

**MEETING MINUTES OF THE NEW JERSEY
UNDER 50 MEDICARE SUPPLEMENT PROGRAM BOARD**

February 20, 2004

Board Members Present:

Rebecca Smart – Central States Health & Life Company
Sam Sandella – United HealthCare Insurance Co.
Sandy Kelly – Horizon Blue Cross/Blue Shield of N.J.
Lisa Beck – Horizon Blue Cross/Blue Shield of N.J.

Others Present:

Dotti Outland – United HealthCare Insurance Co.
Gerry Cote – Pool Administrators
Rick Larose – Pool Administrators
Karl Ideman – Pool Administrators
Neal Vance – Department of Banking and Insurance
Avnee Parekh – Department of Banking & Insurance
Mike Malloy – Department of Banking & Insurance
Kyle Johnson – Horizon Blue Cross/Blue Shield

The New Jersey Medicare Supplement Under 50 Program Board meeting was held via telephone conference at 9:00 AM, EST on February 20, 2004.

I. Board Minutes

The minutes from the October 21, 2003 conference call were reviewed and approved.

II. Review/Approve Assessment

A memorandum was reviewed that documented the following assessments and true-ups:

1999 – re-distribute \$14,822.23 due to the adjustment granted to Amerihealth for misreported premium.

2000 – adjust assessment by (\$7,178) due to an audit adjustment to Program losses of (\$3,178) and actual vs. projected audit expense of (\$4,000).

2001 – adjust assessment by \$94,816 due to an audit adjustment to Program losses of \$103,816 and actual vs. projected audit expense of (\$9,000).

2002 – assessment of \$1,487,048 due to Program losses reported by Horizon and 2004 projected expenses.

The chair will forward a letter to Neal Vance, Department of Banking and Insurance, listing the above mentioned assessments and true-ups for approval by the Commissioner. Once approved, Pool Administration will begin the actual assessment process. The Board agreed not to assess those Companies with less than a \$10.00 share.

III. Status of Audits

- Pool Administrators – The Chair sent audit requirements/regulations to Dana Wilson to develop guidelines and procedures for conducting an audit of Pool Administrators. The procedures will require Board approval.
- Horizon 2002 and 2003 – Since our meeting, the Chair has been in touch with Bernstein Chin of PWC. He expects to begin the Horizon audit the third week of March, subject to Board approval of the \$63,000 fee.

IV. Enrollment Issues

- Members Over Age 58 – Horizon conducted a review of all insured members over age 50. There are currently 42 members over 50, and most fit within the Program rules. They did discover 13 questionable members. Horizon will conduct additional research, pulling applications, verifying dates of birth, and report their findings back to the Board.
- Procedures for those Turning 65 – According to Program guidelines, members turning 65 cannot be terminated. Horizon is to develop a communication plan for members that outlines their options.

V. Next Meeting

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