

NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM

20 West State Street, 10th Floor

PO Box 325

Trenton, NJ 08625

Phone: 609-633-1882, ext. 50302

Fax: 609-633-2030

E-Mail: ederosa@dobi.state.nj.us

ADVISORY BULLETIN
00-IHC-01

1997/1998 INTERIM RECONCILIATION INVOICE
REVISED NOTICE OF 1999/2000 MINIMUM ENROLLMENT SHARE
REQUIRES IMMEDIATE ACTION

Invoice Date: May 8, 2000
Assessment Years: 1997/1998
Payment Due: Upon Receipt

Name
Carrier
Address
Address

This invoice specifies the assessment for a Carrier member's portion of the 1997/1998 interim reconciliation for reimbursable net paid losses and administrative costs under the New Jersey Individual Health Coverage Program, as authorized under N.J.S.A. 17B-27A-2 et seq., and N.J.A.C. 11:20-1.1 et seq. Although the IHC Program sent a preliminary notice of the 1997/1998 assessment on October 1, 1999 and asked carriers to verify the accuracy of the information used to calculate the assessment, it was not until carriers received the November 17, 1999 invoice for the 1997/1998 assessment that a number of carriers contacted the IHC Board to amend Exhibit K and Non-Member Certification data. After thoroughly reviewing the amended filings the IHC Board determined that:

- several carriers that were billed with the November 17, 1999 invoice were in fact Non-members and thus should not have an assessment liability;
- several carriers that had health benefits premium during the 1997/1998 period failed to submit the required Exhibit K and thus were not assessed as part of the November 17, 1999 invoice; such carriers must be included in the assessment calculation and required to pay their portion of the assessment; and
- some carriers either understated or overstated the net earned premium on the Exhibit K as originally filed; and the assessment liability must be adjusted to be consistent with the corrected net earned premium.

The net earned premium data is also used to determine minimum enrollment share. As a result of the above adjustments, the IHC Board believes it appropriate to re-assign the Minimum Enrollment Share for 1999/2000 and give carriers the opportunity to request a conditional exemption. Set forth below is the REVISED Minimum Enrollment Share for 1999/2000. The

IHC Board recognizes that some carriers have already requested a conditional exemption based on previously assigned Minimum Enrollment Shares. All exemption requests received as a result of the October 1, 1999 and November 17, 2000 notices of the Minimum Enrollment Share for 1999/2000 have been VOIDED. Any carrier that wishes to request a conditional exemption pursuant to N.J.A.C. 11:20-9.2(b) must make such request within 30 days of the date of this bulletin.

This is an *interim* reconciliation. Each carrier's final assessment liability may change. At the conclusion of all audits and when all appeals have been concluded, the IHC Board will issue a final assessment reconciliation for the 1997/1998 two-year calculation period.

REVISED Minimum Enrollment Share for 1999/2000:

Determination of Interim Reconciliation Assessment for Carrier:

1. Total Reimbursable Losses for 1997/1998 (unaudited):	\$29,771,141.52	
Carrier Share		7(c)
(Includes redistribution for liquidated carriers)		
2. Total IHC Program Administrative Expenses:	\$1,561,428.00	
Carrier Share		8(c)
(Includes redistribution for liquidated carriers)		
3. Revised Assessment Liability		()
4. Amount Paid in response to November 17, 1999 Invoice		()
Difference: Total Amount Due (Upon Receipt)		\$(9)

Please refer to the attached spreadsheet for details concerning the above revised assessment liability.

Please Remit Payment To:

**Treasurer – State of New Jersey
Individual Health Coverage Program
P.O. Box 325
20 West State Street, 10th Floor
Trenton, NJ 08625-0325**