

FINAL
MEETING OF THE NEW JERSEY UNDER 50 MEDICARE SUPPLEMENT
PROGRAM BOARD
September 17, 2019

Board Members:

Absent – Aetna (HMO) – Jennifer Foster
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

Staff Present:

Ellen DeRosa, Executive Director, IHC/SEH Programs
Chanell McDevitt, Deputy Ex. Dir., IHC/SEH Programs

I. Call to order

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

II. New Representative

E. DeRosa briefly introduced Jennifer Foster as the representative of Aetna, and each member of the Board introduced him or herself as well.

III. Minutes of January 15, 2019 and July 16, 2019

E. DeRosa explained that the February meeting had been an added meeting solely to discuss the rule proposal, and did not include consideration of minutes of the regularly scheduled January meeting, then suggested the Board review and take action on the January minutes today in addition to the more recent minutes from the July meeting.

S. Kane made a motion, seconded by R. Ouellette, to accept the minutes of January 15, 2016 without amendment. By roll call vote, the motion carried.

S. Kane made a motion, seconded by P. Walsh, to accept the minutes of July 16, 2019 without amendment. By roll call vote, the motion carried.

IV. Audit of the Contracting Carrier for CY2018

E. DeRosa stated that the field work associated with the audit of Horizon for the CY2018 losses was completed and the audit is in its review phase. She said she expected to have a draft report by early next week. She suggested that, if the report came in as expected, the Board could schedule an earlier meeting date (rather than waiting until the currently scheduled November 19th meeting) to move the process along. Board members were amenable to an earlier meeting, if possible.

V. Questions regarding Medicare Supplement Rules

E. DeRosa briefly reminded Board members that, in addition to revising rules regarding the Medicare Supplement Under 50 Program, the Department of Banking and Insurance (Department) needs to revise its rules for Medicare Supplement policies offered to individuals 65 and older, and that in review of those rules, several questions had arisen regarding certain language currently within the rules. She explained that the Department was seeking some input on these questions from multiple sources, including members of the MSU50 Program who have knowledge of both segments of the Medicare Supplement markets. The Board briefly discussed the issues.

- N.J.A.C. 11:4-23.10 references a requirement for carriers to pay user fees for claim notices. It was explained that CMS imposes a fee-per-claim on carriers to transmit CMS adjudicated claims electronically. Consequently, the requirement in the rules that carriers offering Medicare supplement policies comply with any fees on claims should be maintained.
- N.J.A.C. 11:4-23.14, regarding compensation arrangements for producers, includes “finders fees” within the definition of compensation arrangements. It was explained that finders fees generally refer to a fee paid by one producer to another for a referral, and is not something any of the carriers on the Board pays to anyone.
- Whether Medicare Supplement Plan C will be an option upon retirement post-January 1, 2020 for someone who became eligible for Medicare due to age prior to January 1, 2020 but elected not to sign up for Medicare Part B because s/he continues to be employed and has coverage through her/his employer (which is primary to Medicare because the employer has 20 or more employees). There was agreement that such individuals must have the Plan C option based upon guidance from the NAIC and CMS in literature from the NAIC dated February 12, 2019. CMS stated explicitly that as long as someone turned age 65 prior to January 1, 2020, they are not considered “newly eligible,” and retain the option to buy a Plan C upon enrollment in Medicare Part B.

Concern was raised regarding the reinstatement requirements for the MSU50 plan, and it was suggested that the requirement should mirror the requirements applicable to reinstatement of Medicare Supplement plans offered to those individuals eligible due to age.

VI. Close of Meeting

S. Kane made a motion, seconded by J. Duddy to adjourn. By roll call vote, the motion carried.

The meeting adjourned at 1:45 P.M.