

NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD

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ADVISORY BULLETIN 96-IHC-01

TO: **Carriers That Received Exemptions From Assessment in Calendar Years 1993 And 1994**
FROM: Kevin O’Leary, IHC Program Executive Director
RE: **Request For Information About Conversion Contracts, Due 3-4-96**
DATE: February 23, 1996

The Individual Health Coverage Program Board is in the process of a final reconciliation of the 1993 and 1994 assessments for reimbursable losses. This process will take into account final decisions of administrative and civil court appeals of the assessments, as well as the results of an independent audit of the losses of Blue Cross and Blue Shield of New Jersey, the primary recipient of reimbursement.

In an appeal of the 1993 assessment, filed by HIP Health Plan of New Jersey, the IHC Board determined that a carrier that filed for an exemption from assessments for reimbursable losses could count toward its market goal, or “minimum number of non-group persons,” conversion contracts issued prior to August 1, 1993 as long as the contracts met the following criteria:

- there was no medical underwriting, at the time of issuance, of the group contract from which the conversions were made; and
- the group conversion contracts were open enrolled, meaning that there was no medical underwriting of persons at the time of conversion; and
- the conversion contracts were community rated or modified community rated.

If you did not list such contracts when you reported your minimum number of non-group persons for calendar years 1993 and 1994, please revise your report, in accordance with N.J.A.C. 11:20-9.5(b), **and submit it to the IHC Board by March 4, 1996.** Your reporting such conversions can only result in lowering your assessment liability. Since this information is essential to accurately recalculating the assessments for 1993 and 1994, which must be approved by the Board at its March meeting, late reports will not be accepted. You may fax responses to the number listed above, but send the original certified report by regular mail for the Board’s records. Please call if you need clarification of this notice.