to have been overpaid to Horizon for CY2017 (totaling \$105,497), and CY2018 (totaling \$327,007.38), the remaining amount to be reimbursed to Horizon is \$2,690,432.12

R. Lenox explained that all but about \$300 had been collected from the assessment for CY2019 losses, and indicated the Board is in good standing to recommend to the Commissioner that the funds due to Horizon for CY2019 losses be paid.

S. Kane made a motion, seconded by P. Walsh, that the Board recommend to the Commissioner of the Department of Banking and Insurance that payment of \$2,690,432.12 be made to Horizon Health Services of New Jersey as reimbursement of losses it incurred for CY2019 as the Contracting Carrier of the Medicare Supplement for People Under Age 50 Program. By roll call vote, the motion carried.

Financial Statements for 2QFY21

R. Lenox discussed the MSU50 Program's financial statements for the quarter ended December 31, 2020, previously reviewed by the OAC. She presented information for both the MSU50 Program's General Fund (funds maintained through the Small Employer Health Benefits Program's Money Market Account), and its Loss Reimbursement Fund maintained through a Department of Banking and Insurance Account, using the following statements:

- The Statement of Net Assets
- The Statement of Changes in Net Assets
- The Statement of Cash Flows

IV. Late Fees on Assessment

R. Lenox noted that there were a number of companies that submitted payments for assessments later than 45 days after invoicing, which was January 2, 2021, resulting in the accrual of late fees. She explained that the Board typically did not bill for amounts less than \$5, which was the case for 13 of the companies presented in the report. She also suggested not billing a late fee to USLife, even though it paid late and its late fee exceeds \$5, because the company's office is located in Houston, which incurred a significant winter storm in February that shut down so much of the area for a number of days, including postal service. R. Lenox stated this would leave nine companies owing a late fee, not including one company whose assessed amount remains outstanding, and suggested the Board authorize billing these companies now. She noted that the late fees are calculated from the date of the invoice if not paid within 45 days following the date of the invoice.

S. Kane made a motion, seconded by R. Ouelette, authorizing invoicing of late fees for the CY2019 assessment. By roll call vote, the motion carried.

V. Other Business

E. DeRosa reminded the Board that in 2020, it had planned to discuss the contract with the Contracting Carrier and do some evaluation of claims, which clearly did not happen because of intervening events and changes in company focus. She noted that the situation with COVID 19 has gone on longer and required more resources than most had expected, and suggested that while the Public Health Emergency remains in place, the Board defer the claims evaluation at the very least. J. Duddy indicated that Horizon would appreciate that. S. Kane stated that it should be understood that Board would return to these issues as soon as possible following the end of the Public Health Emergency.

VI. Close of Meeting

S. Kane made a motion, seconded by J. Duddy, to adjourn the meeting.

The meeting adjourned at 12:30 P.M.