

**MEETING MINUTES OF THE
UNDER 50 MEDICARE SUPPLEMENT PROGRAM BOARD
February 27, 2003**

Board Members Present:

Victor Shulman – Public Member
Pam Bishop – Mutual of Omaha
Sam Sandella – United HealthCare Insurance Co.
Rebecca Smart – Central States Health & Life Co.
Sandi Kelly – Horizon Blue Cross/Blue Shield of N.J.

Others Present:

Dotti Outland – United HealthCare Insurance Co.
Debbi Breslin – SHIP
Kyle Johnson – Horizon Blue Cross/Blue Shield of N.J.
Neil Vance – Department of Banking & Insurance
Mike Malloy – Department of Banking & Insurance
Avenee Parekh – Department of Banking & Insurance
Rick Larose – Pool Administrators
Gerry Cote – Pool Administrators

The New Jersey Medicare Supplement Under 50 Program Board meeting was held via telephone conference at 2:00 P.M. EST on Thursday, February 27, 2003.

(1) Board Minutes

The minutes from the October 23, 2002 conference call were approved, with one minor change from Neil Vance.

(2) Status of December, 2001 Assessment:

All collections were made for the 2001 assessment with the exception of \$52,678 from Amerihealth.

(3) Amerihealth HMO Assessment Issue:

The 2000 assessment was paid in full including interest. There is now a \$14,822 difference due Amerihealth for 1999. Amerihealth will pay the 2001 assessment of \$52,678 less \$14,822. The \$14,822 will be assessed to all other carriers.

(4) Status of Horizon Audit of 2000/2001 Business:

The audit of Horizon for 2000/2001 has not been completed. Preliminary numbers indicate there will be additional losses of approximately \$103,178.

(5) Payment to Horizon for 2000/2001 Losses:

For 2000, the Board will hold \$206,451.36, which represents the amount outstanding/due and payable to Horizon until the audit is completed.

For 2001, the Board voted to pay Horizon \$556,778.85 immediately, with the balance \$221,377.40 payable upon completion of the audit.

(6) Audit of Pool Administrators:

Since there has never been an audit of Pool Administrators, the Board thought it was time, and agreed to a procedure audit of Pool Administrators in place of a full audit. The Board believes this will still provide adequate protection yet at substantial savings to the program. The Horizon losses will continue to experience a full audit.

(7) Financial Statements 12/31/02:

Rick Larose, Pool Administrator provided updated financial statements.

(8) Consumer Issues/Sharkey Appeal:

A complaint letter was received by Ms. Smart. It was decided that the Board does not handle complaints and it therefore was turned over to Neil Vance, DOBI. Mr. Vance may consult with the Board for its opinion.

(9) Next Meeting:

Ms. Smart will set up the next Board meeting via conference call by early Summer.

The meeting was adjourned.