

**FINAL**  
**MEETING OF THE NEW JERSEY UNDER 50 MEDICARE SUPPLEMENT**  
**PROGRAM BOARD**  
December 4, 2018

**Board Members:**

Present – Aetna (HMO) – Dudley Gerow  
Present – UHC (Med Supp writer) – Steve Kane (Chair)  
Present – Horizon (Contracting Carrier) – Jackie Duddy  
Present – Transamerica (Med Supp writer) – Moshe Nelkin  
Present – Public Rep – Ron Ouellette  
Present – Public Rep – Pat Walsh  
Present – DOBI Rep – Philip Gennace  
Vacant – AHIP Rep

**Others Present:**

Ellen DeRosa, Executive Director, IHC/SEH Programs  
Christine Machnowsky, Deputy Ex. Dir., IHC/SEH Programs  
Chanell McDevitt, Deputy Ex. Dir., IHC/SEH Programs  
Rosaria Lenox, Managing Financial Officer, IHC/SEH Programs

**I. Call to order**

The meeting was called to order at 1:30 P.M. in the 11<sup>th</sup> floor conference room at the Department of Banking and Insurance. Most members participated by phone.

**II. Minutes of September 18, 2018**

**S. Kane made a motion, seconded by D. Gerow, to accept the minutes of May 15, 2018, without amendments. By roll call, the motion carried.**

**III. Collection of assessed amounts and payment to Horizon**

R. Lenox reported that all but \$80 of the assessed amounts for CY2017 losses have been collected, and stated that the Board could recommend reimbursement of that portion of the losses determined owed to Horizon as the Contracting Carrier. She reminded the Board that the total losses for CY2017 are \$6,129,268, and that Horizon will receive reimbursement only for that portion of the losses that exceeds Horizon's allocated share of the losses (a reimbursement of a little more than \$2,970,000).

**S. Kane made a motion, seconded by R. Oulette, to recommend to the Commissioner that reimbursement be made to the Contracting Carrier from the funds collected for the portion of the Program losses exceeding the Contracting Carrier's share of such losses. By roll call, the motion carried.**

E. DeRosa reminded the Board that it may take some weeks for the payment to be made, because it takes a few weeks for the New Jersey Treasury to release the funds even after the Commissioner approves the expenditure. She stated that Horizon will receive documentation of the transaction as soon as the deposit into the Horizon account is made.

#### **IV. Rules of the Medicare Supplement Under 50 (MSU50) Program**

E. DeRosa reminded Board members that the Board does not have independent rulemaking authority, but rather, can make recommendations for rulemaking to the Commissioner; consequently, the Board needs to put recommendations before the Commissioner as soon as possible. She explained that staff had developed a draft of proposed changes to the existing rules (at N.J.A.C. 11:4-23A) in an effort to move the process along, and acknowledged that the draft may not include everything the Board wants to do. She further explained that the draft was based on discussions from prior meetings, that staff thought appropriate in light of changes made to the program over the years.

It was noted that no bill has yet been introduced to amend the program or the companion Medicare Supplement 50-64 program (MS50+ Program). Several members expressed concern about the lack of a bill because they all have filings for forms and rates for the MS50+ Program they need to submit prior to the start of marketing for CY2020, which will need to begin before October 1, 2019 (when carriers may begin accepting applications for Plan Year 2020 coverage).

The Board discussed the draft MSU50 amendments:

- There was general agreement to change the enrollment period from 6 to 12 months, and an agreement to informally recommend the Commissioner change the MS50+ Program rules to 12 months as well (it was noted that many among the disabled population receive information about becoming eligible for Medicare, but do not receive much timely information about eligibility for Medicare Supplement plan(s)).
- There was general agreement to recommend the extension to 12 months apply to those who become entitled to Medicare as of 1/1/2020, and not to anyone who may have become entitled prior to that (even if no selection is made until after 1/1/2020) so eligibility for the 12-month period is based on a well-defined date.
- **The carriers agreed they needed to consider how to address determinations of retroactive eligibility occurring in 2020.**
- It was agreed that **carriers need to take the question in-house for further discussion of whether people who have Plan C (purchased in New Jersey or out-of-state) can buy Plan D instead, and if so, when.** It was acknowledged that the difference in premium between the two plans is likely to exceed the difference in the deductible – which is otherwise the only real difference between the two plans – and that it is difficult to argue why someone should not be permitted to buy what is essentially a lower benefit plan.
- **There was agreement to look at the question of whether to maintain reference to Medicare Select plans one more time,** because – while the opportunity for there to be a Medicare Select plan continues to exist – New Jersey has not participated in the program to date.
- There was agreement there should not be a restriction on people previously enrolled in a Medicare Supplement plan preventing them buying a new plan.

- There was agreement that individuals should be given credit for prior creditable coverage against any applicable preexisting condition limitation period, although language in the rules may require some revision.
- Horizon agreed that it intends to offer Plan D to Medicare-eligible individuals age 65 and older, because it believes it must do so as a matter of law, so will have Plan D rates applicable for the 65+ age group to use for the MSU50 Program (and the MS50+ Program). Horizon again noted that it would be helpful to have appropriate MSU50 and MS50+ legislation in place prior to 2020.
- There was agreement that an assessment *de minimus* of \$10 is appropriate.

The Board agreed to discuss the proposal again at its next meeting with additional input from the carriers on several questions (as noted above in boldface).

#### **V. Meetings for 2019**

The Board agreed to maintain its every-other-month schedule, despite having pushed its November meeting to December, with the first meeting in January set for the third Tuesday of that month.

#### **Close of Meeting**

**S. Kane made a motion, seconded by D. Gerow, to adjourn the meeting. The motion carried.**

*[The meeting ended at 2:45 P.M.]*