

# Affiliated Physicians & Employers Master Trust

a NJ self-insured MEWA

## 8.19.2021 MHPNJ ASSESSMENT FOLLOW UP LETTER

**Re: Affiliated Physicians & Employers Master Trust (“APEMT”) and Members Health Plan New Jersey (“MHPNJ”),**

Dear Employer/Member:

As you know, APEMT/MHPNJ is the subject of Chapter 11 Bankruptcy proceedings, pending before the United States Bankruptcy Court for the District of New Jersey. We recently sent all employers/members of APEMT/MHPNJ correspondence from our Court-appointed counsel, notifying all employers/members of an assessment against each employer member, together with an invoice showing your proportionate responsibility for this assessment. Initially, we wish to express our sincere regret that we have been forced to impose this assessment on our employer/members. We, in conjunction with our professionals and consultants, have done everything possible to avoid imposing this liability on the employer/members of APEMT/MHPNJ.

As we have previously reported, during 2020 and into 2021, APEMT/MHPNJ was faced with unprecedented Covid related claims. Because the Trust is self-insured, we are required to take all steps, including an assessment against the employer/members to assure that all claims and expenses of the Trust are paid. This obligation not only arises under the Master Trust Agreement, but also under applicable New Jersey Law.

Since our attorney’s letter was forwarded to employer/members, we have received a huge volume of calls and emails. We are doing our best to respond to each of those communications.

**It should also be noted that due to the high volume of calls, we have made the decision to not pull any terminated groups assessment via ACH/Direct Debit. Therefore, all payments for terminated groups should be made by check to the following address no later than September 15, 2021:**

**APEMT/Members Health Plan  
P.O. Box 412491  
Boston, MA 02241-2491**

**Should you request a payment plan, then you will be required to make those payments via ACH/Direct Debit.**

**The following is our attempt to address many of the common questions which have been raised:**

**Q. If I paid all my health care fees (premiums), how can I be responsible for this assessment?**

The assessment is not a liability for continuing coverage. APEMT/MHPNJ is a Multiple Employer Welfare Association (“MEWA”) which is essentially a self-insured association of member/employers, each of whom is proportionately obligated for any amounts necessary to assure that all claims against APEMT/MHPNJ are paid. Not only does this liability of each employer/member arise under New Jersey Law (N.J.S.A.17B:27C-7), but this potential liability was highlighted in blue lettering in Section 9 or 10 of the Agreement that each employer/member signed. A sample of the form is attached hereto.

**Q. How can I be responsible for this assessment if my coverage through APEMT/MHPNJ terminated some time ago?**

This assessment is retrospective and applies to all employer/members who participated in the Trust during the period January 1, 2020 to July 31, 2021. If your participation in the Trust to a shorter period during this time period, your proportionate liability will be smaller.

### **Q. How is the assessment calculated?**

The assessment is calculated based on a few factors. The factors are, (a) the period for which an assessment is required (1/1/2020 through 7/31/2021), (b) the proportionate liability of each employer/member calculated by our actuaries to allow us to pay all claims against and expenses of the Trust, (estimated to be 7.5% of health care fees billed in this period) and (c) the amount of total health care fees each employer was billed during this time. The assessment amount due from each employer is on a pro-rata basis of the total as per the MEWA Regulatory Statute.

#### **Examples:**

- Employer A paid \$50,000 in Health Care Fees (premiums) from 1/1/20 through 7/31/2021. The Assessment percentage for all employers is 7.5%. Employer A would pay \$3,750 Assessment.
- Employer B paid \$100,000 in Health Care Fees (premiums) from 1/1/20 through 12/31/2020. The Assessment percentage for all employers is 7.5%. Employer B would pay \$7,500 Assessment.

### **Q. Does the plan have Aggregate Stop loss protection and, if so, how will that impact the Trust?**

Yes, the Trust has Stop Loss coverage in place for the Plan Members and maintains both specific and aggregate stop loss coverage. The Stop Loss contract is currently in place and will remain in place through the Run Out period of the Plan. Any large claims will still be covered above the specific limit by the stop loss carrier as per the policy provisions, but as the Plan's financial issues came as a result of COVID-19, most of those claims did not exceed the specific stop loss deductible.

### **Q. What assurances do plan members have that the assessment number is accurate?**

The Trust has evaluated its current and expected liabilities for medical claims as well as Plan expenses to provide the best projection for an accurate assessment amount. While the Trust believes this estimate to be reasonable, actual claims for medical and prescription services may exceed this amount resulting in an adjustment greater than the assessment.

We have done our best to calculate an assessment which we hope will be final. Unfortunately, there exist factors which we cannot control, such as employer/members going out of business and being unable to pay the assessment, the amount of claims against the Trust that will continue to come in, how long it will take us to collect the assessment, etc.

### **Q. If the assessment is deemed incorrect, how will adjustments be made and communicated?**

If medical claims and Plan expenses exceed the projected assessment amount, the Plan will need to collect an additional assessment from the employers. If the medical claims and plan expenses are less than the assessment amount, then employers will be issued a refund in the same proportion as the assessment. The Trust will continue to communicate with the employers and brokers of any changes or revisions to the assessment.

### **Q. What Documents/Information did an Employer or Employee receive regarding the ability for the plan to do an Assessment?**

At time of initial Enrollment an Employer is required to complete and sign a Health Plan Participation Request Contract which includes a Statement of Contingent Liability in Section 9 or 10. Information regarding this requirement is also included in the Plans Underwriting Guidelines and well as the Summary Plan Documents.

[Click Here](#) for Health Plan Participation Request Contract Form

[Click Here](#) For a Copy of Underwriting Guidelines

[Click Here](#) to Download a Copy of your Summary Plan Document

[Click Here](#) for Master Trust Agreement

### **Q. What happens if employers do not pay the assessment?**

The Trust is legally required to pursue payment of an assessment from its membership and will take all necessary legal actions required to collect, including bringing suit against the employers through the Bankruptcy court.

In the event the Plan has a short fall due to non-payment the Trust will first pursue

legal action against those employers and if unable to collect at that time the Trust can pursue an additional assessment from the remaining members.

**Q. Are Claims being denied and, if so, which type(s) of claims? What recourse does a plan member have if an eligible claim gets denied: What advice would you give to brokers who have clients in this situation?**

Claims currently are not being denied, however medical claims are being put on hold while the Trust collects the assessment. Prescription claims will continue to be paid until funds are exhausted. It is important to note that the Trust cannot guarantee that medical or prescription claims for enrolled members will continue to be paid until we have collected the full assessment necessary to run out the program.

**Q. Are prescription claims handled differently than medical claims?**

Prescription Claims are processed at point of sale for enrolled members; therefore, the Trust is funding Prescription claims first.

**Q. What role, if any, will Aetna play in this “wind down” process?**

The Trust is working with Aetna to process and manage the processing of both medical and Rx claims. As the Third-Party Administrator (TPA) for the Trust, Aetna is responsible for the adjudication of claims, and network management and member services through run out period of the Plan.

**Q. Can Aetna come after the member for any assessments due?**

Aetna is not responsible for the assessment, billing, or collection of the Trust employers. The assessment is managed by the Trust.

**Q. If the NJ Legislature does follow through with passage of a “Relief Bill,” would members who already paid the assessment be refunded?**

In the event funding comes into the Trust from either the Legislative efforts or the American Rescue Plan Funds, the Trust will pay all its liabilities and evaluate what if any of the assessment dollars are used and needed to fulfill the liability. If there are funds remaining, the employers will receive a proportional refund.

**Q. For those active clients who have direct debit, the notice states the Trust will be collecting the assessment that way. However, if a client is no longer active with the Plan, can the Plan still draw direct debit?**

The assessment will be collected via ACH if you are still enrolled with the Plan and have elected ACH for payment on or about August 19, 2021. Per the messaging above, if you are no longer enrolled with the Plan and have terminated your coverage, your payment will be due no later than **September 15, 2021** and will not be collected via ACH. Payment must be made via check to the address below:

**APEMT/Members Health Plan  
P.O. Box 412491  
Boston, MA 02241-2491**

The Plan will work with Employers to provide payment plan options, including our credit card payment option and written extensions for payment. If you have not already done so, please email [mewabilling@concordmgt.com](mailto:mewabilling@concordmgt.com) to make this request.

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**[CLICK HERE](#) For a Copy of the Employer Plan Deficiency and Assessment Letter**

**[CLICK HERE](#) For a Copy of the COVID Summary Report 1/1/2021 through 7/31/2021**

**[CLICK HERE](#) for APEMT Aetna COVID Summary Data through 7/31/2021**

**[CLICK HERE](#) For a Copy of the Legislative Request/Outreach Letter**

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As previously communicated, an employer can terminate as soon as July 31st 2021 through December 31, 2021. Terminations can be submitted up to the date of termination as the 60 day notice of termination has recently been waived. Termination dates will always be the last day of the month. Please submit your completed termination form to [mewaenrollment@concordmgt.com](mailto:mewaenrollment@concordmgt.com).

**[CLICK HERE](#) For a Health Plan Group Termination Form**

## MHPNJ IMPORTANT CONTACT INFORMATION

For additional questions or concerns related to the Bankruptcy, Plan wind down or assessment please contact the appropriate team. Please note, due to high email and call volume, we are asking you to leave a detailed message and a team member will respond to you within 48 to 72 hours.

### Questions or Requests Related to Billing, Commissions and/or Assessments:

Email: [mewabilling@concordmgt.com](mailto:mewabilling@concordmgt.com)

Phone: 1-833-MEWANOW (833-639-2669) Option 5

### Questions or Requests Related to Bankruptcy and/or Plan Wind Down:

Email: [MHPNJinfo@concordmgt.com](mailto:MHPNJinfo@concordmgt.com)

Phone: 1-833-MEWANOW (833-639-2669) Option 8

[Visit Members Health Plan NJ Website - Bankruptcy Information](#)

Members  
**HealthPlan**<sup>NJ</sup>

*Designed for You.*

Questions or Concerns E-mail Us  
Today!

Address: PO Box 5487

Somerset, NJ 08875

Tel: 833-MEWANOW (833-639-2669)