

S U M M A R Y

U N D E R 5 0 P L A N S T E E R I N G C O M M I T T E E

M A R C H 1 8, 1 9 9 6

Attendance:

Deborah M. Breslin, Dept. of Insurance
Marc Buro, Dept. of Insurance
Patrick Carmody, Mutual of Omaha
Marcy Garcia, BC/BS-NJ
Trish Kaciuba, Dept. of Insurance
Dan Kalem, C.H.I.M.E. Coordinator - Union Co.
Sandra Kelly, BC/BS-NJ
Bob King, Dept. of Insurance
Pat Lightsey, Dept. of Insurance
Mike Malloy, Dept. of Insurance
Chanell McDevitt, Dept. of Insurance
Hank Meisner, BC/BS-NJ
Leon Moskowitz, Dept. of Insurance
Victor Shulman, Bergen Co. Div. on Aging-C.H.I.M.E.
Tom Smith, Dept. of Insurance
Barbara Tancredi, Prudential Ins. Co. of America
Peter Thexton, Dept. of Insurance
Martina Varnado (for Pamela Miller), BC/BS-NJ
Bob Vehec, Dept. of Insurance

Leon Moskowitz chaired the meeting.

The Committee reviewed the Meeting Summary for 2/27/96.
Peter Thexton noted the date for the previous meeting summary
needed to be amended to read 2/8/96.

Bob King advised that the Under 50 Plan proposed regulations
are tentatively scheduled to go to OAL on 3/22/96 with projected
publication in the New Jersey Register on ~~4/5/96~~.

Hank Meisner expressed concern about the definition of the
contracting carrier's "Reasonable administrative expenses" on page
14 of the proposed regulations. Leon Moscovitz indicated the
Department of Insurance would review and requested that all
comments about the proposed regulations be submitted to Bob King.

Hank Meisner also asked that the Plan of Operation (Article
III) and regulations at 11:4-23A.3(a) specify termination of
coverage in the Under 50 Plan at age 65.

Below are some highlights of suggested changes/considerations
for the Plan of Operation:

Article IV - Add "HMO" to D. Add "Program Net Loss" as K.
and change K. and L. to L. and M. respectively.

Article VI - Delete "gains or" from second sentence.

Article VII Make A.g. numeral 2. and A.h. numeral 3. and renumber 2., 3., 4. and 5. accordingly. To new (number) 5. add "and a Vice-Chairman". E. is deleted and D. shall be amended to "Subsequent to the initial meeting, an annual meeting of Members and the Board shall be held in New Jersey on the second Monday in June to review the Plan of Operation and submit proposed amendments, if any, to the Commissioner for approval. New E. (formerly F.) will read, "On or before the end of June... including administrative expenses and paid losses..." J. is deleted.

Article VIII - A.3. is deleted. B.1. is amended to read, "Periodically review the Operation of the Program..." Delete B.4. and B.8. Add "and complaints" to old B.10. Delete phrase "each member" from D.1.

Article IX - Add "and investment income" following "administrative expenses" to B.1.

Article X - B. is amended to read, "All information disclosed in the course of an audit shall be considered privileged information and except as authorized by legislation may not be disclosed beyond the Governing Board."

Article XI - A. is amended by changing phrase "...net loss incurred by the Under 50 Plan..." to read, "...net loss paid by the Under 50 Plan..."

Article XIII - A. is amended to read, "The Board shall maintain the books and records of the Plan. . ." The second sentence of B. is amended to read, "The Board shall deposit. . ."

Article XIV - The final clause in A.3. ("in this paragraph, future losses. . .") is deleted. 3% is changed to 1.5% in A.5.

Article XV - What about public members' indemnification? Protections? Bob King will take a look at this.

Finally, it was suggested that the 10 largest carriers advance funds for the Governing Board's initial expenses which would be credited from their first assessment. Bob Vehec will provide a "guestimate" of the Board's budget.

Review of DRAFT Certificate

*Leon felt the DRAFT looked like a BC/BS Plan, not a certificate issued by BC/BS as the Contracting Carrier for the Under 50 Plan.

*Eligibility, a statement of coverage until age 65, and an explanation of coverage roll-over or application to another

carrier for replacement coverage at age 65 must be added to certificate.

*Certificate should include a statement explaining what will happen if Contracting Carrier changes.

*Dan Kalem felt that it was misleading to include information about BC/BS health centers. Insureds might misinterpret those statements to mean that they must receive their health care at those facilities.

*Mike Malloy and Debbie Breslin expressed concern about Plan C coverage being terminated at 65 because Medicare supplements must be guaranteed renewable. BC/BS suggested violation of guaranteed renewability could be avoided by having insureds elect to drop coverage. Leon didn't think this would be a problem as long as the Contracting Carrier communicates options that become available at age 65. BC/BS will make revisions to DRAFT and present them at the next meeting.

Due to the volume of work that still needs to be accomplished before the proposed regulations are adopted and the Board is officially appointed, an additional meeting was scheduled for Friday, March 29.