

NEW JERSEY UNDER 50 MED SUPP PROGRAM BOARD

MEETING MINUTES – JUNE 4, 1998

<u>Present:</u>	Bob Hoffman	-	Public Member
	Bob Vehec	-	Department of Banking & Insurance
	David Kreiss	-	Oxford Health Plans
	Christina Palme-Krizek	-	United HealthCare
	Victor Shulman	-	Public Member
	Tom Rinaldi	-	Blue Cross/Blue Shield of NJ
	Bob King	-	Department of Banking & Insurance
	Rebecca Smart	-	Mutual of Omaha
	Leslie Deloughy	-	Blue Cross/Blue Shield of NJ

Not Able to Participate: Debi Breslin or Trish Kacuiba from CHIME
Mike Malloy – Department of Banking & Insurance

The New Jersey Medigap Under 50 Plan Board meeting convened via conference call on June 4, 1998, at 8:30 a.m. Central/9:30 a.m. Eastern Time.

1) **Minutes**

Minutes of the March 5, 1998 Board meeting were reviewed. There was discussion regarding the need to clarify the first bullet point under Coverage Issues which dealt with open enrollment for someone whose group coverage is terminating. The minutes will be clarified to distinguish between someone who is within 6 months of enrolling in Medicare Part B (for whom there is a 6-month open enrollment period) and someone who enrolled in Part B more than 6 months ago and is now losing group coverage. That individual will be allowed to enroll in the program without underwriting if enrollment is made with 63 days of termination of the group coverage.

2) **Board Positions**

Rebecca is continuing to work with HIAA to find a carrier willing to serve on the Board.

3) **RFP Report**

With the final numbers from Blue Cross, Christina will follow up with the RFP respondents to obtain adjusted bids for a modified audit. The Board asked Blue Cross if they would agree that payment by the Board based on a modified audit would be subject to adjustment at a later date if a full audit revealed discrepancies. There was discussion that under the terms of the contracting carrier contract, Blue Cross is to be reimbursed no more than 80% of the assessment upon collection of the assessment, with any outstanding portion to be reimbursed upon completion of the audit. The Board would not want to delay reimbursement because only a modified audit was performed. Both Blue Cross and the Board agreed reimbursement based on a modified audit would be made with both parties agreeing any adjustment (monies due back to the Board or monies due from the Board) would be made at such future time as a full audit is done, should the full audit reveal the need for an adjustment.

4) **Administering Carrier Financial Report**

The Board reviewed the April 30, 1998 Report submitted by Blue Cross to the Commissioner of Banking and Insurance. There had been changes in amounts from the prior report reviewed by the Board at its March 5, 1998 meeting. In particular, the Board inquired as to the \$65,400 charge for Post Enrollment Kits. Tom Rinaldi reported he had received additional invoices for these materials after the date of the previous report. In reviewing the detail of the charges, it appeared to the Board that the quantity of materials ordered far exceeded the Program's needs. Further, it was recognized that this item had been identified by the Board as an administrative cost which would be capped at 25% of premium. Tom will review this item again. Additionally, he will reorganize the report to put each item into a category by Program or Administrative expenses as identified at the March 5, 1998 Board meeting. There were no other comments regarding amounts in the April 30 report. Bob Vehec pointed out the reference to the DOI on Page 3 of the Report should really say the Under 50 Plan Board meetings. Additionally, on Attachment 2, the YTD number for Total Enrollment needs to be clarified as it represents total member months as opposed to total number of members (which is 303). A copy of the April 30 report is attached as Exhibit 1.

Blue Cross did not yet have a report for first quarter 1998 results.

5) **Assessment Determination**

Upon receipt of the amended BC/BS year-end report, Christina and Rebecca will review all figures and have an assessment amount for review by the Board at its next meeting. The assessment will include an amount as an advance interim assessment to provide for operating funds for administrator expenses anticipated to be incurred next year so that the Board is not operating in a deficit position.

6) **Coverage Issues/HIPAA Impact**

The Board reviewed the March 6, 1998 Draft of the NAIC Medicare Supplement Model Regulation changes related to the Federal Health Insurance Portability and Access legislation and discussed how certain of the portability (open enrollment) and the credit for pre-existing condition limitation changes could be used as a model for guidelines for this Program. Of primary concern are issues involving open enrollment beyond the established time period of "within 6 months of enrollment in Medicare Part B" and the applicability of the three-month pre-existing condition limitation when the individual had other prior coverage which is not terminating due to involuntary circumstances. The Board agreed to put together guidelines for these issues which will be presented to the Commissioner of Insurance as an Addendum to the Plan of Operation. Rebecca will draft the Guidelines, including some working examples for review and finalization at the next meeting.

7) **Next Meeting**

The Board agreed to meet on Thursday, June 25, 1998, at 10:00 a.m., in Trenton. The Department of Banking & Insurance will try to arrange for a conference room.

Approved at 6/25/98 Board Meeting.