

Affiliated Physicians & Employers Master Trust

a NJ self-insured MEWA

DRAFT

July 12, 2021

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

Dear Employer:

This letter is to advise you that the APEMT/MHPNJ (the “Plan”) is ceasing to write business and is beginning an orderly wind down of the Plan. The financial deficiency the Plan has been facing for the past several months has not been sufficiently cured in the time period prescribed by New Jersey law. Therefore, the Board of Trustees on behalf of the Plan is implementing an orderly wind down of the plan. **Please be advised that you must terminate your coverage with the Plan and seek new healthcare coverage for your employees and their dependents as soon as possible.**

What is the impact of the wind down to you, your employees and dependents who may be currently enrolled in the Plan’s benefit programs?

- You should seek alternative coverage as soon as possible. Eligible small employers may seek alternative coverage through the New Jersey Small Employer Health Program carriers and may submit an application for small employer coverage at any time. Eligible individuals may seek alternative coverage through Get Covered New Jersey, the state’s official health insurance marketplace, which has a special open enrollment period through the end of 2021.
- This communication is providing you with the required 180 days’ notice that you must seek new healthcare coverage for your employees and their dependents immediately but no later than December 31, 2021. While 180 days’ notice is required by regulation, please do not delay in finding other coverage. Should you need any support in finding other coverage please contact your health insurance broker or our service team will provide assistance to you and/or your Broker and provide you with an alternative healthcare quote if available.
- Once you notify us of your intent to terminate, there is no waiting period for your coverage to terminate. Please contact us as soon as possible to terminate coverage. Be aware of the effective date of your new coverage so that you can ensure no gap in coverage. Small group and individual policies will provide credit for charges incurred under your current plan towards the Deductible under the new plan if there is no gap in coverage. However, note that credit is not provided for coinsurance paid under your current plan to the maximum out-of-pocket under the new plan.
- Effective August 1, 2021, any groups remaining on the Plan will receive a rate increase of 26% and groups will not be provided with renewal quotes or increases at the time of their renewal. For example, if your renewal is currently scheduled for October or January, you will be receiving your rate increase on August 1st and at renewal your group will be continued at the rate provided in August until your termination date with the Trust or December 31, 2021, whichever is earliest.
- If you are currently due to renew your Association membership, you will not be required to renew unless you are using that membership for its other benefits.

- The Plan's enrollment system will allow you to update adds/changes/deletes while your group remains enrolled in the Plan's medical and prescription benefit programs. Our service team is also available to assist you with your day-to-day changes.

What is the impact of the wind down due to the financial deficiency of the Plan's reserves to you as an enrolled Employer?

- In accordance with the Plan's Master Trust Agreement and your Health Plan Participation Request/Contract, any Employer enrolled in the Plan on or after January 1, 2020, is responsible for the Plan's ultimate financial deficiency to meet the remaining obligations to claimants and/or medical service providers.
- During the next few weeks, the Plan will work with its Actuary to determine the assessment necessary for each Employer to pay who was enrolled in the Plan at any time since January 1, 2020.
- On or about August 15, 2021, you will receive a detailed statement regarding the assessment dollars you will need to pay to the Plan. Your assessment will be collected via ACH if your group is still enrolled with the Plan. If you are no longer enrolled with the Plan, your payment will be due by September 15, 2021. The Plan will work with Employers to provide payment plan options, including our credit card payment option and written extensions for payment.

It is important to note that until your termination date with the Plan (no later than December 31, 2021) the Trust cannot guarantee that claims for your employees and dependents will continue to be paid until we have collected the full assessment necessary to run out the program. Therefore, we would encourage you to find other coverage as soon as possible and are relaxing our 60-day termination notice requirements to allow for notice of termination at any time prior to the termination date. We will not accept retroactive terminations, so ensure your paperwork is provided to the Trust prior to the termination date.

While APEMT will be in a position to continue to administer the Plan, assist members and employees, and attempt to minimize damage and inconvenience, it is prudent to seek alternate coverage as soon as possible. As we are receiving a large volume of calls related to this issue, we would direct you to the plan's website for additional information. Should you need to speak with a plan representative, please feel free to contact the Plan by calling **1-833-MEWANOW (1-833-639-2669) Option 8** or you can email us at MHPNJinfo@concordmgt.com.

For regulatory questions or should you need any support in finding other coverage, please contact the New Jersey Department of Banking and Insurance at 1-800-446-7467 or 609-292-7272. For more information on alternative coverage options for small employers visit www.state.nj.us/dobi/seh/. For information on individual coverage visit <https://getcovered.nj.gov>.

We thank you for your loyalty and trust in our Plan over the years.

Very truly yours,

The Board of Trustees
Affiliated Physicians and Employers Health Plan
Members Health Plan NJ