

DRAFT

**MEETING MINUTES OF THE
UNDER 50 MEDICARE SUPPLEMENT PROGRAM BOARD
October 21, 2003**

Board Members Present:

Victor Shulman – Public Member
Pam Bishop – Mutual of Omaha
Sam Sandella – United HealthCare Insurance Co.
Rebecca Smart – Central States Health & Life Co.
Lisa Beck – Horizon Blue Cross/Blue Shield of N.J.
Kyle Johnson – Horizon Blue Cross/Blue Shield of N.J.

Others Present:

Dotti Outland – United HealthCare Insurance Co.
Debbi Breslin – SHIP
Mike Malloy – Department of Banking & Insurance
Bonnie Bajor – Department of Banking & Insurance
Aveen Parekh – Department of Banking & Insurance
Rick Larose – Pool Administrators
Gerry Cote – Pool Administrators
Karl Ideman – Pool Administrators

The New Jersey Medicare Supplement Under 50 Program Board meeting was held in Trenton, NJ on October 21, 2003 at 10:00 AM.

I. Board Minutes

The minutes from the February 27, 2003 conference call were reviewed with 4 minor changes. Revised minutes attached.

II. Program Update

➤ **Status of Horizon Audit of 2000/2001 Business**

Horizon indicated an adjustment is required to both the 2000 and 2001 loss payments because a member was included who should not have been resulting in Unearned Premium changes for the two Program years. The adjustments are:

2000 — (\$3,178)
2001 — \$103,816

The adjusted loss statements have been re-submitted to the Department of Banking and Insurance for approval.

A discussion ensued as to how to reflect these adjustments since assessments have already been made. Pool Administrators recommended actual vs. projected expense amount adjustments in the current assessment as we have done in the past. The Board agreed.

➤ Payment to Horizon for 2000/2001 Losses

2000 – The Board and Horizon agreed that payment in the amount of \$203,273.36 would be made immediately by Pool Administrators. This amount is the outstanding balance due for the year 2000 Program Losses less the \$3,178 audit adjustment made for that year.

2001 – The Board and Horizon agreed that based on the recent audit, Horizon is owed a total of \$325,193.40 for year 2001 Program Losses. This is \$103,816 more than the amount assessed for this year. The balance of the amount previously assessed is \$221,377.40 and the Board approved a payment to Horizon of that amount immediately. The additional \$103,816 must be assessed before payment can be made.

➤ Status of Department review of 2002 Program Losses

The 2002 program losses of \$1,427,048 reported by Horizon is still pending Department of Banking and Insurance review.

➤ Review of Assessments

True-ups

1999 - \$ 14,822 due to the adjustment granted Amerihealth for misreported premium.
2000 - 3,178 due to an audit adjustment to Program Losses
2001 - 103,816 due to an audit adjustment to Program Losses

All of these adjustments will be made in future assessments.

Additionally, the 2002 Market Share Report, showing carrier assessable premiums and percentage of market share, was reviewed.

➤ Audits

There will be an audit of Pool Administrators from inception. Procedures are now being developed for Board approval.

The Board also decided to combine the 2002 and 2003 audit of Horizon, which will cause a delay in the 2002 payment to Horizon. Horizon agreed to the combined audit, but asked the Board to move quickly, hopefully wrapping it up in early 2004.

➤ Review of Program Experience

Total enrollment in the program continues to increase with 1055 members as of 9/03, projected to be 1123 by 12/03.

ESRD – End State Renal Disease continues to be the leading cause (28.9%) of all claim losses. 222 of the current 1055 members have ESRD, generating 50% of claim volume.

Another discussion centered around the age of some members. After checking the Plan of Operation, the oldest member should only be 58, yet we have members up to age 64. Horizon will investigate and report back to the Board.

We also discussed what to do with members when they turn 65. Once again we checked the Plan of Operation and it states that we cannot terminate coverage at 65, but we must notify members, in writing, when they turn 65 about their open enrollment opportunities. Horizon will investigate and make a recommendation to the Board.

III Consumer Issues

The Sharkey appeal was reviewed and closed by Department of Business Insurance. An enrollment exception was not granted.

IV Board Representatives

Pam Bishop, Board member from Mutual of Omaha announced her resignation from the Board. Board Chair will canvas for a new member.

V Next Meeting

Rebecca Smart will alert all parties when the next meeting will be scheduled.