

**NEW JERSEY UNDER 50 MED SUPP PROGRAM BOARD**

**MEETING MINUTES – JUNE 25, 1998**

**Present:**

Debi Breslin	-	CHIME
Bob Hoffman	-	Public Member
Debi Higgs	-	CHIME
Bob King	-	Department of Banking & Insurance
David Kreiss	-	Oxford Health Plans
Mike Malloy	-	Department of Banking & Insurance
Christina Palme-Krizek	-	United HealthCare
Tom Rinaldi	-	Blue Cross/Blue Shield of NJ
Victor Shulman	-	Public Member
Rebecca Smart	-	Mutual of Omaha
Bob Vehec	-	Department of Banking & Insurance

The New Jersey Medigap Under 50 Plan Board meeting convened at 10:00 a.m., in the 5<sup>th</sup> Floor Conference Room of the Department of Banking and Insurance.

**1) Minutes**

Minutes of the June 4, 1998 Board Meeting were reviewed and approved.

**2) Board Positions**

Rebecca is continuing to work with HIAA to find a carrier willing to serve on the Board.

**3) RFP Report**

Christina has waited to follow up on the RFP's pending finalization of the Contracting Carrier Loss and Expense Report so that she would have an estimate of the losses to use as a basis of discussion with the respondents.

**4) Administering Carrier Financial Report**

The Board reviewed the 6/19/98 amended report submitted by Blue Cross Blue Shield to Commissioner Randall for 1996 and 1997 Program Expenses and Losses. The Board had no questions regarding the reported amounts. Blue Cross was asked to change the name of the category "Implementation Expense" to "Program Expense" on Page 1 to be consistent with the terminology used in the detail in the report.

The Board discussed that it would be helpful to know the results of the first 2 quarters for 1998 in order to project losses for 1998. Tom thought he would be able to have the numbers for the next Board meeting.

There was also discussion of an interest by the Board in knowing claim diagnosis to better understand the population insured by the Program. Tom will check to see what information is readily available.

5) **Assessment Determination**

The Board agreed the Assessment would be made up of a full assessment for 1996 expenses, and 1997 losses and expenses and an Interim Assessment for projected 1998 losses and expenses. These numbers will be finalized at the next Board meeting and will include projected losses from Blue Cross Blue Shield, the project rate for the auditors and for assessment administration.

6) **Market Share Reports/Status**

Rebecca reported she was continuing to follow up with some carriers whose reports were incomplete. However, she said she had no way of knowing which carriers had not responded. Mike Malloy provided her with a copy of the 1996 NAIC Statistical Compilation and Market Share Reports for Accident and Health Insurance Companies and Health Maintenance Organizations. This report shows the direct accident and health premiums reported by the carriers in New Jersey in 1996 and their market share percentage of total accident and health premium in the state. Rebecca will compare the report to the list of carriers who sent in their Market Share Reports to determine which carriers have not responded. A follow-up mailing to carriers not responding will be required.

7) **Coverage Issues/HIPAA Impact**

The Board reviewed the draft of Rebecca's letter to Commissioner Randall, the proposed Addendum to the Plan of Operation and the Working Examples. It was pointed out that under C. the definition of "Creditable Coverage" in the Addendum, item 3) Part A or Part B of Title XVIII of the Social Security Act (Medicare), was not appropriate for this Program, as an individual must be eligible for and be currently enrolled in Medicare to be eligible for this Program.

Mike Malloy inquired as to whether or not there needed to be a rider developed for use with plans that would have the pre-existing condition limitation waived under these guidelines. Tom Rinaldi indicated he thought that could be handled administratively. He will check to see what Blue Cross' current practice is.

The Board talked through some examples to apply the guidelines. There was agreement the Addendum in all other respects covered the concerns of the Board and Rebecca was asked to send the materials to the Commissioner. Bob Vehec asked that a copy also be sent to him and to Mr. Don Bryan of the DOBI. Debi Breslin inquired as to whether Blue Cross would be updating their Underwriting Bulletin. Tom Rinaldi indicated they would be.

8) **Next Meeting**

Rebecca will arrange a conference call for the next meeting to be held after the Commissioner approves Blue Cross' Administrative Carrier 1997 Loss Report.

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*Approved at 8/10/98 Board Meeting.*