

FINAL
MEETING OF THE NEW JERSEY UNDER 50 MEDICARE SUPPLEMENT
PROGRAM BOARD
December 17, 2020

Board Members:

Present – Aetna (HMO) – Jennifer Foster
Present – UHC (Med Supp writer) – Steve Kane (Chair)
Present – Horizon (Contracting Carrier) – Jackie Duddy
Absent – Transamerica (Med Supp writer) – Moshe Nelkin
Present – Public Representative – Ron Ouellette
Present – Public Representative – Pat Walsh
Present – DOBI Representative – Phil Gennace
Vacant – AHIP Representative

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 11:15 A.M. The meeting was held by conference call.

II. Minutes

The Board reviewed the minutes of January 21, 2020; the minutes of September 15, 2020; and, the minutes of October 1, 2020.

S. Kane made a motion, seconded by R. Ouellette, to approve the minutes of January 21, September 15, and October 1, 2020. By roll call vote, the motion carried.

III. Report of the Operations & Audit Committee (OAC); Revised Assessments; Restated Audits

E. DeRosa stated that the OAC met twice. Initially, the OAC met in a close-out meeting with WithumSmith+Brown (WSB) to review the draft audit report, during which M. Nelkin raised questions about the interest, suggesting that it was greater than he would have expected. WSB agreed to look at the information again, and subsequently reported that it had missed noticing that Horizon had advertently failed to include in its losses reported for 2017, 2018 and 2019 all reimbursements that had been made to it for 2013, 2014 and 2015 (all of which had been paid in 2017). E. DeRosa explained that the result was an overstatement by Horizon of its losses for 2017, 2018, and 2019, with a variance of \$1,613,150.80 for 2017, 2018 and 2019 collectively. She further explained that this requires the 2017 and 2018 assessments be redone, while the 2019 assessment must be updated to reflect the corrected interest/losses.

E. DeRosa noted that WSB acknowledged that they did not connect the interest schedule with the loss statements, and consequently, did not recognize the misstatement, nor did Horizon. She also noted that the OAC didn't catch any issues either, until the disconnect in the interest became sufficiently large that it caught someone's attention. There was agreement among the OAC that nothing intentional occurred, just that there was so much activity in 2017, when all of the loss reimbursements caught up, that the tracking error occurred.

R. Lenox explained that most corrections would be done through netting refunds against amounts due, but noted that there are some carriers that have no liability for 2019, and probably will not in the foreseeable future; consequently, actual refunds will be due in some instances. She stated that the Board has a specified *de minimis* with respect to what carriers may owe to the Board, but does not have a parallel *de minimis* when the Board owes refunds to carriers. She suggested reaching out to the carriers to whom refunds of less than \$10 are owed and ask them both whether they want the refund, and will they actually deposit the check, because staff has had problems with both issues in the past. It was suggested that, in the event a carrier did not want the funds, the amount be put into the Board's administration funds instead.

S. Kane made a motion, seconded by P. Walsh, to accept the audit reports for Program losses for CY2017, CY2018, and CY2019 from WithumSmith+Brown, restated to adjust for the overstatement of interest. By roll call vote, the motion carried.

S. Kane made a motion, seconded by P. Walsh, recommending to the Commissioner of the Department of Banking and Insurance that she accept the revised assessments for Program losses for CY2017 and CY2018, and the refunds due to carriers from the Program as a result of the revised assessments. By roll call vote, the motion carried.

S. Kane made a motion, seconded by P. Walsh, recommending to the Commissioner of the Department of Banking and Insurance that she accept the assessment for Program losses for CY2019, and the amounts owed by carriers to the Program as a result. By roll call vote, the motion carried.

S. Kane made a motion, seconded by P. Walsh, recommending to the Commissioner of the Department of Banking and Insurance that the results of the revised assessments for Program losses for CY2017 and CY2018 be combined with the assessment for Program losses for CY2019 to offset amounts owed by carriers and by the Program to one another. By roll call vote, the motion carried.

S. Kane made a motion, seconded by P. Walsh, recommending that carriers to which refunds are due totaling less than \$10 be asked whether the carrier will accept and deposit a check issued to it for less than \$10, and be issued such a check only if the carrier responds in the affirmative to each part of the question; and further recommending that, if a carrier does not respond affirmatively to each part of the question, the amount due be deposited to the Program's administrative funds currently held by the SEH Program. By roll call vote, the motion carried.

IV. Reinstatement of a Specific Member

J. Duddy stated that the member who had been seeking reinstatement, which the Board had considered and approved, is caught up with all premium payments through January 2021, and suffered no gaps in coverage, but that all involved understood that, should the policy become delinquent again, the Board was unlikely to take any special measures. J. Duddy expressed much gratitude to Mary McGeary of SHIP (in attendance at today's meeting) for her outreach to the member's social worker, indicating that without M. McGeary's assistance, the outcome may have been very different.

V. Other Business: Review of Priorities

E. DeRosa stated that, in review of the Board's 2020 minutes, the Board had been considering in January what it wanted to accomplish in calendar year 2020. She suggested the Board consider its goals again for calendar year 2021 at its next meeting, noting that among items that it had planned to do was to update its contract with the Contracting Carrier (Horizon), and engage in analysis of claims data.

III. Close of Meeting

The meeting adjourned at 11:45 A.M.