

**FINAL**  
**MEETING OF THE NEW JERSEY UNDER 50 MEDICARE SUPPLEMENT**  
**PROGRAM BOARD**  
January 21, 2020

**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  
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.

**II. Minutes of October 30, 2019**

**S. Kane made a motion, seconded by R. Ouellette, to accept the minutes of October 20, 2019. The motion carried.**

**III. Claims study**

S. Kane asked whether Horizon responded to the Board's prior discussion and provided any information or analysis of claims. J. Duddy stated she expects to present some information in time for the next scheduled meeting.

**IV. CY2018 Assessments, Payment of Contracting Carrier, and Transfer of Funds**

E. DeRosa reported that final collections were recently received with respect to the CY2018 loss assessments, and stated the Board is in a position to recommend reimbursement of the Contracting Carrier for losses exceeding the carrier's proportionate share. She reminded the Board that:

- the audited losses totaled \$7,256,531
- the combined Horizon companies' share of the audited losses totals \$3,780,267.50
- the net reimbursement to Horizon totals \$3,476,263.50

**S. Kane made a motion, seconded by P. Walsh, to recommend to the Commissioner that Horizon be reimbursed \$3,476,263.50 for calendar year 2018 losses resulting from Horizon's status as Contracting Carrier for the MSU50 Program. The motion carried.**

R. Lenox noted that the MSU50 Program funds are currently in the Program's Treasury account, and will need to be transferred to the SEH Program's Wells Fargo checking account prior to reimbursing Horizon. She noted that the money essentially does not earn interest in the Treasury account, so staff recommends keeping the funds in the Treasury Account as briefly as possible. She also noted that the amount to be transferred – \$3,477,300 – is slightly more than the amount payable to Horizon because of a late payment collected from a carrier at a previous time, and retained in the Treasury account.

**S. Kane made a motion, seconded by R. Ouellette, to transfer \$3,477,300 from the MSU50 Program's Treasury Account to the SEH Program's Wells Fargo account for the purpose of reimbursing Horizon for its losses, and earning interest on the MSU50 Program funds. The motion carried.**

#### **V. Audit Committee Report – Program Audit FY2019**

E. DeRosa explained that WithumSmith+Brown (WSB) presented its draft audit report of the MSU50 Program operations for FY2019 to the Audit Committee recently, and the information is being passed along to the Board. She noted that WSB issued its report without qualification, having found the program operations to have no material weaknesses or issues. She stated that WSB is expected to issue its final report soon, and the information will be posted on the MSU50 Program website.

#### **VI. New business**

The Board briefly discussed items to be addressed in calendar year 2020, including:

- the expected reporting of CY2019 losses no later than April 1
- the initial analysis of claims data
- possible updating of the contract between the Board and the Contracting Carrier

#### **VII. Close of Meeting**

**S. Kane made a motion, seconded by J. Foster to adjourn. The motion carried.**

*The meeting adjourned at 1:45 P.M.*