

FINAL
MEETING OF THE NEW JERSEY UNDER 50 MEDICARE SUPPLEMENT
PROGRAM BOARD
January 16, 2018

Board Members:

Absent – Aetna (HMO) – Thomas Kowalczyk (Chair)
Present – UHC (Med Supp writer) – Steve Kane (Vice Chair)
Present – Horizon (Contracting Carrier) – Jackie Duddy
Present – Transamerica (Med Supp writer) – Crystal Wyland
Present – Public Rep – Ron Ouellette
Present – Public Rep – Pat Walsh
Present – DOBI Rep – Don Henson
Vacant – AHIP Rep

Others Present:

Ellen DeRosa, Executive Director, IHC/SEH Programs
Christine Machnowsky, Deputy Ex. Dir., IHC/SEH Programs
Chanell McDevitt, Deputy Ex. Dir., IHC/SEH Programs
Rosaria Lenox, Managing Financial Officer, IHC/SEH Programs

This meeting was held at 1:30 p.m. in the 11th floor conference room at the Department of Banking and Insurance. Most members participated by phone.

I. Minutes of November 21, 2017

S. Kane made a motion, seconded by D. Henson, to accept the minutes of November 21, 2017. The motion carried.

II. Audit – Report of the Evaluation and Audit Committees

E. DeRosa reminded the Board that, for purposes of contracting for audit services, agencies are required to first have an ad hoc Evaluation Committee review bids, and make a recommendation, and then the Audit committee reviews the bids, and makes a recommendation. She further explained that, because there was only one bid there was no need to determine whether one bid was better than another, only whether the bid was qualified for the project. She said both committees met, reviewed the bid, and agreed that the firm – WithumSmith+Brown (WSB) – is qualified, and all agreed that the experience with them thus far had been good, so both committees recommended awarding them a contract. E. DeRosa reminded Board members that the contract would be for audits of the net losses of the MUS50 program for calendar years 2017, 2018, and 2019, and for audits of the administration of the program for three fiscal years ending June 30, 2017, 2018 and 2019.

It was noted that WSB has performed the net loss audits for several periods now for the Board, and acknowledged that the Board has been satisfied with WSB's work.

S. Kane made a motion, seconded by D. Henson, to award a contract to WithumSmith+Brown for the purpose of receiving audits of the net losses of the MSU50 Program for calendar years 2017, 2018 and 2019, and administrative audits of the MSU50 Program for fiscal years ending June 30, 2017, 2018, and 2019. The motion carried.

III. Audit of net losses for CY2016

E. DeRosa reported that WSB had submitted its final report for the net losses for CY2016 (a copy being in the Board packets), having received the management representation letter from Horizon the previous Friday, and R. Lenox had prepared an allocation for the assessment. E. DeRosa noted that amounts of less than \$10 in the original allocation were considered *de minimus*, and reallocated to other carriers. The Board reviewed the draft assessment.

S. Kane made a motion, seconded by D. Henson, to recommend to the Department that MSU50 Program carriers be assessed, and the assessments collected, in accordance with the assessment presented. The motion carried.

E. DeRosa explained that, following an approval from the Director of Insurance, invoices will be issued, and then, after assessments are collected, a vote can be taken to disburse the funds to the Contracting Carrier (Horizon). She stated she believed that vote could be made at the March meeting.

The question arose as to how frequently the Board should meet after it has gotten the losses, assessments, collections and reimbursements up-to-date. It was agreed that the Board would keep its every-other-month schedule for the time being, and cancel meetings if there is nothing to discuss. E. DeRosa indicated that she expected some legislation would be enacted some time in 2018, so that the Board could revise its regulations and plan specifications prior to 2020.

S. Kane made a motion, seconded by D. Henson, to adjourn the meeting. The motion carried.

[The meeting adjourned at 1:45 P.M.]