

State of Utah
Administrative Rule Analysis
Revised May 2024

NOTICE OF SUBSTANTIVE CHANGE

TYPE OF FILING: Repeal and Reenact

Rule or Section Number:

R590-146

Filing ID: Office Use Only

Date of Previous Publication (Only for CPRs):

Click or tap to enter a date.

Agency Information

1. Title catchline:	Insurance, Administration	
Building:	Taylorsville State Office Building	
Street address:	4315 S. 2700 W.	
City, state	Taylorsville, UT	
Mailing address:	PO Box 146901	
City, state and zip:	Salt Lake City, UT 84114-6901	
Contact persons:		
Name:	Phone:	Email:
Steve Gooch	801-957-9322	sgooch@utah.gov
Please address questions regarding information on this notice to the persons listed above.		

General Information

2. Rule or section catchline:
R590-146. Medicare Supplement Insurance Standards
3. Purpose of the new rule or reason for the change:
The rule is being changed in compliance with Executive Order 2021-12. During the review of this rule, the department discovered a number of minor issues that needed to be amended.
4. Summary of the new rule or change:
The majority of the changes are being done to fix style issues to bring the rule text more in line with current rulewriting standards. Other changes make the language of the rule more clear, and update the Severability section to use the department's current language. The changes do not add, remove, or change any regulations or requirements. The filing was submitted as a repeal and reenactment instead of an amendment solely due to the volume of changes, not the substantiveness of any change.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:
A) State budget:
There is no anticipated cost or savings to the state budget. The changes are largely clerical in nature, and will not change how the department functions.
B) Local governments:
There is no anticipated cost or savings to local governments. The changes are largely clerical in nature, and will not affect local governments.
C) Small businesses ("small business" means a business employing 1-49 persons):
There is no anticipated cost or savings to small businesses. The changes are largely clerical in nature, and will not affect small businesses.
D) Non-small businesses ("non-small business" means a business employing 50 or more persons):
There is no anticipated cost or savings to non-small businesses. The changes are largely clerical in nature, and will not affect non-small businesses.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

There is no anticipated cost or savings to any other persons. The changes are largely clerical in nature.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There are no compliance costs for any affected persons. The changes are largely clerical in nature.

G) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table			
Fiscal Cost	FY2025	FY2026	FY2027
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits	FY2025	FY2026	FY2027
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

H) Department head comments on fiscal impact and approval of regulatory impact analysis:

The Commissioner of the Insurance Department, Jonathan T. Pike, has reviewed and approved this regulatory impact analysis.

Citation Information

6. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

Section 31A-2-201	Section 31A-2-201.1	Section 31A-22-620
Section 31A-23a-402		

Incorporations by Reference Information

7. Incorporations by Reference (if this rule incorporates more than two items by reference, please include additional tables):

A) This rule adds or updates the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

B) This rule adds or updates the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	

Issue Date	
Issue or Version	

Public Notice Information

8. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. See Section 63G-3-302 and Rule R15-1 for more information.)		
A) Comments will be accepted until:		07/31/2024
B) A public hearing (optional) will be held:		
Date (mm/dd/yyyy):	Time (hh:mm AM/PM):	Place (physical address or URL):
To the agency: If more space is needed for a physical address or URL, refer readers to Box 4 in General Information. If more than two hearings will take place, continue to add rows.		

9. This rule change MAY become effective on:	08/07/2024
NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date.	

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 63G-3-302, 63G-3-303, and 63G-3-402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the <i>Utah State Bulletin</i> and delaying the first possible effective date.			
Agency head or designee and title:	Steve Gooch, Public Information Officer	Date:	06/13/2024

R590. Insurance, Administration.

R590-146. Medicare Supplement Insurance Standards.

~~**R590-146-1. Authority.**~~

~~_____ This rule is issued pursuant to the authority vested in the commissioner under Section 31A-22-620 requiring the commissioner to adopt rules to establish minimum standards for individual and group Medicare supplement insurance.~~

~~**R590-146-2. Purpose.**~~

~~_____ The purpose of this rule is to provide for the reasonable standardization of coverage and simplification of terms and benefits of Medicare supplement policies; to facilitate public understanding and comparison of such policies; to eliminate provisions contained in such policies which may be misleading or confusing in connection with the purchase of such policies or with the settlement of claims; to provide for full disclosures in the sale of accident and sickness insurance coverages to persons eligible for Medicare; and to establish rating and reporting requirements.~~

~~**R590-146-3. Applicability and Scope.**~~

~~_____ A. Except as otherwise specifically provided in Sections 7, 13, 14, 17 and 22, this rule shall apply to:~~

~~_____ (1) all Medicare supplement policies delivered or issued for delivery in this state on or after the effective date of this rule; and~~

~~_____ (2) all certificates issued under group Medicare supplement policies, which certificates have been delivered or issued for delivery in this state.~~

~~_____ B. This rule shall not apply to a policy or contract of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees, or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations.~~

~~**R590-146-4. Definitions.**~~

~~_____ For purposes of this rule:~~

~~_____ A. "Applicant" means:~~

~~_____ (1) in the case of an individual Medicare supplement policy, the person who seeks to contract for insurance benefits, and~~

~~_____ (2) in the case of a group Medicare supplement policy, the proposed certificateholder.~~

~~_____ B. "Bankruptcy" means when a Medicare Advantage organization that is not an issuer has filed, or has had filed against it, a petition for declaration of bankruptcy and has ceased doing business in the state.~~

~~_____ C. "Certificate" means any certificate delivered or issued for delivery in this state under a group Medicare supplement policy.~~

~~_____ D. "Certificate form" means the form on which the certificate is delivered or issued for delivery by the issuer.~~

~~_____ E. "Continuous period of creditable coverage" means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than 63 days.~~

_____ F. "Employee welfare benefit plan" means a plan, fund or program of employee benefits as defined in 29 U.S.C. Section 1002, Employee Retirement Income Security Act.

_____ G. "Insolvency" means when an issuer, licensed to transact the business of insurance in this state, has had a final order of liquidation entered against it with a finding of insolvency by a court of competent jurisdiction in the issuer's state of domicile.

_____ H. "Issuer" means an insurance company, fraternal benefit society, health care service plan, health maintenance organization, and any other entity delivering or issuing for delivery in this state a Medicare supplement policy or certificate.

_____ I. "Medicare" means the "Health Insurance for the Aged Act," Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

_____ J. "Medicare Advantage plan" means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes:

_____ (1) coordinated care plans which provide health care services, including but not limited to health maintenance organization plans, with or without a point of service option, plans offered by provider sponsored organizations, and preferred provider organization plans;

_____ (2) medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and

_____ (3) Medicare Advantage private fee for service plans.

_____ K.(1) "Medicare supplement policy" means a group or individual policy of accident and health insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations, other than a policy issued pursuant to a contract under Section 1876 of the federal Social Security Act, 42 U.S.C. Section 1395 et seq., or an issued policy under a demonstration project specified in 42 U.S.C. Section 1395ss(g)(1), which is advertised, marketed or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical or surgical expenses of persons eligible for Medicare.

_____ (2) "Medicare supplement policy" does not include Medicare Advantage plans established under Medicare Part C, Outpatient Prescription Drug plans established under Medicare Part D, or any Health Care Prepayment Plan, HCPP, that provides benefits pursuant to an agreement under Section 1833(a)(1)(A) of the Social Security Act.

_____ L. "Newly eligible" means those individuals who become eligible for Medicare due to age, disability or end-stage renal disease on or after January 1, 2020.

_____ M. "Pre Standardized Medicare supplement benefit plan," "Pre Standardized benefit plan" or "Pre Standardized plan" means a group or individual policy of Medicare supplement insurance issued prior to December 12, 1994.

_____ N. "1990 Standardized Medicare supplement benefit plan," "1990 Standardized benefit plan" or "1990 plan" means a group or individual policy of Medicare supplement insurance issued on or after July 30, 1992 and with an effective date of coverage prior to June 1, 2010 and includes Medicare supplement insurance policies and certificates renewed on or after that date which are not replaced by the issuer at the request of the insured.

_____ O. "2010 Standardized Medicare supplement benefit plan," "2010 Standardized benefit plan" or "2010 plan" means a group or individual policy of Medicare supplement insurance issued with an effective date of coverage on or after June 1, 2010.

_____ P. "Policy form" means the form on which the policy is delivered or issued for delivery by the issuer.

_____ Q. "Secretary" means the Secretary of the United States Department of Health and Human Services.

R590 146 5. Policy Definitions and Terms.

_____ No policy or certificate may be advertised, solicited or issued for delivery in this state as a Medicare supplement policy or certificate unless the policy or certificate contains definitions or terms, which conform to the requirements of this section.

_____ A. "Accident," "accidental injury," or "accidental means" shall be defined to employ result language and shall not include words, that establish an accidental means test or use words such as external, violent, visible wounds, or similar words of description or characterization.

_____ (1) The definition shall not be more restrictive than the following: "Injury or injuries for which benefits are provided means accidental bodily injury sustained by the insured person which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force."

_____ (2) The definition may provide that injuries shall not include injuries for which benefits are provided or available under any workers' compensation, employer's liability or similar law, or motor vehicle no-fault plan, unless prohibited by law.

_____ B. "Benefit period" or "Medicare benefit period" shall not be defined more restrictively than as defined in the Medicare program.

_____ C. "Convalescent nursing home," "extended care facility," or "skilled nursing facility" shall not be defined more restrictively than as defined in the Medicare program.

_____ D. "Health care expenses" means, for purposes of Section 14, expenses of health maintenance organizations associated with the delivery of health care services, which expenses are analogous to incurred losses of insurers.

_____ E. "Hospital" may be defined in relation to its status, facilities and available services or to reflect its accreditation by the Joint Commission on Accreditation of Hospitals, but not more restrictively than as defined in the Medicare program.

_____ F. "Medicare" shall be defined in the policy and certificate. Medicare may be substantially defined as "The Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 as Then Constituted or Later Amended," or "Title I, Part I of Public Law 89-97, as Enacted by the Eighty Ninth Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes thereof," or words of similar import.

_____ G. "Medicare eligible expenses" shall mean expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

_____ H. "Physician" shall not be defined more restrictively than as defined in the Medicare program.

_____ I. "Sickness" shall not be defined to be more restrictive than the following:

_____ "Sickness means illness or disease of an insured person which first manifests itself after the effective date of insurance and while the insurance is in force."

_____ The definition may be further modified to exclude sicknesses or diseases for which benefits are provided under any workers' compensation, occupational disease, employer's liability or similar law.

R590-146-6. Policy Provisions.

_____ A. Except for permitted preexisting condition clauses as described in Subsections 7.A.(1), 8.A.(1), and 8a.A.(1) of this rule, no policy or certificate may be advertised, solicited or issued for delivery in this state as a Medicare supplement policy if the policy or certificate contains limitations or exclusions on coverage that are more restrictive than those of Medicare.

_____ B. No Medicare supplement policy or certificate may use waivers to exclude, limit or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions.

_____ C. No Medicare supplement policy or certificate in force in the state shall contain benefits that duplicate benefits provided by Medicare.

_____ D.(1) Subject to Subsections 7.A.(4), (5) and (7) and 8.A.(4) and (5) of this rule, a Medicare supplement policy with benefits for outpatient prescription drugs in existence prior to January 1, 2006 shall be renewed for current policyholders who do not enroll in Part D at the option of the policyholder.

_____ (2) A Medicare supplement policy with benefits for outpatient prescription drugs shall not be issued after December 31, 2005.

_____ (3) After December 31, 2005, a Medicare supplement policy with benefits for outpatient prescription drugs may not be renewed after the policyholder enrolls in Medicare Part D unless:

_____ (a) The policy is modified to eliminate outpatient prescription coverage for expenses of outpatient prescription drugs incurred after the effective date of the individual's coverage under a Part D plan, and;

_____ (b) Premiums are adjusted to reflect the elimination of outpatient prescription coverage at the time of Medicare Part D enrollment, accounting for any claims paid, if applicable.

R590-146-7. Minimum Benefit Standards for Pre-Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery Prior to July 30, 1992.

_____ No policy or certificate may be advertised, solicited or issued for delivery in this state as a Medicare supplement policy or certificate unless it meets or exceeds the following minimum standards. These are minimum standards and do not preclude the inclusion of other provisions or benefits which are not inconsistent with these standards.

_____ A. General Standards. The following standards apply to Medicare supplement policies and certificates and are in addition to all other requirements of this rule.

_____ (1) A Medicare supplement policy or certificate shall not exclude or limit benefits for losses incurred more than six months from the effective date of coverage because it involved a preexisting condition. The policy or certificate shall not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within six months before the effective date of coverage.

_____ (2) A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

_____ (3) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, copayment, or coinsurance amounts. Premiums may be modified to correspond with such changes.

_____ (4) A "noncancellable," "guaranteed renewable," or "noncancellable and guaranteed renewable" Medicare supplement policy shall not:

_____ (a) provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium; or

_____ (b) be canceled or nonrenewed by the issuer solely on the grounds of deterioration of health.

_____ (5)(a) Except as authorized by the commissioner of this state, an issuer shall neither cancel nor nonrenew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

_____ (b) If a group Medicare supplement insurance policy is terminated by the group policyholder and not replaced as provided in this Subsection (5)(d), the issuer shall offer certificateholders an individual Medicare supplement policy. The issuer shall offer the certificateholder at least the following choices:

_____ (i) an individual Medicare supplement policy currently offered by the issuer having comparable benefits to those contained in the terminated group Medicare supplement policy; and

_____ (ii) an individual Medicare supplement policy which provides only such benefits as are required to meet the minimum standards as defined in Subsection 8a.B. of this rule.

_____ (c) If membership in a group is terminated, the issuer shall:

_____ (i) offer the certificateholder the conversion opportunities described in Subsection (b); or

_____ (ii) at the option of the group policyholder, offer the certificateholder continuation of coverage under the group policy.

_____ (d) If a group Medicare supplement policy is replaced by another group Medicare supplement policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to all persons covered under the old group policy on its date of termination. Coverage under the new group policy shall not result in any exclusion for preexisting conditions that would have been

covered under the group policy being replaced.

~~_____ (6) Termination of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be predicated upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or to payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.~~

~~_____ (7) If a Medicare supplement policy eliminates an outpatient prescription drug benefit as a result of requirements imposed by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, the modified policy shall be deemed to satisfy the guaranteed renewal requirements of this subsection.~~

~~_____ B. Minimum Benefit Standards. Every issuer shall include the following benefits:~~

~~_____ (1) coverage of Part A Medicare eligible expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;~~

~~_____ (2) coverage for either all or none of the Medicare Part A inpatient hospital deductible amount;~~

~~_____ (3) coverage of Part A Medicare eligible expenses incurred as daily hospital charges during use of Medicare's lifetime hospital inpatient reserve days;~~

~~_____ (4) upon exhaustion of all Medicare hospital inpatient coverage including the lifetime reserve days, coverage of 90% of all Medicare Part A eligible expenses for hospitalization not covered by Medicare subject to a lifetime maximum benefit of an additional 365 days;~~

~~_____ (5) coverage under Medicare Part A for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations or already paid for under Part B;~~

~~_____ (6) coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare eligible expenses under Part B regardless of hospital confinement, subject to a maximum calendar year out-of-pocket amount equal to the Medicare Part B deductible, \$100; and~~

~~_____ (7) effective January 1, 1990, coverage under Medicare Part B for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations or already paid for under Part A, subject to the Medicare deductible amount.~~

R590-146-8. Benefit Standards for 1990 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery on or After July 30, 1992 and with an Effective Date for Coverage Prior to June 1, 2010.

The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this state on or after July 30, 1992 and with an effective date for coverage prior to June 1, 2010. No policy or certificate may be advertised, solicited, delivered or issued for delivery in this state as a Medicare supplement policy or certificate unless it complies with these benefit standards.

~~_____ A. General Standards. The following standards apply to Medicare supplement policies and certificates and are in addition to all other requirements of this rule.~~

~~_____ (1) A Medicare supplement policy or certificate shall not exclude or limit benefits for losses incurred more than six months from the effective date of coverage because it involved a preexisting condition. The policy or certificate may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within six months before the effective date of coverage.~~

~~_____ (2) A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.~~

~~_____ (3) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, co payment, or coinsurance amounts. Premiums may be modified to correspond with such changes.~~

~~_____ (4) No Medicare supplement policy or certificate shall provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium.~~

~~_____ (5) Each Medicare supplement policy shall be guaranteed renewable.~~

~~_____ (a) The issuer shall not cancel or nonrenew the policy solely on the ground of health status of the individual.~~

~~_____ (b) The issuer shall not cancel or nonrenew the policy for any reason other than nonpayment of premium or material misrepresentation.~~

~~_____ (c) If the Medicare supplement policy is terminated by the group policyholder and is not replaced as provided under Subsection (5)(e), the issuer shall offer certificateholders an individual Medicare supplement policy which, at the option of the certificateholder:~~

~~_____ (i) provides for continuation of the benefits contained in the group policy; or~~

~~_____ (ii) provides for benefits that otherwise meet the requirements of this subsection.~~

~~_____ (d) If an individual is a certificateholder in a group Medicare supplement policy and the individual terminates membership in the group, the issuer shall:~~

~~_____ (i) offer the certificateholder the conversion opportunity described in Subsection (5)(e); or~~

~~_____ (ii) at the option of the group policyholder, offer the certificateholder continuation of coverage under the group policy.~~

~~_____ (e) If a group Medicare supplement policy is replaced by another group Medicare supplement policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to all persons covered under the old group policy on its date of termination. Coverage under the new policy shall not result in any exclusion for preexisting conditions that would have been covered~~

under the group policy being replaced.

~~_____ (f) If a Medicare supplement policy eliminates an outpatient prescription drug benefit as a result of requirements imposed by the Medicare Prescription Drug, Improvement and Modernization Act of 2003, the modified policy shall be deemed to satisfy the guaranteed renewal requirements of this subsection.~~

~~_____ (6) Termination of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.~~

~~_____ (7)(a) A Medicare supplement policy or certificate shall provide that benefits and premiums under the policy or certificate shall be suspended at the request of the policyholder or certificateholder for the period, not to exceed 24 months, in which the policyholder or certificateholder has applied for and is determined to be entitled to medical assistance under Title XIX of the Social Security Act, but only if the policyholder or certificateholder notifies the issuer of the policy or certificate within 90 days after the date the individual becomes entitled to assistance.~~

~~_____ (b) If suspension occurs and if the policyholder or certificateholder loses entitlement to medical assistance, the policy or certificate shall be automatically reinstated, effective as of the date of termination of entitlement, if the policyholder or certificateholder provides notice of loss of entitlement within 90 days after the date of loss and pays the premium attributable to the period.~~

~~_____ (c) Each Medicare supplement policy shall provide that benefits and premiums under the policy shall be suspended, for the period provided by federal regulation, at the request of the policyholder if the policyholder is entitled to benefits under Section 226 (b) of the Social Security Act and is covered under a group health plan, as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act. If suspension occurs and if the policyholder or certificateholder loses coverage under the group health plan, the policy shall be automatically reinstated, effective as of the date of loss of coverage, if the policyholder provides notice of loss of coverage within 90 days after the date of the loss.~~

~~_____ (d) Reinstitution of coverages as described in Subsections (b) and (c):~~

~~_____ (i) shall not provide for any waiting period with respect to treatment of preexisting conditions;~~

~~_____ (ii) shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension. If the suspended Medicare supplement policy provided coverage for outpatient prescription drugs, reinstatement of the policy for Medicare Part D enrollees shall be without coverage for outpatient prescription drugs and shall otherwise provide substantially equivalent coverage to the coverage in effect before the date of suspension; and~~

~~_____ (iii) shall provide for classification of premiums on terms at least as favorable to the policyholder or certificateholder as the premium classification terms that would have applied to the policyholder or certificateholder had the coverage not been suspended.~~

~~_____ (8) If an issuer makes a written offer to the Medicare supplement policyholders or certificateholders of one or more of its plans, to exchange during a specified period from his or her 1990 plan, as described in Section 9 of this rule, to a 2010 plan, as described in Section 9a of this rule, the offer and subsequent exchange shall comply with the following requirements:~~

~~_____ (a) An issuer need not provide justification to the commissioner if the insured replaces a 1990 Plan policy or certificate with an issue age rated 2010 Plan policy or certificate at the insured's original issue age and duration. If an insured's policy or certificate to be replaced is priced on an issue age rate schedule at the time of such offer, the rate charged to the insured for the new exchanged policy shall recognize the policy reserve buildup, due to the pre-funding inherent in the use of an issue age rate basis, for the benefit of the insured. The method proposed to be used by an issuer shall be filed with the commissioner.~~

~~_____ (b) The rating class of the new policy or certificate shall be the class closest to the insured's class of the replaced coverage.~~

~~_____ (c) An issuer may not apply new pre-existing condition limitations or a new incontestability period to the new policy for those benefits contained in the exchanged 1990 plan policy for certificate of the insured, but may apply pre-existing condition limitations of no more than six months to any added benefits contained in the new 2010 plan policy or certificate not contained in the exchanged policy.~~

~~_____ (d) The new policy or certificate shall be offered to all policyholders or certificateholders within a given plan, except where the offer or issue would be in violation of state or federal law.~~

~~_____ B. Standards for Basic, Core, Benefits Common to All Benefit Plans A through J.~~

~~_____ Every issuer shall make available a policy or certificate including only the following basic core package of benefits to each prospective insured. An issuer may make available to prospective insureds any of the other Medicare Supplement Insurance Benefit Plans in addition to the basic core package, but not in lieu of it.~~

~~_____ (1) Coverage of Part A Medicare eligible expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period.~~

~~_____ (2) Coverage of Part A Medicare eligible expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used.~~

~~_____ (3) Upon exhaustion of the Medicare hospital inpatient coverage including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system, PPS, rate or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.~~

~~_____ (4) Coverage under Medicare Parts A and B for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations.~~

~~_____ (5) Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare eligible expenses under Part B regardless of hospital confinement, subject to the~~

Medicare Part B deductible.

~~_____ C. Standards for Additional Benefits. The following additional benefits shall be included in Medicare Supplement Benefit Plans B through J only as provided by Section 9 of this rule.~~

~~_____ (1) Medicare Part A Deductible: Coverage for all the Medicare Part A inpatient hospital deductible amount per benefit period.~~

~~_____ (2) Skilled Nursing Facility Care: Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post hospital skilled nursing facility care eligible under Medicare Part A.~~

~~_____ (3) Medicare Part B Deductible: Coverage for all the Medicare Part B deductible amount per calendar year regardless of hospital confinement.~~

~~_____ (4) 80% of the Medicare Part B Excess Charges: Coverage for 80% of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare approved Part B charge.~~

~~_____ (5) 100% of the Medicare Part B Excess Charges: Coverage for all of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare approved Part B charge.~~

~~_____ (6) Basic Outpatient Prescription Drug Benefit: Coverage for 50% of outpatient prescription drug charges, after a \$250 calendar year deductible, to a maximum of \$1,250 in benefits received by the insured per calendar year, to the extent not covered by Medicare. The outpatient prescription drug benefit may be included for sale or issuance in a Medicare supplement policy until January 1, 2006.~~

~~_____ (7) Extended Outpatient Prescription Drug Benefit: Coverage for 50% of outpatient prescription drug charges, after a \$250 calendar year deductible to a maximum of \$3,000 in benefits received by the insured per calendar year, to the extent not covered by Medicare. The outpatient prescription drug benefit may be included for sale or issuance in a Medicare supplement policy until January 1, 2006.~~

~~_____ (8) Medically Necessary Emergency Care in a Foreign Country: Coverage to the extent not covered by Medicare for 80% of the billed charges for Medicare eligible expenses for medically necessary emergency hospital, physician and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which care began during the first 60 consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000. For purposes of this benefit, "emergency care" shall mean care needed immediately because of an injury or an illness of sudden and unexpected onset.~~

~~_____ (9) Preventive Medical Care Benefit.~~

~~_____ (a) Coverage for the following preventive health services not covered by Medicare:~~

~~_____ (i) an annual clinical preventive medical history and physical examination that may include tests and services from Subsection (b) and patient education to address preventive health care measures; and~~

~~_____ (ii) preventive screening tests or preventive services, the selection and frequency of which is determined to be medically appropriate by the attending physician.~~

~~_____ (b) Reimbursement shall be for the actual charges up to 100% of the Medicare approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association Current Procedural Terminology, AMA CPT, codes, to a maximum of \$120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare.~~

~~_____ (10) At Home Recovery Benefit: Coverage for services to provide short term, at home assistance with activities of daily living for those recovering from an illness, injury or surgery.~~

~~_____ (a) For purposes of this benefit, the following definitions shall apply:~~

~~_____ (i) "Activities of daily living" include, but are not limited to bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self administered, and changing bandages or other dressings.~~

~~_____ (ii) "Care provider" means a duly qualified or licensed home health aide or homemaker, personal care aide or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry.~~

~~_____ (iii) "Home" shall mean any place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence.~~

~~_____ (iv) "At home recovery visit" means the period of a visit required to provide at home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24 hour period of services provided by a care provider is one visit.~~

~~_____ (b) Coverage Requirements and Limitations~~

~~_____ (i) At home recovery services provided shall be primarily services, which assist in activities of daily living.~~

~~_____ (ii) The insured's attending physician shall certify that the specific type and frequency of at home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare.~~

~~_____ (iii) Coverage is limited to:~~

~~_____ (I) no more than the number and type of at home recovery visits certified as necessary by the insured's attending physician. The total number of at home recovery visits shall not exceed the number of Medicare approved home health care visits under a Medicare approved home care plan of treatment;~~

~~_____ (II) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;~~

~~_____ (III) \$1,600 per calendar year;~~

~~_____ (IV) seven visits in any one week;~~

- _____ (V) care furnished on a visiting basis in the insured's home;
- _____ (VI) services provided by a care provider as defined in this section;
- _____ (VII) at home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded; and
- _____ (VIII) at home recovery visits received during the period the insured is receiving Medicare approved home care services or no more than eight weeks after the service date of the last Medicare approved home health care visit.
- _____ (c) Coverage is excluded for:
 - _____ (i) home care visits paid for by Medicare or other government programs; and
 - _____ (ii) care provided by family members, unpaid volunteers or providers who are not care providers.
- _____ D. Standards for Plans K and L.
- _____ (1) Standardized Medicare supplement benefit plan K shall consist of the following:
 - _____ (a) coverage of 100% of the part A hospital coinsurance amount for each day used from the 61st through the 90th day in any Medicare benefit period;
 - _____ (b) coverage of 100% of the Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period;
 - _____ (c) upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system, PPS, rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance;
 - _____ (d) Medicare Part A Deductible: Coverage for 50% of the Medicare Part A inpatient hospital deductible amount per benefit period until the out of pocket limitation is met as described in Subsection (j);
 - _____ (e) skilled Nursing Facility Care: Coverage for 50% of the coinsurance amount for each day used from the 21st day through the 100th day in a Medicare benefit period for post hospital skilled nursing facility care eligible under Medicare Part A until the out of pocket limitation is met as described in Subsection (j);
 - _____ (f) hospice Care: Coverage for 50% of the cost sharing for all Part A Medicare eligible expenses and respite care until the out of pocket limitation is met as described in Subsection (j);
 - _____ (g) coverage for 50%, under Medicare Part A or B, of the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations until the out of pocket limitation is met as described in Subsection (j);
 - _____ (h) except for coverage provided in Subsection (i) below, coverage for 50% of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Part B deductible until the out of pocket limitation is met as described in Subsection (j) below;
 - _____ (i) coverage of 100% of the cost sharing for Medicare Part B preventive services after the policyholder pays the Part B deductible; and
 - _____ (j) coverage of 100% of all cost sharing under Medicare Part A and B for the balance of the calendar year after the individual has reached the out of pocket limitation on annual expenditures under Medicare Part A and B of \$4000 in 2006, indexed each year by the appropriate inflation adjustment specified by the Secretary of the U.S. Department of Health and Human Services.
- _____ (2) Standardized Medicare supplement benefit plan "L" shall consist of the following:
 - _____ (a) The benefits described in Subsections D.(1)(a), (b), (c) and (i);
 - _____ (b) The benefits described in Subsections D.(1) (d), (e), (f), (g) and (h), but substituting 75% for 50%; and
 - _____ (c) The benefit described in Subsection D.(1)(j), but substituting \$2000 for \$4000.

R590-146-8a. Benefit Standards for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery with an Effective Date for Coverage on or After June 1, 2010.

_____ The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this state with an effective date of coverage on or after June 1, 2010. No policy or certificate may be advertised, solicited, delivered, or issued for delivery in this state as a Medicare supplement policy or certificate unless it complies with these benefit standards. No issuer may offer any 1990 plan for sale on or after June 1, 2010. Benefit standards applicable to Medicare supplement policies and certificates issued with an effective date for coverage prior to June 1, 2010 remain subject to the requirements of Section 9 of this rule.

_____ A. General Standards. The following standards apply to Medicare supplement policies and certificates and are in addition to all other requirements of this rule.

- _____ (1) A Medicare supplement policy or certificate shall not exclude or limit benefits for losses incurred more than 6 months from the effective date of coverage because it involved a preexisting condition. The policy or certificate may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within 6 months before the effective date of coverage.
- _____ (2) A Medicare supplement policy or certificate shall not indemnify against losses resulting from a sickness on a different basis than losses resulting from accidents.
- _____ (3) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, copayment, or coinsurance amounts. Premiums may be modified to correspond with such changes.
- _____ (4) No Medicare supplement policy or certificate shall provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium.
- _____ (5) Each Medicare supplement policy shall be guaranteed renewable.

~~_____ (a) The issuer shall not cancel or nonrenew the policy solely on the ground of health status of the individual.~~

~~_____ (b) The issuer shall not cancel or nonrenew the policy for any reason other than nonpayment of premium or material misrepresentation.~~

~~_____ (c) If the Medicare supplement policy is terminated by the group policyholder and is not replaced as provided under Subsection A.(5)(e), the issuer shall offer certificateholders an individual Medicare supplement policy which (at the option of the certificateholder):~~

~~_____ (i) provides for continuation of the benefits contained in the group policy; or~~

~~_____ (ii) provides for benefits that otherwise meet the requirements of this subsection.~~

~~_____ (d) If an individual is a certificateholder in a group Medicare supplement policy and the individual terminates membership in the group, the issuer shall:~~

~~_____ (i) offer the certificateholder the conversion opportunity described in Subsection (A)(5)(e); or~~

~~_____ (ii) at the option of the group policyholder, offer the certificateholder continuation of coverage under the group policy.~~

~~_____ (e) If a group Medicare supplement policy is replaced by another group Medicare supplement policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to all persons covered under the old group policy on its date of termination. Coverage under the new policy shall not result in any exclusion for preexisting conditions that would have been covered under the group policy being replaced.~~

~~_____ (6) Termination of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.~~

~~_____ (7)(a) A Medicare supplement policy or certificate shall provide that benefits and premiums under the policy or certificate shall be suspended at the request of the policyholder or certificateholder for the period, not to exceed 24 months, in which the policyholder or certificateholder has applied for and is determined to be entitled to medical assistance under Title XIX of the Social Security Act, but only if the policyholder or certificateholder notifies the issuer of the policy or certificate within 90 days after the date the individual becomes entitled to assistance.~~

~~_____ (b) If suspension occurs and if the policyholder or certificateholder loses entitlement to medical assistance, the policy or certificate shall be automatically reinstated, effective as of the date of termination of entitlement, as of the termination of entitlement if the policyholder or certificateholder provides notice of loss of entitlement within 90 days after the date of loss and pays the premium attributable to the period, effective as of the date of termination of entitlement.~~

~~_____ (c) Each Medicare supplement policy shall provide that benefits and premiums under the policy shall be suspended, for any period that may be provided by federal regulation, at the request of the policyholder if the policyholder is entitled to benefits under Section 226(b) of the Social Security Act and is covered under a group health plan, as defined in Section 1862(b)(1)(A)(v) of the Social Security Act. If suspension occurs and if the policyholder or certificateholder loses coverage under the group health plan, the policy shall be automatically reinstated, effective as of the date of loss of coverage if the policyholder provides notice of loss of coverage within 90 days after the date of the loss.~~

~~_____ (d) Reinstatement of coverages as described in Subsections (7)(b) and (c):~~

~~_____ (i) shall not provide for any waiting period with respect to treatment of preexisting conditions;~~

~~_____ (ii) shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and~~

~~_____ (iii) shall provide for classification of premiums on terms at least as favorable to the policyholder or certificateholder as the premium classification terms that would have applied to the policyholder or certificateholder had the coverage not been suspended.~~

~~_____ B. Standards for Basic, Core, Benefits Common to Medicare Supplement Insurance Benefit Plans A, B, C, D, F, F with High Deductible, G, M, N. Every issuer of Medicare supplement insurance benefit plans shall make available a policy or certificate including only the following basic core package of benefits to each prospective insured. An issuer may make available to prospective insureds any of the other Medicare Supplement Insurance Benefit Plans in addition to the basic core package, but not in lieu of it.~~

~~_____ (1) Coverage of Part A Medicare eligible expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period.~~

~~_____ (2) Coverage of Part A Medicare eligible expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used.~~

~~_____ (3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system, PPS, rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.~~

~~_____ (4) Coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations.~~

~~_____ (5) Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare eligible expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.~~

~~_____ (6) Coverage of cost sharing for all Part A Medicare eligible hospice care and respite care expenses.~~

~~_____ C. Standards for Additional Benefits. The following additional benefits shall be included in Medicare supplement benefit Plans B, C, D, F, F with High Deductible, G, M, N as provided by Section 9a.~~

~~_____ (1) Medicare Part A Deductible: Coverage for 100% of the Medicare Part A inpatient hospital deductible amount per benefit~~

period.

_____ (2) Medicare Part A Deductible: Coverage for 50% of the Medicare Part A inpatient hospital deductible amount per benefit period.

_____ (3) Skilled Nursing Facility Care: Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A.

_____ (4) Medicare Part B Deductible: Coverage for 100% of the Medicare Part B deductible amount per calendar year regardless of hospital confinement.

_____ (5) One hundred percent, 100%, of the Medicare Part B Excess Charges: Coverage for all of the difference between the actual Medicare Part B charges as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare approved Part B charge.

_____ (6) Medically Necessary Emergency Care in a Foreign Country: Coverage to the extent not covered by Medicare for 80% of the billed charges for Medicare eligible expenses for medically necessary emergency hospital, physician and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which care began during the first 60 consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000. For purposes of this benefit, "emergency care" shall mean care needed immediately because of an injury or an illness of sudden and unexpected onset.

R590-146-9. Standard Medicare Supplement Benefit Plans for 1990 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery After July 30, 1992 and with an Effective Date for Coverage Prior to June 1, 2010.

_____ A. An issuer shall make available to each prospective policyholder and certificateholder a policy form or certificate form containing only the basic core benefits, as defined in Subsection 8.B. of this rule.

_____ B. No groups, packages or combinations of Medicare supplement benefits other than those listed in this section may be offered for sale in this state, except as may be permitted in Subsection 9.G. and Section 10 of this rule.

_____ C. Benefit plans shall be uniform in structure, language, designation and format to the standard benefit plans A through L listed in this section and conform to the definitions in Section 4 of this rule. Each benefit shall be structured in accordance with the format provided in Subsections 8.B. and 8.C., or 8.D. and list the benefits in the order shown in this subsection. For purposes of this section, "structure, language, and format" means style, arrangement and overall content of a benefit.

_____ D. An issuer may use, in addition to the benefit plan designations required in Subsection C, other designations to the extent permitted by law.

_____ E. Make up of benefit plans:

_____ (1) Standardized Medicare supplement benefit plan A shall be limited to the basic, core, benefits common to all benefit plans, as defined in Subsection 8.B. of this rule.

_____ (2) Standardized Medicare supplement benefit plan B shall include only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible as defined in Subsection 8.C.(1).

_____ (3) Standardized Medicare supplement benefit plan C shall include only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, Medicare Part B deductible and medically necessary emergency care in a foreign country as defined in Subsections 8.C.(1), (2), (3) and (8) respectively.

_____ (4) Standardized Medicare supplement benefit plan D shall include only the following: The core benefit, as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, medically necessary emergency care in a foreign country and the at home recovery benefit as defined in Subsections 8.C.(1), (2), (8) and (10) respectively.

_____ (5) Standardized Medicare supplement benefit plan E shall include only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, medically necessary emergency care in a foreign country and preventive medical care as defined in Subsections 8.C.(1), (2), (8) and (9) respectively.

_____ (6) Standardized Medicare supplement benefit plan F shall include only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, the skilled nursing facility care, the Part B deductible, 100% of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Subsections 8.C.(1), (2), (3), (5) and (8) respectively.

_____ (7) Standardized Medicare supplement benefit high deductible plan F shall include only the following: 100% of covered expenses following the payment of the annual high deductible plan F deductible. The covered expenses include the core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, the Medicare Part B deductible, 100% of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Subsections 8.C.(1), (2), (3), (5) and (8) respectively. The annual high deductible plan F deductible shall consist of out of pocket expenses, other than premiums, for services covered by the Medicare supplement plan F policy, and shall be in addition to any other specific benefit deductibles. The annual high deductible Plan F deductible shall be \$1500 for 1998 and 1999, and shall be based on the calendar year. It shall be adjusted annually thereafter by the Secretary to reflect the change in the Consumer Price Index for all urban consumers for the 12 month period ending with August of the preceding year, and rounded to the nearest multiple of \$10.

_____ (8) Standardized Medicare supplement benefit plan G shall include only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, 80% of the Medicare Part B excess charges, medically necessary emergency care in a foreign country, and the at home recovery benefit as defined in Subsections 8.C.(1), (2), (4), (8) and (10) respectively.

_____ (9) Standardized Medicare supplement benefit plan H shall consist of only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, basic prescription drug benefit and

medically necessary emergency care in a foreign country as defined in Subsections 8.C.(1), (2), (6) and (8) respectively. The prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

_____ (10) Standardized Medicare supplement benefit plan I shall consist of only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, 100% of the Medicare Part B excess charges, basic prescription drug benefit, medically necessary emergency care in a foreign country and at home recovery benefit as defined in Subsections 8.C.(1), (2), (5), (6), (8) and (10) respectively. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

_____ (11) Standardized Medicare supplement benefit plan J shall consist of only the following: The core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, Medicare Part B deductible, 100% of the Medicare Part B excess charges, extended prescription drug benefit, medically necessary emergency care in a foreign country, preventive medical care and at home recovery benefit as defined in Subsections 8.C.(1), (2), (3), (5), (7), (8), (9) and (10) respectively. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

_____ (12) Standardized Medicare supplement benefit high deductible plan J shall consist of only the following: 100% of covered expenses following the payment of the annual high deductible plan J deductible. The covered expenses include the core benefit as defined in Subsection 8.B. of this rule, plus the Medicare Part A deductible, skilled nursing facility care, Medicare Part B deductible, 100% of the Medicare Part B excess charges, extended outpatient prescription drug benefit, medically necessary emergency care in a foreign country, preventive medical care benefit and at home recovery benefit as defined in Subsections 8.C.(1), (2), (3), (5), (7), (8), (9) and (10) respectively. The annual high deductible plan J deductible shall consist of out of pocket expenses, other than premiums, for services covered by the Medicare supplement plan J policy, and shall be in addition to any other specific benefit deductibles. The annual deductible shall be \$1500 for 1998 and 1999, and shall be based on a calendar year. It shall be adjusted annually thereafter by the Secretary to reflect the change in the Consumer Price Index for all urban consumers for the twelve month period ending with August of the preceding year, and rounded to the nearest multiple of \$10. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

_____ (F) Make up of two Medicare supplement plans mandated by The Medicare Prescription Drug, Improvement and Modernization Act of 2003, MMA.

_____ (1) Standardized Medicare supplement benefit plan K shall consist of only those benefits described in Subsection 8.D.(1).

_____ (2) Standardized Medicare supplement benefit plan L shall consist of only those benefits described in Subsection 8.D.(2).

_____ (G) New or Innovative Benefits: An issuer may, with the prior approval of the commissioner, offer policies or certificates with new or innovative benefits in addition to the benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits may include benefits that are appropriate to Medicare supplement insurance, new or innovative, not otherwise available, cost effective, and offered in a manner that is consistent with the goal of simplification of Medicare supplement policies. After December 31, 2005, the innovative benefit shall not include an outpatient prescription drug benefit.

R590-146-9a. Standard Medicare Supplement Benefit Plans for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery with an Effective Date for Coverage on or After June 1, 2010.

_____ The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this state with an effective date for coverage on or after June 1, 2010. No policy or certificate may be advertised, solicited, delivered, or issued for delivery in this state as a Medicare supplement policy or certificate unless it complies with these benefit plan standards. Benefit plan standards applicable to Medicare supplement policies and certificates with an effective date of coverage before June 1, 2010 remain subject to the requirements of Sections 8a and 9 of this rule.

_____ A.(1) An issuer shall make available to each prospective policyholder and certificateholder a policy form or certificate form containing only the basic core benefits, as defined in Subsection 8a.B. of this rule.

_____ (2) If an issuer makes available any of the additional benefits described in Subsection 8a.C., or offers standardized benefit Plan K or L, as described in Subsections 9a.E.(8) and (9) of this rule, then the issuer shall make available to each prospective policyholder and certificateholder, in addition to a policy form or certificate form with only the basic core benefits as described in Subsection (1), a policy form or certificate form containing either standardized benefit Plan C, as described in Subsection 9a.E.(3) of this rule, or standardized benefit Plan F, as described in Subsection 9a.E.(5) of this rule.

_____ B. No groups, packages or combinations of Medicare supplement benefits other than those listed in this Subsection shall be offered for sale in this state, except as may be permitted in Subsection 9a.F. and in Section 10 of this rule.

_____ C. Benefit plan shall be uniform in structure, language, designation and format to the standard benefit plans listed in this subsection and conform to the definitions in Section 4 of this rule. Each benefit shall be structured in accordance with the format provide in Subsections 8a.B. and C. of this rule; or, in the case of plans K or L, in Subsections 9a.E.(8) or (9) of this rule and list the benefits in the order shown. For purposes of this subsection, "structure, language, and format" means style, arrangement and overall content of a benefit.

_____ D. In addition to the benefit plan designations required in Subsection C, an issuer may use other designations to the extent permitted by law.

_____ E. Make up of 2010 Standardized Benefit Plans:

_____ (1) Standardized Medicare supplement benefit Plan A shall include only the following: The basic core benefits as defined in Subsection 8a.B. of this rule.

_____ (2) Standardized Medicare supplement benefit Plan B shall include only the following: the basic core benefit as defined in Subsection 8a.B. of this rule, plus 100% of the Medicare Part A deductible as defined in Subsection 8a.C.(1) of this rule.

_____ (3) Standardized Medicare supplement benefit Plan C shall include only the following: The basic core benefit as defined in Subsection 8a.B. of this rule, plus 100% of the Medicare Part A deductible, skilled nursing facility care, 100% of the Medicare Part B deductible, and medically necessary emergency care in a foreign country as defined in Subsections 8a.C.(1), (3), (4), and (6) of this rule, respectively.

_____ (4) Standardized Medicare supplement benefit Plan D shall include only the following: The basic core benefit as defined in Subsection 8a.B. of this rule, plus 100% of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign country as defined in Subsections 8a.C.(1), (3), and (6) of this rule, respectively.

_____ (5) Standardized Medicare supplement benefit Plan F shall include only the following: The basic core benefit as defined in Subsection 8a.B. of this rule, plus 100% of the Medicare Part A deductible, skilled nursing facility care, 100% of the Medicare Part B deductible, 100% of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Subsections 8a.C.(1), (3), (4), (5), and (6) of this rule, respectively.

_____ (6) Standardized Medicare supplement benefit Plan F With High Deductible shall include only the following: 100% of covered expenses following the payment of the annual deductible set forth in Subsection (b).

_____ (a) The basic core benefit as defined in Subsection 8a.B. of this rule, 100% of the Medicare Part A deductible, skilled nursing facility care, 100% of the Medicare Part B deductible, 100% of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Subsections 8a.C.(1), (3), (4), (5), and (6) of this rule, respectively.

_____ (b) The annual deductible in Plan F With High Deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by Plan F, and shall be in addition to any other specific benefit deductibles. The basis for the deductible shall be \$1500 and shall be adjusted annually from 1999 by the Secretary of the U.S. Department of Health and Human Services to reflect the change in the consumer Price Index for all urban consumers for the 12 month period ending with August of the preceding year, and rounded to the nearest multiple of ten dollars.

_____ (7) Standardized Medicare supplement benefit Plan G shall include only the following: The basic core benefit as defined in Subsection 8a.B. of this rule, plus 100% of the Medicare Part A deductible, skilled nursing facility care, 100% of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Subsections 8a.C.(1), (3), (5), and (6) of this rule, respectively. Effective January 1, 2020, the standardized benefit plans described in Section 9b.A.(4) of this rule, Redesignated Plan G High Deductible, may be offered to any individual who was eligible for Medicare prior to January 1, 2020.

_____ (8) Standardized Medicare supplement benefit Plan K is mandated by The Medicare Prescription Drug, Improvement and Modernization Act of 2003, and shall include only the following:

_____ (a) Part A Hospital Coinsurance 61st through 90th days: Coverage of 100% of the Part A hospital coinsurance amount for each day used from the 61st through the 90th day in any Medicare benefit period:

_____ (b) Part A Hospital Coinsurance, 91st through 150th days: Coverage of 100% of the Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period:

_____ (c) Part A Hospitalization After 150 Days: Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system, PPS, rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance:

_____ (d) Medicare Part A Deductible: Coverage for 50% of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in Subsection (j):

_____ (e) Skilled Nursing Facility Care: Coverage for 50% of the coinsurance amount for each day used from the 21st day through the 100th day in a Medicare benefit period for post hospital skilled nursing facility care eligible under Medicare Part A until the out-of-pocket limitation is met as described in Subsection (j):

_____ (f) Hospice Care: Coverage for 50% of cost sharing for all Part A Medicare eligible expenses and respite care until the out-of-pocket limitation is met as described in Subsection(j):

_____ (g) Blood: Coverage for 50%, under Medicare Part A or B, of the reasonable cost of the first 3 pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations until the out-of-pocket limitation is met as described in Subsection (j):

_____ (h) Part B Cost Sharing: Except for coverage provided in Subsection (i), coverage of 50% of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Part B deductible until the out-of-pocket limitation is met as described in Subsection (j):

_____ (i) Part B Preventive Services: Coverage of 100% of the cost sharing for Medicare Part B preventive services after the policyholder pays the Part B deductible; and

_____ (j) Cost Sharing After Out-of-Pocket Limits: Coverage of 100% of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B of \$4000 in 2006, indexed each year by the appropriate inflation adjustment specified by the Secretary of the U.S. Department of Health and Human Services.

_____ (9) Standardized Medicare supplement benefit Plan L is mandated by The Medicare Prescription Drug Improvement and Modernization Act of 2003, and shall include only the following:

_____ (a) The benefits described in Subsections (8)(a), (b), (e) and (i);

_____ (b) The benefit described in Subsections (8)(d), (e), (f), (g) and (h), but substituting 75% for 50%; and

_____ (c) The benefit described in Subsection (8)(j), but substituting \$2000 for \$4000.

_____ (10) Standardized Medicare supplement benefit Plan M shall include only the following:

_____ The basic core benefit as defined in Subsection 8a.B. of this rule, plus 50% of the Medicare Part A deductible, skilled nursing

facility care, and medically necessary emergency care in a foreign county as defined in Subsections 8a.C.(2), (3) and (6) of this rule, respectively.

_____ (11) Standardized Medicare supplement benefit Plan N shall include only the following: The basic core benefit as defined in Subsection 8a.B. of this rule, plus 100% of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign country as defined in Subsections 8a.C.(1), (3) and (6) of this rule, respectively, with copayments in the following amounts:

_____ (a) the lesser of \$20 or the Medicare Part B coinsurance or copayment for each covered health care provider office visit, including visits to medical specialists; and

_____ (b) the lesser of \$50 or the Medicare Part B coinsurance or copayment for each covered emergency room visit, however, this copayment shall be waived if the insured is admitted to any hospital and the emergency visit is subsequently covered as a Medicare Part A expense.

_____ F. New or Innovative Benefits. An issuer may, with the prior approval of the commissioner, offer policies or certificates with new or innovative benefits, in addition to the standardized benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits shall include only benefits that are appropriate to Medicare supplement insurance, are new or innovative, are not otherwise available, and are cost effective. Approval of new or innovative benefits shall not adversely impact the goal of Medicare supplement simplification. New or innovative benefits shall not include an outpatient prescription drug benefit. New or innovative benefits shall not be used to change or reduce benefits, including a change of any cost-sharing provision, in any standardized plan.

R590-146-9b. Standard Medicare Supplement Benefit Plans for 2020 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery to Individuals Newly Eligible for Medicare on or After January 1, 2020.

_____ The Medicare Access and CHIP Reauthorization Act of 2015, MACRA, requires the following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this state to individuals newly eligible for Medicare with an effective date of coverage on or after January 1, 2020. No policy or certificate that provides coverage of the Medicare Part B deductible may be advertised, solicited, delivered or issued for delivery in this state as a Medicare supplement policy or certificate to individuals newly eligible for Medicare on or after January 1, 2020. All policies must comply with the following benefit standards. Benefit plan standards applicable to Medicare supplement policies and certificates issued to individuals eligible for Medicare before January 1, 2020, remain subject to the requirements of Section 9 for policies issued after July 30, 1992 and prior to June 1, 2010; or 9a for policies issued after May 31, 2010 and prior to January 1, 2020.

_____ A. Benefit Requirements. The standards and requirements of Section 9a shall apply to all Medicare supplement policies or certificates delivered or issued for delivery to individuals newly eligible for Medicare on or after January 1, 2020, with the following exceptions:

_____ (1) Standardized Medicare supplement benefit Plan C is redesignated as Plan D and shall provide the benefits contained in Section 9a.E.(3) of this rule but shall not provide coverage for 100% or any portion of the Medicare Part B deductible.

_____ (2) Standardized Medicare supplement benefit Plan F is redesignated as Plan G and shall provide the benefits contained in Section 9a.E.(5) of this rule but shall not provide coverage for 100% or any portion of the Medicare Part B deductible.

_____ (3) Standardized Medicare supplement benefit plans C, F, and F With High Deductible may not be offered to individuals newly eligible for Medicare on or after January 1, 2020.

_____ (4) Standardized Medicare supplement benefit Plan F With High Deductible is redesignated as Plan G With High Deductible and shall provide the benefits contained in Section 9a.E.(6) of this regulation but shall not provide coverage for 100% or any portion of the Medicare Part B deductible; provided further that, the Medicare Part B deductible paid by the beneficiary shall be considered an out of pocket expense in meeting the annual high deductible.

_____ (5) The reference to Plans C or F contained in Section 9a.A.(2) is deemed a reference to Plans D or G for purposes of this section.

_____ B. Applicability to Certain Individuals. This Section 9b, applies to only individuals that are newly eligible for Medicare on or after January 1, 2020:

_____ (1) By reason of attaining age 65 on or after January 1, 2020; or

_____ (2) By reason of entitlement to benefits under part A pursuant to Section 226(b) or 226A of the Social Security Act, or who is deemed to be eligible for benefits under Section 226(a) of the Social Security Act on or after January 1, 2020.

_____ C. Guaranteed Issue for Eligible Persons. For purposes of Section 12.E, in the case of any individual newly eligible for Medicare on or after January 1, 2020, any reference to a Medicare supplement policy C or F, including F With High Deductible, shall be deemed to be a reference to Medicare supplement policy D or G, including G With High Deductible, respectively, that meet the requirements of this Section 9b.A.

_____ D. Offer of Redesignated Plans to Individuals Other Than Newly Eligible. On or after January 1, 2020, the standardized benefit plans described in Subparagraph A(4), above may be offered to any individual who was eligible for Medicare prior to January 1, 2020, in addition to the standardized plans described in Section 9a.E of this rule.

R590-146-10. Medicare Select Policies and Certificates.

_____ A.(1) This section shall apply to Medicare Select policies and certificates, as defined in this section.

_____ (2) No policy or certificate may be advertised as a Medicare Select policy or certificate unless it meets the requirements of this section.

_____ B. For the purposes of this section:

_____ (1) "Complaint" means any dissatisfaction expressed by an individual concerning a Medicare Select issuer or its network providers.

_____ (2) "Grievance" means dissatisfaction expressed in writing by an individual insured under a Medicare Select policy or certificate with the administration, claims practices, or provision of services concerning a Medicare Select issuer or its network providers.

_____ (3) "Medicare Select issuer" means an issuer offering, or seeking to offer, a Medicare Select policy or certificate.

_____ (4) "Medicare Select policy" or "Medicare Select certificate" mean respectively a Medicare supplement policy or certificate that contains restricted network provisions.

_____ (5) "Network provider" means a provider of health care, or a group of providers of health care, which has entered into a written agreement with the issuer to provide benefits insured under a Medicare Select policy.

_____ (6) "Restricted network provision" means any provision which conditions the payment of benefits, in whole or in part, on the use of network providers.

_____ (7) "Service area" means the geographic area approved by the commissioner within which an issuer is authorized to offer a Medicare Select policy.

_____ C. The commissioner may authorize an issuer to offer a Medicare Select policy or certificate, pursuant to this section and Section 4358 of the Omnibus Budget Reconciliation Act, OBRA, of 1990 if the commissioner finds that the issuer has satisfied all of the requirements of this rule.

_____ D. A Medicare Select issuer shall not issue a Medicare Select policy or certificate in this state until its plan of operation has been approved by the commissioner.

_____ E. A Medicare Select issuer shall file a proposed plan of operation with the commissioner in a format prescribed by the commissioner. The plan of operation shall contain at least the following information:

_____ (1) evidence that all covered services that are subject to restricted network provisions are available and accessible through network providers, including a demonstration that:

_____ (a) services can be provided by network providers with reasonable promptness with respect to geographic location, hours of operation and after hour care. The hours of operation and availability of after hour care shall reflect usual practice in the local area. Geographic availability shall reflect the usual travel times within the community;

_____ (b) the number of network providers in the service area is sufficient, with respect to current and expected policyholders, either:

_____ (i) to deliver adequately all services that are subject to a restricted network provision; or

_____ (ii) to make appropriate referrals;

_____ (c) there are written agreements with network providers describing specific responsibilities;

_____ (d) emergency care is available 24 hours per day and seven days per week; and

_____ (e) in the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network providers prohibiting the providers from billing or otherwise seeking reimbursement from or recourse against any individual insured under a Medicare Select policy or certificate. This subsection shall not apply to supplemental charges or coinsurance amounts as stated in the Medicare Select policy or certificate;

_____ (2) a statement or map providing a clear description of the service area;

_____ (3) a description of the grievance procedure to be utilized;

_____ (4) a description of the quality assurance program, including:

_____ (a) the formal organizational structure;

_____ (b) the written criteria for selection, retention and removal of network providers; and

_____ (c) the procedures for evaluating quality of care provided by network providers, and the process to initiate corrective action when warranted;

_____ (5) a list and description, by specialty, of the network providers;

_____ (6) copies of the written information proposed to be used by the issuer to comply with Subsection I; and

_____ (7) any other information requested by the commissioner.

_____ F. (1) A Medicare Select issuer shall file any proposed changes to the plan of operation, except for changes to the list of network providers, with the commissioner prior to implementing the changes.

_____ (2) Any changes to the list of network providers shall be filed with the commissioner within 30 days of the change. The submission must include all network providers and clearly identify the new and discontinued providers.

_____ G. A Medicare Select policy or certificate shall not restrict payment for covered services provided by non network providers if:

_____ (1) the services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury or a condition; and

_____ (2) it is not reasonable to obtain services through a network provider.

_____ H. A Medicare Select policy or certificate shall provide payment for full coverage under the policy for covered services that are not available through network providers.

_____ I. A Medicare Select issuer shall make full and fair disclosure in writing of the provisions, restrictions and limitations of the Medicare Select policy or certificate to each applicant. This disclosure shall include at least the following:

_____ (1) an outline of coverage sufficient to permit the applicant to compare the coverage and premiums of the Medicare Select policy or certificate with:

_____ (a) other Medicare supplement policies or certificates offered by the issuer; and

- ~~_____ (b) other Medicare Select policies or certificates;~~
- ~~_____ (2) a description, including address, phone number and hours of operation, of the network providers, including primary care physicians, specialty physicians, hospitals and other providers;~~
- ~~_____ (3) a description of the restricted network provisions, including payments for coinsurance and deductibles when providers other than network providers are utilized. Except to the extent specified in the policy or certificate, expenses incurred when using out-of-network providers do not count toward the out-of-pocket annual limit contained in plans K and L;~~
- ~~_____ (4) a description of coverage for emergency and urgently needed care and other out-of-service area coverage;~~
- ~~_____ (5) a description of limitations on referrals to restricted network providers and to other providers;~~
- ~~_____ (6) a description of the policyholder's rights to purchase any other Medicare supplement policy or certificate otherwise offered by the issuer; and~~
- ~~_____ (7) a description of the Medicare Select issuer's quality assurance program and grievance procedure.~~
- ~~_____ J. Prior to the sale of a Medicare Select policy or certificate, a Medicare Select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information provided pursuant to Subsection I of this section and that the applicant understands the restrictions of the Medicare Select policy or certificate.~~
- ~~_____ K. A Medicare Select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. The procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.~~
 - ~~_____ (1) The grievance procedure shall be described in the policy and certificates and in the outline of coverage.~~
 - ~~_____ (2) At the time the policy or certificate is issued, the issuer shall provide detailed information to the policyholder describing how a grievance may be registered with the issuer.~~
 - ~~_____ (3) Grievances shall be considered in a timely manner and shall be transmitted to appropriate decision makers who have authority to fully investigate the issue and take corrective action.~~
 - ~~_____ (4) If a grievance is found to be valid, corrective action shall be taken promptly.~~
 - ~~_____ (5) All concerned parties shall be notified about the results of a grievance.~~
 - ~~_____ (6) The issuer shall report no later than March 31 of each calendar year to the commissioner regarding its grievance procedure. The report shall be in a format prescribed by the commissioner and shall contain the number of grievances filed in the past year and a summary of the subject, nature and resolution of such grievances.~~
- ~~_____ L. At the time of initial purchase, a Medicare Select issuer shall make available to each applicant for a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate otherwise offered by the issuer.~~
- ~~_____ M. (1) At the request of an individual insured under a Medicare Select policy or certificate, a Medicare Select issuer shall make available to the individual insured the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which does not contain a restricted network provision. The issuer shall make the policies or certificates available without requiring evidence of insurability after the Medicare Select policy or certificate has been in force for six months.~~
 - ~~_____ (2) For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this subsection, a significant benefit means coverage for the Medicare Part A deductible, coverage for at-home recovery services or coverage for Part B excess charges.~~
- ~~_____ N. Medicare Select policies and certificates shall provide for continuation of coverage in the event the Secretary of Health and Human Services determines that Medicare Select policies and certificates issued pursuant to this section should be discontinued due to either the failure of the Medicare Select Program to be reauthorized under law or its substantial amendment.~~
 - ~~_____ (1) Each Medicare Select issuer shall make available to each individual insured under a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which does not contain a restricted network provision. The issuer shall make the policies and certificates available without requiring evidence of insurability.~~
 - ~~_____ (2) For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this subsection, a significant benefit means coverage for the Medicare Part A deductible, coverage for at-home recovery services or coverage for Part B excess charges.~~
- ~~_____ O. A Medicare Select issuer shall comply with reasonable requests for data made by state or federal agencies, including the United States Department of Health and Human Services, for the purpose of evaluating the Medicare Select Program.~~

R590-146-11. Open Enrollment.

- ~~_____ A. An issuer shall not deny or condition the issuance or effectiveness of any Medicare supplement policy or certificate available for sale in this state, nor discriminate in the pricing of a policy or certificate because of the health status, claims experience, receipt of health care, or medical condition of an applicant in the case of an application for a policy or certificate that is submitted prior to or during the six month period beginning with the first day of the first month in which an individual is both 65 years of age or older and is enrolled for benefits under Medicare Part B. Each Medicare supplement policy and certificate currently available from an insurer shall be made available to all applicants who qualify under this section without regard to age.~~
- ~~_____ B. (1) If an applicant qualifies under Subsection A and submits an application during the time period referenced in Subsection A and, as of the date of application, has had a continuous period of creditable coverage of at least six months, the issuer shall not exclude benefits based on a preexisting condition.~~
- ~~_____ (2) If the applicant qualifies under Subsection A and submits an application during the time period referenced in Subsection~~

A and, as of the date of application, has had a continuous period of creditable coverage that is less than six months, the issuer shall reduce the period of any preexisting condition exclusion by the aggregate of the period of creditable coverage applicable to the applicant as of the enrollment date. The Secretary shall specify the manner of the reduction under this subsection.

C. Except as provided in Subsection B and Sections 12 and 23, Subsection A shall not be construed as preventing the exclusion of benefits under a policy, during the first six months, based on a preexisting condition for which the policyholder or certificateholder received treatment or was otherwise diagnosed during the six months before the coverage became effective.

R590 146 12. Guaranteed Issue for Eligible Persons.

A. Guaranteed Issue.

(1) Eligible persons are those individuals described in Subsection B who seek to enroll under the policy during the period specified in Subsection C, and who submit evidence of the date of termination, disenrollment, or Medicare Part D enrollment with the application for a Medicare supplement policy.

(2) With respect to eligible persons, an issuer shall not deny or condition the issuance or effectiveness of a Medicare supplement policy described in Subsection E that is offered and is available for issuance to new enrollees by the issuer, shall not discriminate in the pricing of such a Medicare supplement policy because of health status, claims experience, receipt of health care, or medical condition, and shall not impose an exclusion of benefits based on a preexisting condition under such a Medicare supplement policy.

B. Eligible Persons.

An eligible person is an individual described in any of the following subsections:

(1) The individual is enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under Medicare; and the plan terminates, or the plan ceases to provide all such supplemental health benefits to the individual.

(2) The individual is enrolled with a Medicare Advantage organization under a Medicare Advantage plan under part C of Medicare, and any of the following circumstances apply, or the individual is 65 years of age or older and is enrolled with a program of All Inclusive Care for the Elderly, PACE, provider under Section 1894 of the Social Security Act, and there are circumstances similar to those described below that would permit discontinuance of the individual's enrollment with such provider if such individual were enrolled in a Medicare Advantage plan:

(a) the certification of the organization or plan has been terminated;

(b) the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides;

(c) the individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the Secretary, but not including termination of the individual's enrollment on the basis described in Section 1851(g)(3)(B) of the federal Social Security Act, where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under Section 1856, or the plan is terminated for all individuals within a residence area;

(d) the individual demonstrates, in accordance with guidelines established by the Secretary, that:

(i) the organization offering the plan substantially violated a material provision of the organization's contract under this part in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or

(ii) the organization, or producer or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual; or

(e) the individual meets such other exceptional conditions as the Secretary may provide.

(3)(a) The individual is enrolled with:

(i) an eligible organization under a contract under Section 1876 of the Social Security Act, Medicare cost;

(ii) a similar organization operating under demonstration project authority, effective for periods before April 1, 1999;

(iii) an organization under an agreement under Section 1833(a)(1)(A) of the Social Security Act, health care prepayment plan; or

(iv) an organization under a Medicare Select policy; and

(b) The enrollment ceases under the same circumstances that would permit discontinuance of an individual's election of coverage in Subsection 12B(2).

(4) The individual is enrolled under a Medicare supplement policy and the enrollment ceases because:

(a)(i) of the insolvency of the issuer or bankruptcy of the nonissuer organization; or

(ii) of other involuntary termination of coverage or enrollment under the policy;

(b) the issuer of the policy substantially violated a material provision of the policy; or

(c) the issuer, or a producer or other entity acting on the issuer's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual;

(5)(a) The individual was enrolled under a Medicare supplement policy and terminates enrollment and subsequently enrolls, for the first time, with any Medicare Advantage organization under a Medicare Advantage plan under part C of Medicare, any eligible organization under a contract under Section 1876 of the Social Security Act, Medicare cost, any similar organization operating under demonstration project authority, any PACE provider under Section 1894 of the Social Security Act or a Medicare Select policy; and

(b) The subsequent enrollment under Subsection (a) is terminated by the enrollee during any period within the first 12 months of such subsequent enrollment, during which the enrollee is permitted to terminate such subsequent enrollment under Section 1851(e) of the federal Social Security Act; or

(6) The individual, upon first becoming eligible for benefits under part A of Medicare, enrolls in a Medicare Advantage plan

under part C of Medicare, or in a PACE provider under Section 1894 of the Social Security Act, and disenrolls from the plan or program by not later than 12 months after the effective date of enrollment.

_____ (7) The individual enrolls in a Medicare Part D plan during the initial enrollment period and, at the time of enrollment in Part D, was enrolled under a Medicare supplement policy that covers outpatient prescription drugs and the individual terminates enrollment in the Medicare supplement policy and submits evidence of enrollment in Medicare Part D along with the application for a policy described in Subsection E(4).

_____ (8) The individual is enrolled under medical assistance under Title XIX of the Social Security Act, Medicaid, and is involuntarily terminated outside of requirements of Subsections 8.A.(7)(a) and (b).

_____ C. Guaranteed Issue Time Periods.

_____ (1) In the case of an individual described in Subsection B(1), the guaranteed issue period begins on the later of:

_____ (a) the date the individual receives a notice of termination or cessation of all supplemental health benefits or, if a notice is not received, noticed that a claim has been denied because of a termination or cessation; or

_____ (b) the date that the applicable coverage terminates or ceases; and ends sixty three days thereafter;

_____ (2) In case of an individual described in Subsections B(2), (3), (5) or (6), whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends sixty three days after the date applicable coverage is terminated;

_____ (3) In the case of an individual described in Subsection B(4)(a), the guaranteed issue period begins on the earlier of:

_____ (a) the date that the individual receives a notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar notice if any; and

_____ (b) the date that the applicable coverage is terminated, and ends on the date that is sixty three days after the date the coverage is terminated;

_____ (4) In case of an individual described in Subsections B(2), (4)(b) and (c), (5) or (6) who disenrolls voluntarily, the guaranteed issue period begins on the date that is sixty days before the effective date of the disenrollment and ends on the day that is sixty three days after the effective date;

_____ (5) In the case of an individual described in Subsection B(7), the guaranteed issue period begins on the date the individual receives notice pursuant to Section 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the sixty day period immediately preceding the initial Part D enrollment period ends on the date that is sixty three days after the effective date of the individual's coverage under Medicare Part D; and

_____ (6) In case of an individual described in Subsection B but not described in the preceding provisions of this subsection, the guaranteed issue period begins on the effective date of disenrollment and ends on that date that is sixty three days after the effective date.

_____ D. Extended Medigap Access for Interrupted Trial Periods

_____ (1) In the case of an individual described in Subsection B(5), or deemed to be so described, pursuant to this subsection, whose enrollment with an organization or provider described in Subsection B(5)(a) is involuntarily terminated within the first twelve months of enrollment, and who, without an intervening enrollment, enrolls with another such organization or provider, the subsequent enrollment shall be deemed to be an initial enrollment described in Subsection B(5);

_____ (2) In the case of an individual described in Subsection B(6), or deemed to be so described, pursuant to this subsection, whose enrollment with a plan or in a program described in Subsection B(6) is involuntarily terminated within the first twelve months of enrollment, and who, without an intervening enrollments, enrolls in another such plan or program, the subsequent enrollment shall be deemed to be an initial enrollment described in Subsection B(6).

_____ (3) For the purposes of Subsections B(5) and (6), no enrollment of an individual with an organization or provider described in Subsection B(5)(a), or with a plan or in a program described in Subsection B(6), may be deemed to be an initial enrollment under this subsection after the two year period beginning on the date on which the individual first enrolled with such an organization, provider, plan or program.

_____ E. Products to Which Eligible Persons are Entitled

_____ The Medicare supplement policy to which eligible persons are entitled under:

_____ (1) Subsections B(1), (2), (3), (4), and (8) is a Medicare supplement policy which has a benefit package classified as Plan A, B, C, F, including F with a high deductible, K or L offered by any issuer.

_____ (2)(a) Subject to Subsection (b), Subsection B(5) is the same Medicare supplement policy in which the individual was most recently previously enrolled, if available from the same issuer, or, if not so available, a policy described in Subsection (1);

_____ (b) After December 31, 2005, if the individual was most recently enrolled in a Medicare supplement policy with a outpatient prescription drug benefit, a Medicare supplement policy described in this subsection is:

_____ (i) the policy available from the same issuer but modified to remove outpatient prescription drug coverage; or

_____ (ii) at the election of the policyholder, an A, B, C, F, including F with a high deductible, K or L policy that is offered by any issuer;

_____ (3) Subsection B(6) shall include any Medicare supplement policy offered by any issuer;

_____ (4) Subsection B(7) is a Medicare supplement policy that has a benefit package classified as Plan A, B, C, F, including F with a high deductible, K, or L, and that is offered and is available for issuance to new enrollees by the same issuer that issued the individual's Medicare supplement policy with outpatient prescription drug coverage.

_____ F. Notification provisions.

_____ (1) At the time of an event described in Subsection B because of which an individual loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer

terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of his or her rights under this section, and of the obligations of issuers of Medicare supplement policies under Subsection A. Such notice shall be communicated contemporaneously with the notification of termination.

_____ (2) At the time of an event described in Subsection B because of which an individual ceases enrollment under a contract or agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of his or her rights under this section, and of the obligations of issuers of Medicare supplement policies under Subsection A. Such notice shall be communicated within ten working days of the issuer receiving notification of disenrollment.

R590 146 13. Standards for Claims Payment.

_____ A. An issuer shall comply with Section 1882(e)(3) of the Social Security Act, as enacted by Section 4081(b)(2)(C) of the Omnibus Budget Reconciliation Act of 1987, OBRA, 1987, Pub. L. No. 100 203, by:

_____ (1) accepting a notice from a Medicare carrier on dually assigned claims submitted by participating physicians and suppliers as a claim for benefits in place of any other claim form otherwise required and making a payment determination on the basis of the information contained in that notice;

_____ (2) notifying the participating physician or supplier and the beneficiary of the payment determination;

_____ (3) paying the participating physician or supplier directly;

_____ (4) furnishing, at the time of enrollment, each enrollee with a card listing the policy name, number and a central mailing address to which notices from a Medicare carrier may be sent;

_____ (5) paying user fees for claim notices that are transmitted electronically or otherwise; and

_____ (6) providing to the Secretary of Health and Human Services, at least annually, a central mailing address to which all claims may be sent by Medicare carriers.

_____ B. Compliance with the requirements set forth in Subsection A above shall be certified on the Medicare supplement insurance experience reporting form.

R590 146 14. Loss Ratio Standards and Filing Requirements.

_____ A. Loss Ratio Standards.

_____ (1)(a) A Medicare supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificateholders in the form of aggregate benefits, not including anticipated refunds or credits, provided under the policy form or certificate form:

_____ (i) at least 75% of the aggregate amount of premiums earned in the case of group policies; or

_____ (ii) at least 65% of the aggregate amount of premiums earned in the case of individual policies.

_____ (b) The loss ratio shall be calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and in accordance with accepted actuarial principles and practices. Incurred health care expenses where coverage is provided by a health maintenance organization shall not include:

_____ (i) home office and overhead costs;

_____ (ii) advertising costs;

_____ (iii) commissions and other acquisition costs;

_____ (iv) taxes;

_____ (v) capital costs;

_____ (vi) administration costs; and

_____ (vii) claims processing costs.

_____ (2) All filings of rates and rating schedules shall demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and comply with the requirements of R590 85.

_____ (3) For purposes of applying Subsections (1) and 15.D.(3) only, policies issued as a result of solicitations of individuals through the mails or by mass media advertising, including both print and broadcast advertising, shall be deemed to be individual policies.

_____ (4) For policies issued prior to July 30, 1992, expected claims in relation to premiums shall meet:

_____ (a) the originally filed anticipated loss ratio when combined with the actual experience since inception;

_____ (b) the appropriate loss ratio requirement from Subsections A(1)(a)(i) and (ii) when combined with actual experience beginning with the effective date of October 31, 1994 as set forth in Bulletin 94 8; and

_____ (c) the appropriate loss ratio requirement from Subsections A(1)(a)(i) and (ii) over the entire future period for which the rates are computed to provide coverage.

_____ B. Refund or Credit Calculation.

_____ (1) An issuer shall collect and file with the commissioner by May 31 of each year each applicable form;

_____ (a) Medicare Supplement Refund Calculation;

_____ (b) Calculation of Benchmark Ratio Since Inception for Group Policies; and

_____ (c) Calculation of the Benchmark Ratio Since Inception For Individual Policies.

_____ (2) If on the basis of the experience as reported the benchmark ratio since inception, ratio 1, exceeds the adjusted experience ratio since inception, ratio 3, then a refund or credit calculation, is required. The refund calculation shall be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

_____ (3) For the purposes of this section, policies or certificates issued prior to July 30, 1992, the issuer shall make the refund or credit calculation separately for all individual policies, including all group policies subject to an individual loss ratio standard when issued, combined and all other group policies combined for experience after the effective date of this rule. The first report shall be due by May 31 each year.

_____ (4) A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the Secretary of Health and Human Services, but in no event shall it be less than the average rate of interest for 13 week Treasury notes. A refund or credit against premiums due shall be made by September 30 following the experience year upon which the refund or credit is based.

_____ C. Filing of Premium Rates.

_____ (1) Annual Filing of Premium Rates Report.

_____ (a) An issuer of Medicare supplement policies and certificates issued before or after the effective date of July 30, 1992 in this state shall file annually its rates, rating schedule and supporting documentation including ratios of incurred losses to earned premiums by policy duration in accordance with the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third year loss ratio, which is greater than or equal to the applicable percentage, shall be demonstrated for policies or certificates in force less than three years.

_____ (b) The Annual Filing of Premium Rates Report shall be filed no later than May 31 each year, and in compliance with R590-220.

_____ (2) 2010 Medicare Supplement Rate and Enrollment Data.

_____ (a) An issuer shall annually file by May 31 the Utah rate and enrollment information for 2010 Medicare Supplement plans as specified in the "2010MedSuppRateDataUT_v1.0.xlsx" spreadsheet.

_____ (b) The Annual Filing of Rate and Enrollment Data shall be filed no later than May 31 each year, and in compliance with R590-220.

_____ (3)(a) As soon as practicable, but prior to the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the commissioner, in accordance with the applicable filing procedures of this state, appropriate premium adjustments necessary to produce loss ratios as anticipated for the current premium for the applicable policies or certificates. The supporting documents necessary to justify the adjustment shall accompany the filing.

_____ (b) An issuer shall make premium adjustments necessary to produce an expected loss ratio under the policy or certificate to conform to minimum loss ratio standards for Medicare supplement policies and which are expected to result in a loss ratio at least as great as that originally anticipated in the rates used to produce current premiums by the issuer for the Medicare supplement policies or certificates. No premium adjustment which would modify the loss ratio experience under the policy other than the adjustments described herein shall be made with respect to a policy at any time other than upon its renewal date or anniversary date.

_____ (c) If an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds or premium credits deemed necessary to achieve the loss ratio required by this section.

_____ (4) Any appropriate riders, endorsements or policy forms needed to accomplish the Medicare supplement policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements or policy forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

_____ D. Public Hearings.

_____ The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of any refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner deemed appropriate by the commissioner.

R590-146-15. Filing of Policies, Certificates, and Premium Rates.

_____ A. An issuer shall not deliver or issue for delivery a policy or certificate to a resident of this state unless the policy form or certificate form has been filed for use in accordance with filing requirements and procedures prescribed by the commissioner.

_____ B. An issuer shall file any riders or amendments to policy or certificate forms to delete outpatient prescription drug benefits as required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 only with the commissioner in the state in which the policy or certificate was issued.

_____ C.(1) An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule and supporting documentation have been filed for acceptance in accordance with the filing requirements and procedures prescribed by the commissioner, and Rule R590-85.

_____ (2) During an applicant's open enrollment period described in Section 11, an issuer shall offer the lowest rate available to any applicant without regard to health or smoker status.

_____ (3) A policy form issued under Section 9b is not considered a new policy form, and is not a permissible separate rating class.

_____ D.(1) Except as provided in Subsection (2) an issuer shall not file more than one form of a policy or certificate of each type

for each standard Medicare supplement benefit plan.

_____ (2) An issuer may offer, with the approval of the commissioner, up to four additional policy forms or certificate forms of the same type for the same standard Medicare supplement benefit plan, one for each of the following cases:

- _____ (a) the inclusion of new or innovative benefits;
- _____ (b) the addition of either direct response or producer marketing methods;
- _____ (c) the addition of either guaranteed issue or underwritten coverage;
- _____ (d) the offering of coverage to individuals eligible for Medicare by reason of disability.

_____ (3) For the purposes of this section, a "type" means an individual policy, a group policy, an individual Medicare Select policy, or a group Medicare Select policy.

_____ E.(1) Except as provided in Subsection (1)(a), an issuer shall continue to make available for purchase any policy form or certificate form issued after the effective date of this rule that has been approved by the commissioner. A policy form or certificate form shall not be considered to be available for purchase unless the issuer has actively offered it for sale in the previous 12 months.

_____ (a) An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the commissioner in writing its decision at least 30 days prior to discontinuing the availability of the form of the policy or certificate. After receipt of the notice by the commissioner, the issuer may no longer offer for sale the policy form or certificate form in this state.

_____ (b) An issuer that discontinues the availability of a policy form or certificate form pursuant to Subsection (a) shall not file a new policy form or certificate form of the same type for the same standard Medicare supplement benefit plan as the discontinued form for a period of five years after the issuer provides notice to the commissioner of the discontinuance. The period of discontinuance may be reduced if the commissioner determines that a shorter period is appropriate.

_____ (2) The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this subsection.

_____ (3) A change in the rating structure or methodology shall be considered a discontinuance under Subsection (1) unless the issuer complies with the following requirements:

_____ (a) The issuer provides an actuarial memorandum, in a form and manner prescribed by the commissioner, describing the manner in which the revised rating methodology and resultant rates differ from the existing rating methodology and existing rates.

_____ (b) The issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. The commissioner may approve a change to the differential, which is in the public interest.

_____ F.(1) Except as provided in Subsection (2), the experience of all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan shall be combined for purposes of the refund or credit calculation prescribed in Rule R590-146-14.

_____ (2) Forms assumed under an assumption reinsurance agreement shall not be combined with the experience of other forms for purposes of the refund or credit calculation.

~~R590-146-16. Permitted Compensation Arrangements.~~

_____ A. An issuer or other entity may provide commission or other compensation to a producer or other representative for the sale of a Medicare supplement policy or certificate only if the first year commission or other first year compensation is no more than 200% of the commission or other compensation paid for selling or servicing the policy or certificate in the second year or period.

_____ B. The commission or other compensation provided in subsequent renewal years shall be the same as that provided in the second year or period and shall be provided for no fewer than five renewal years.

_____ C. No issuer or other entity may provide compensation to its producers and no producer may receive compensation greater than the renewal compensation payable by the replacing issuer on renewal policies or certificates if an existing policy or certificate is replaced.

_____ D. For purposes of this section, compensation includes pecuniary or non pecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate including but not limited to bonuses, gifts, prizes, awards and finder's fees.

~~R590-146-17. Required Disclosure Provisions.~~

_____ A. General Rules.

_____ (1) Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy, and shall include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the policyholder's age.

_____ (2) Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy after date of issue or at reinstatement or renewal which reduce or eliminate benefits or coverage in the policy shall require a signed acceptance by the insured. After the date of policy or certificate issue, any rider or endorsement which increases benefits or coverage with a concomitant increase in premium during the policy term shall be agreed to in writing signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies, or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy.

_____ (3) Medicare supplement policies or certificates shall not provide for the payment of benefits based on standards described as "usual and customary," "reasonable and customary" or words of similar import.

_____ (4) If a Medicare supplement policy or certificate contains any limitations with respect to preexisting conditions, such limitations shall appear as a separate section of the policy and be labeled as "Preexisting Condition Limitations."

_____ (5) Medicare supplement policies and certificates shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificateholder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the insured person is not satisfied for any reason.

_____ (6)(a) Issuers of accident and sickness policies or certificates which provide hospital or medical expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare shall provide to those applicants a Guide to Health Insurance for People with Medicare in the form developed jointly by the National Association of Insurance Commissioners and the Centers for Medicare and Medicaid Services, CMS, in a type size no smaller than 12 point type. Delivery of the Guide shall be made whether or not the policies or certificates are advertised, solicited or issued as Medicare supplement policies or certificates as defined in this rule. Except in the case of direct response issuers, delivery of the Guide shall be made to the applicant at the time of application and acknowledgment of receipt of the Guide shall be obtained by the issuer. Direct response issuers shall deliver the Guide to the applicant upon request but not later than at the time the policy is delivered.

_____ (b) For the purposes of this section, "form" means the language, format, type size, type proportional spacing, bold character, and line spacing.

_____ B. Notice Requirements.

_____ (1) As soon as practicable, but no later than 30 days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificateholders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the commissioner. The notice shall:

_____ (a) include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate; and

_____ (b) inform each policyholder or certificateholder as to when any premium adjustment is to be made due to changes in Medicare.

_____ (2) The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension.

_____ (3) The notices shall not contain or be accompanied by any solicitation.

_____ C. MMA Notice Requirements.

_____ Issuers shall comply with any notice requirements of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

_____ D. Outline of Coverage Requirements for Medicare Supplement Policies.

_____ (1) Issuers shall provide an outline of coverage to all applicants at the time application is presented to the prospective applicant and, except for direct response policies, shall obtain an acknowledgment of receipt of the outline from the applicant.

_____ (2) If an outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis which would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate shall accompany the policy or certificate when it is delivered and contain the following statement, in no less than 12 point type, immediately above the company name:

_____ "NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued."

_____ (3) The outline of coverage provided to applicants pursuant to this section consists of four parts: a cover page, premium information, disclosure pages, and charts displaying the features of each benefit plan offered by the issuer. The outline of coverage shall be in the language and format prescribed below in no less than 12 point type. All plans shall be shown on the cover page, and the plans that are offered by the issuer shall be prominently identified. Premium information for plans that are offered shall be shown on the cover page or immediately following the cover page and shall be prominently displayed. The premium and mode shall be stated for all plans that are offered to the prospective applicant. All possible premiums for the prospective applicant shall be illustrated.

_____ (4) The Outline of Medicare Supplement Coverage, from the National Association of Insurance Commissioners, dated 1998, or the Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2020, adopted August 2016, as incorporated by reference herein, is available for public inspection at the Insurance Department.

_____ E. Notice Regarding Policies or Certificates Which Are Not Medicare Supplement Policies.

_____ (1) Any accident and sickness insurance policy or certificate, other than a Medicare supplement policy; a policy issued pursuant to a contract under Section 1876 of the Federal Social Security Act, 42 U.S.C. 1395 et seq.; a disability income policy; or other policy identified in Subsection 3B of this rule; issued for delivery in this state to persons eligible for Medicare, shall notify insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy, or certificate delivered to insureds. The notice shall be in no less than 12 point type and shall contain the following language:

_____ "THIS (POLICY OR CERTIFICATE) IS NOT A MEDICARE SUPPLEMENT (POLICY OR CONTRACT). If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the company."

_____ (2) Applications provided to persons eligible for Medicare for the health insurance policies or certificates described in Subsection D(1) shall disclose, using the applicable statement in Subsection 25.E., the extent to which the policy duplicates Medicare. The disclosure statement shall be provided as a part of, or together with, the application for the policy or certificate.

R590-146-18. Requirements for Application Forms and Replacement Coverage.

A. Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant currently has Medicare supplement Medicare Advantage, Medicaid coverage, or another health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and producer containing such questions and statements may be used.

TABLE I

(Statements)

(Boldface Type)

- (1) You do not need more than one Medicare supplement policy.
- (2) If you purchase this policy, you may want to evaluate your existing health coverage and decide if you need multiple coverages.
- (3) You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy.
- (4) If, after purchasing this policy, you become eligible for Medicaid, the benefits and premiums under your Medicare supplement policy can be suspended, if requested, during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your suspended Medicare supplement policy or, if that is no longer available, a substantially equivalent policy, will be reinstated if requested within 90 days of losing Medicaid eligibility. If the Medicare supplement policy provided coverage for outpatient prescription drugs and you enrolled in Medicare Part D while your policy was suspended, the reinstated policy will not have outpatient prescription drug coverage, but will otherwise be substantially equivalent to your coverage before the date of the suspension.
- (5) If you are eligible for, and have enrolled in a Medicare supplement policy by reason of disability and you later become covered by an employer or union based group health plan, the benefits and premiums under your Medicare supplement policy can be suspended, if requested, while you are covered under the employer or union based group health plan. If you suspend your Medicare supplement policy under these circumstances, and later lose your employer or union based group health plan, your suspended Medicare supplement policy or, if that is no longer available, a substantially equivalent policy, will be reinstated if requested within 90 days of losing your employer or union based group health plan. If the Medicare supplement policy provided coverage for outpatient prescription drugs and you enrolled in Medicare Part D while your policy was suspended, the reinstated policy will not have outpatient prescription drug coverage, but will otherwise be substantially equivalent to your coverage before the date of the suspension.
- (6) Counseling services may be available in your state to provide advice concerning your purchase of Medicare supplement insurance and concerning medical assistance through the state Medicaid program, including benefits as a Qualified Medicare Beneficiary (QMB) and a Specified Low Income Medicare Beneficiary (SLMB).

Questions

(Boldface Type)

If you lost or are losing other health insurance coverage and received a notice from your prior insurer saying you were eligible for guaranteed issue of a Medicare supplement insurance policy, or that you had certain rights to buy such a policy, you may be guaranteed acceptance in one or more of our Medicare supplement plans. Please include a copy of the notice from your prior insurer with the application. PLEASE ANSWER ALL QUESTIONS.

(Please mark Yes or No below with an "X")

To the best of your knowledge,

(1)(a) Did you turn age 65 in the last 6 months?

— Yes — No

(b) Did you enroll in Medicare Part B in the last 6 months?

— Yes — No (c) If yes, what is the effective date?

(2) Are you covered for medical assistance through the state Medicaid program?

(NOTE TO APPLICANT: If you are participating in a "Spend-Down Program" and have not met your "Share of Cost", please answer NO to this question.)

— YES — NO

(a) If yes, will Medicaid pay your premiums for this Medicare

supplement policy?

— YES — NO

(b) Do you receive any benefits from Medicaid OTHER THAN payments toward your Medicare Part B premium?

— YES — NO

(3)(a) If you had coverage from any Medicare plan other than original Medicare within the past 63 days, for example, a Medicare Advantage plan, or a Medicare HMO or PPO, fill in your start and end dates below. If you are still covered under this plan, leave "END" blank.

START / / END / /

(b) If you are still covered under the Medicare plan, do you intend to replace your current coverage with this new Medicare supplement policy?

— YES — NO

(c) Was this your first time in this type of Medicare plan?

— YES — NO

(d) Did you drop a Medicare supplement policy to enroll in the Medicare plan?

— YES — NO

(4)(a) Do you have another Medicare supplement policy in force?

— YES — NO

(b) If so, with what company, and what plan do you have (optional for Direct Mailers)?

(c) If so, do you intend to replace your current Medicare supplement policy with this policy?

— YES — NO

(5) Have you had coverage under any other health insurance within the past 63 days? (For example, an employer, union, or individual plan)

— YES — NO

(a) If so, with what company and what kind of policy?

.....

.....

.....

.....

(b) What are your dates of coverage under the other policy?

If you are still covered under the other policy, leave "END" blank.

START / / END / /

_____ B. Producers shall list any other health insurance policies they have sold to the applicant.

_____ (1) List policies sold which are still in force.

_____ (2) List policies sold in the past five years, which are no longer in force.

_____ C. In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer upon delivery of the policy.

_____ D. Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its producer, shall furnish the applicant, prior to issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of the notice signed by the applicant and the producer, except where the coverage is sold without a producer, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy the notice regarding replacement of Medicare supplement coverage.

_____ E. The notice required by Subsection D above for an issuer shall be provided in substantially the following form in no less than 12 point type:

TABLE II
NOTICE TO APPLICANT REGARDING REPLACEMENT
OF MEDICARE SUPPLEMENT INSURANCE
OR MEDICARE ADVANTAGE

(Boldface Type)

(Insurance company's name and address)

SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

(Boldface Type)

According to (your application) (information you have furnished), you intend to terminate existing Medicare supplement insurance or Medicare Advantage and replace it with a policy to be issued by (Company Name) Insurance Company. Your new policy will provide 30 days within which you may decide without cost whether you desire to keep the policy.

You should review this new coverage carefully.

Compare it with all accident and sickness coverage you now have. If, after due consideration, you find that purchase of this Medicare supplement or Medicare Advantage coverage is a wise decision, you should terminate your present

Medicare supplement or Medicare Advantage coverage.

You should evaluate the need for other accident and sickness coverage you have that may duplicate this policy.

STATEMENT TO APPLICANT BY ISSUER, PRODUCER (BROKER OR OTHER REPRESENTATIVE):

I have reviewed your current medical or health insurance coverage. To the best of my knowledge, this Medicare supplement policy will not duplicate your existing Medicare supplement or, if applicable, Medicare Advantage coverage because you intend to terminate your existing Medicare supplement coverage or leave your Medicare Advantage plan. The replacement policy is being purchased for the following reason(s) (check one):

- Additional benefits.
- No change in benefits, but lower premiums.
- Fewer benefits and lower premiums.
- My plan has outpatient prescription drug coverage and I am enrolling in Part D.
- Disenrollment from a Medicare Advantage plan. Please explain reason for disenrollment. (optional only for Direct Mailer.)
- Other. (please specify)

1. Note: If the issuer of the Medicare supplement policy being applied for does not, or is otherwise prohibited from imposing pre-existing condition limitations, please skip to statement 2 below. Health conditions that you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy.

2. State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.

3. If, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. (If the policy or certificate is guaranteed issue, this paragraph need not appear.)

Do not cancel your present policy until you have received your new policy and are sure that you want to keep it.

.....
(Signature of Producer, Broker or Other Representative)

(Typed Name and Address of Issuer, Producer or Broker)

.....
(Applicant's Signature)

.....
(Date)

Signature not required for direct response sales.

F. Subsections 1 and 2 of the replacement notice, applicable to preexisting conditions, may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

R590-146-19. Filing Requirements for Advertising.

An issuer shall, upon specific request from the commissioner, file for use a copy of any Medicare supplement advertisement intended for use in this state whether through written, radio, electronic, or television medium.

R590-146-20. Standards for Marketing.

A. An issuer, directly or through its producers, shall:

- (1) establish marketing procedures to assure that any comparison of policies by its producers will be fair and accurate;

- _____ (2) establish marketing procedures to assure excessive insurance is not sold or issued.
- _____ (3) display prominently by type, in bold font, stamp or other appropriate means, on the first page of the policy the following:
"Notice to buyer: This policy may not cover all of your medical expenses."
- _____ (4) inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for Medicare supplement insurance already has accident and sickness insurance and the types and amounts of any such insurance; and
- _____ (5) establish auditable procedures for verifying compliance with this Subsection A.
- _____ B. In addition to the practices prohibited in Section 31A-23a, Part 4, the following acts and practices are prohibited:
 - _____ (1) Twisting. Knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert an insurance policy or to take out a policy of insurance with another insurer.
 - _____ (2) High pressure tactics. Employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.
 - _____ (3) Cold lead advertising. Making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance producer or insurance company.
- _____ C. The terms "Medicare Supplement," "Medigap," "Medicare Wrap Around" and words of similar import shall not be used unless the policy is issued in compliance with this rule.

R590-146-21. Appropriateness of Recommended Purchase and Excessive Insurance.

- _____ A. In recommending the purchase or replacement of any Medicare supplement policy or certificate a producer shall make reasonable efforts to determine the appropriateness of a recommended purchase or replacement.
- _____ B. Any sale of Medicare supplement policy or certificate that will provide an individual more than one Medicare supplement policy or certificate is prohibited.
- _____ C. An issuer shall not issue a Medicare supplement policy or certificate to an individual enrolled in Medicare Part C unless the effective date of the coverage is after the termination date of the individual's Part C coverage.

R590-146-22. Reporting of Multiple Policies.

- _____ A. On or before May 31 of each year, an issuer shall file the report form under Subsection 25.D. for every individual resident of this state for which the issuer has in force more than one Medicare supplement policy or certificate:
 - _____ (1) policy and certificate number; and
 - _____ (2) date of issuance.
- _____ B. The items set forth above shall be grouped by individual policyholder.

R590-146-23. Prohibition Against Preexisting Conditions, Waiting Periods, Elimination Periods and Probationary Periods in Replacement Policies or Certificates.

- _____ A. If a Medicare supplement policy or certificate replaces another Medicare supplement policy or certificate, the replacing issuer shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods and probationary periods in the new Medicare supplement policy or certificate to the extent such time was spent under the original policy.
- _____ B. If a Medicare supplement policy or certificate replaces another Medicare supplement policy or certificate which has been in effect for at least six months, the replacing policy shall not provide any time period applicable to preexisting conditions, waiting periods, elimination periods and probationary periods for benefits similar to those contained in the original policy or certificate.

R590-146-24. Prohibition Against Use of Genetic Information and Requests for Genetic Testing.

- _____ A. An issuer of a Medicare supplement policy or certificate:
 - _____ (1) shall not deny or condition the issuance or effectiveness of the policy or certificate (including the imposition of any exclusion of benefits under the policy based on a pre-existing condition) on the basis of the genetic information with respect to such individual; and
 - _____ (2) shall not discriminate in the pricing of the policy or certificate (including the adjustment of premium rates) of an individual on the basis of the genetic information with respect to such individual.
- _____ B. Nothing in Subsection A shall be construed to limit the ability of an issuer, to the extent otherwise permitted by law, from:
 - _____ (1) Denying or conditioning the issuance or effectiveness of the policy or certificate or increasing the premium for a group based on the manifestation of a disease or disorder of an insured or applicant; or
 - _____ (2) Increasing the premium for any policy issued to an individual based on the manifestation of a disease or disorder of an individual who is covered under the policy (in such case, the manifestation of a disease or disorder in one individual cannot also be used as genetic information about other group members and to further increase the premium for the group.
- _____ C. An issuer of a Medicare supplement policy or certificate shall not request or require an individual or a family member of such individual to undergo a genetic test.
- _____ D. Subsection C shall not be construed to preclude an issuer of a Medicare supplement policy or certificate from obtaining and using the results of a genetic test in making a determination regarding payment (as defined for the purposes of applying the regulations promulgated under part C of title XI and section 264 of the Health Insurance Portability and Accountability Act of 1996 as may be revised from time to time) and consistent with Subsection A.

~~_____ E. For purposes of carrying out Subsection D, an issuer of a Medicare supplement policy or certificate may request only the minimum amount of information necessary to accomplish the intended purpose.~~

~~_____ F. Notwithstanding Subsection C, an issuer of a Medicare supplement policy may request, but not require, that an individual or a family member of such individual undergo a genetic test if each of the following conditions is met:~~

~~_____ (1) The request is made pursuant to research that complies with part 46 of title 45, Code of Federal Regulations, or equivalent Federal regulations, and any applicable State or local law or regulations for the protection of human subjects in research.~~

~~_____ (2) The issuer clearly indicates to each individual, or in the case of a minor child, to the legal guardian of such child, to whom the request is made that:~~

~~_____ (a) compliance with the request is voluntary; and~~

~~_____ (b) non-compliance will have no effect on enrollment status or premium or contribution amounts.~~

~~_____ (3) No genetic information collected or acquired under this subsection shall be used for underwriting, determination of eligibility to enroll or maintain enrollment status, premium rates, or the issuance, renewal, or replacement of a policy or certificate.~~

~~_____ (4) The issuer notifies the Secretary in writing that the issuer is conducting activities pursuant to the exception provided for under this subsection, including a description of the activities conducted.~~

~~_____ (5) The issuer complies with such other conditions as the Secretary may by regulation require for activities conducted under this subsection.~~

~~_____ G. An issuer of a Medicare supplement policy or certificate shall not request, require, or purchase genetic information for underwriting purposes.~~

~~_____ H. An issuer of a Medicare supplement policy or certificate shall not request, require, or purchase genetic information with respect to any individual prior to such individual's enrollment under the policy in connection with such enrollment.~~

~~_____ I. If an issuer of a Medicare supplement policy or certificate obtains genetic information incidental to requesting, requiring, or purchasing of other information concerning any individual, such request, requirement, or purchase shall not be considered a violation of Subsection H if such request, requirement, or purchase is not in violation of Subsection G.~~

~~_____ J. For the purposes of this section only:~~

~~_____ (1) "Issuer of a Medicare supplement policy or certificate" includes third-party administrator, or other person acting for or on behalf of such issuer.~~

~~_____ (2) "Family member" means, with respect to an individual, any other individual who is a first degree, second degree, third degree, or fourth degree relative of such individual.~~

~~_____ (3) "Genetic information" means, with respect to any individual, information about such individual's genetic tests, the genetic tests of family members of such individual, and the manifestation of a disease or disorder in family members of such individual. Such term includes, with respect to any individual, any request for, or receipt of, genetic services, or participation in clinical research which includes genetic services, by such individual or any family member of such individual. Any reference to genetic information concerning an individual or family member of an individual, who is a pregnant woman, includes genetic information of any fetus carried by such pregnant woman, or with respect to an individual or family member utilizing reproductive technology, includes genetic information of any embryo legally held by an individual or family member. The term "genetic information" does not include information about the sex or age of any individual.~~

~~_____ (4) "Genetic services" means a genetic test, genetic counseling (including obtaining, interpreting, or assessing genetic information), or genetic education.~~

~~_____ (5) "Genetic test" means an analysis of human DNA, RNA, chromosomes, proteins, or metabolites that detect genotypes, mutations, or chromosomal changes. The term "genetic test" does not mean an analysis of proteins or metabolites that does not detect genotypes, mutations, or chromosomal changes; or an analysis of proteins or metabolites that is directly related to a manifested disease, disorder, or pathological condition that could reasonably be detected by a health care professional with appropriate training and expertise in the field of medicine involved.~~

~~_____ (6) "Underwriting purposes" means,~~

~~_____ (a) rules for, or determination of, eligibility (including enrollment and continued eligibility) for benefits under the policy;~~

~~_____ (b) the computation of premium or contribution amounts under the policy;~~

~~_____ (c) the application of any pre-existing condition exclusion under the policy; and~~

~~_____ (d) other activities related to the creation, renewal, or replacement of a contract of health insurance or health benefits.~~

R590-146-25. Documents Incorporated by Reference.

~~_____ The following filing documents are hereby incorporated by reference within this rule and are available for public inspection at the Insurance Department or at www.insurance.utah.gov. These forms were adopted by the National Association of Insurance Commissioners' Model Regulation number 651, as approved August 2016:~~

~~_____ A. "MEDICARE SUPPLEMENT REFUND CALCULATION FORM;"~~

~~_____ B. "REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR GROUP POLICIES;"~~

~~_____ C. "REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES;"~~

~~_____ D. "FORM FOR REPORTING MEDICARE SUPPLEMENT POLICIES;" and~~

~~_____ E. "DISCLOSURE STATEMENTS.~~

R590-146-26. Penalties.

~~_____ A person found to be in violation of this rule shall be subject to penalties as provided under 31A-2-308.~~

R590-146-27. Severability.

~~_____ If any provision or clause of this rule or its application to any person or situation is held to be invalid, that invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.]~~

R590-146-1 Authority.

~~_____ This rule is promulgated by the commissioner under Sections 31A-2-201, 31A-2-201.1, 31A-22-620, and 31A-23a-402.~~

R590-146-2. Purpose and Scope.

~~_____ (1) The purpose of this rule is to:~~

~~_____ (a) standardize coverage and simplify the terms and benefits of a Medicare supplement insurance policy;~~

~~_____ (b) facilitate public understanding and comparison of Medicare supplement insurance coverage;~~

~~_____ (c) eliminate provisions in a Medicare supplement insurance policy that are misleading or confusing in connection with the purchase of such policies or with the settlement of claims;~~

~~_____ (d) provide disclosure requirements when issuing accident and health insurance coverage to a person eligible for Medicare; and~~

~~_____ (e) establish rating and reporting requirements.~~

~~_____ (2) This rule applies to a Medicare supplement insurance policy or certificate subject to Section 31A-22-620.~~

R590-146-3. Incorporation by Reference.

~~_____ The following documents are hereby incorporated by reference and are available in NAIC Medicare Supplement Insurance Minimum Standards Model Act, number 651, as approved by the NAIC in August 2016, and on the department's website, <https://insurance.utah.gov>:~~

~~_____ (1) Application Supplementary Statements and Questions;~~

~~_____ (2) Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020;~~

~~_____ (3) Disclosure Statements;~~

~~_____ (4) Form for Reporting Medicare Supplement Policies;~~

~~_____ (5) Medicare Supplement Refund Calculation Form;~~

~~_____ (6) Notice to Applicant Regarding Replacement of Medicare Supplement Insurance or Medicare Advantage;~~

~~_____ (7) Outline of Coverage Disclosures;~~

~~_____ (8) Reporting Form for the Calculation of Benchmark Ratio Since Inception for Group Policies;~~

~~_____ (9) Reporting Form for the Calculation of Benchmark Ratio Since Inception for Individual Policies; and~~

~~_____ (10) Standardized Plan Descriptions.~~

R590-146-4. Definitions.

~~_____ Terms used in this rule are defined in Sections 31A-1-301 and 31A-22-620. Additional terms are defined as follows:~~

~~_____ (1) "1990 standardized plan" or "1990 plan" means group or individual Medicare supplement insurance issued on or after July 30, 1992, with an effective date of coverage before June 1, 2010, and includes Medicare supplement insurance renewed on or after that date that is not replaced by the issuer at the request of the insured.~~

~~_____ (2) "2020 standardized plan" or "2020 plan" means group or individual Medicare supplement insurance issued with an effective date of coverage on or after June 1, 2010.~~

~~_____ (3) "Activities of daily living" means:~~

~~_____ (a) bathing;~~

~~_____ (b) dressing;~~

~~_____ (c) personal hygiene;~~

~~_____ (d) transferring;~~

~~_____ (e) eating;~~

~~_____ (f) ambulating;~~

~~_____ (g) assistance with drugs that are normally self-administered;~~

~~_____ (h) changing bandages or other dressings; or~~

~~_____ (i) similar activities.~~

~~_____ (4)(a) "At-home recovery benefit" means coverage for services to provide short-term, at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery, if:~~

~~_____ (i) the insured's attending physician certifies that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare; and~~

~~_____ (ii) benefits are limited to:~~

~~_____ (A) no more than the number and type of at-home recovery visits certified as necessary by the insured's attending physician;~~

~~_____ (B) the total number of at-home recovery visits do not exceed the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment;~~

~~_____ (C) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;~~

~~_____ (D) \$1,600 per calendar year;~~

- (E) seven visits in any one week;
- (F) care furnished on a visiting basis in the insured's home;
- (G) services provided by a care provider;
- (H) at-home recovery visits not otherwise excluded; and
- (I) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit.
- (b) "At-home recovery benefit" does not include:
- (i) home care visits paid for by Medicare or other government programs; or
- (ii) care provided by family members, unpaid volunteers, or providers who are not care providers.
- (5) "At-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit.
- (6) "Bankruptcy" means when a Medicare Advantage organization that is not an issuer files, or has had filed against it, a petition for declaration of bankruptcy and has stopped doing business in this state.
- (7) "Basic core benefits" means:
- (a) coverage of Medicare Part A eligible expenses for hospitalization, to the extent not covered by Medicare, from the 61st day through the 90th day in any Medicare benefit period;
- (b) coverage of Medicare Part A eligible expenses incurred for hospitalization, to the extent not covered by Medicare, for each Medicare lifetime inpatient reserve day used;
- (c) upon exhaustion of the Medicare Part A hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system rate or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days, which the provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance;
- (d) coverage under Medicare Part A and B for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations; and
- (e) coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare eligible expenses under Medicaid Part B regardless of hospital confinement, subject to the Medicare Part B deductible.
- (8)(a) "Basic outpatient prescription drug benefit" means coverage for 50% of outpatient prescription drug charges, after a \$250 calendar year deductible, to a maximum of \$1,250 in benefits received by the insured per calendar year, to the extent not covered by Medicare.
- (b) The outpatient prescription drug benefit may be included for sale or issuance in a policy until January 1, 2006.
- (9) "Certificate" means a group Medicare supplement insurance certificate.
- (10) "Cold lead advertising" means using, directly or indirectly, any method of marketing that fails to disclose in a conspicuous manner that the method of marketing is a solicitation of insurance and that contact will be made by a producer or an issuer.
- (11) "Continuous period of creditable coverage" means the period during which an individual was covered by creditable coverage, if during the period of coverage the individual had no breaks in coverage greater than 63 days.
- (12) "Employee welfare benefit plan" means a plan, fund, or program of employee benefits as defined in 29 U.S.C. Section 1002, Employee Retirement Income Security Act.
- (13)(a) "Extended outpatient prescription drug benefit" means coverage for 50% of outpatient prescription drug charges, after a \$250 calendar year deductible to a maximum of \$3,000 in benefits received by the insured per calendar year, to the extent not covered by Medicare.
- (b) The outpatient prescription drug benefit may be included for sale or issuance in a policy until January 1, 2006.
- (14) "High pressure tactics" means using a method of marketing to induce, or tend to induce, the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.
- (15)(a) "Home" means any place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare.
- (b) "Home" does not mean a hospital or skilled nursing facility.
- (16) "Insolvency" means when an issuer licensed to transact the business of insurance in this state has a final order of liquidation entered against it with a finding of insolvency by a court of competent jurisdiction in the issuer's state of domicile.
- (17)(a) "Medically necessary emergency care in a foreign country" means:
- (i) coverage that, to the extent not covered by Medicare for 80% of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician, and medical care received in a foreign country:
- (A) would have been covered by Medicare if provided in the United States; and
- (B) began during the first 60 consecutive days of a trip outside the United States; and
- (ii) coverage that is subject to a calendar year deductible of \$250 and a lifetime maximum benefit of \$50,000.
- (b) For the purposes of "medically necessary emergency care in a foreign country," "emergency care" means care needed immediately because of an injury or an illness of sudden and unexpected onset.
- (18) "Medicare Advantage plan" means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes:
- (a) coordinated care plans that provide health care services, including health maintenance organization plans, with or without a point-of-service option, plans offered by provider-sponsored organizations, and preferred provider organization plans;

- (b) medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and
- (c) Medicare Advantage private fee-for-service plans.
- (19) "Medicare Part A deductible" means coverage for a Medicare Part A inpatient hospital deductible amount per benefit period.
- (20) "Medicare Part B deductible" means coverage for a Medicare Part B deductible amount per calendar year regardless of hospital confinement.
- (21) "Medicare Part B excess charges" means coverage for the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.
- (22) "Newly eligible" means an individual who became eligible for Medicare due to age, disability, or end-stage renal disease on or after January 1, 2020.
- (23) "Policy" means a Medicare supplement insurance policy.
- (24) "Pre-standardized plan" means group or individual Medicare supplement insurance issued before December 12, 1994.
- (25)(a) "Preventive medical care benefit" means coverage for preventive health services not covered by Medicare as follows:
- (i) an annual clinical preventive medical history and physical examination that may include tests, services, and patient education to address preventive health care measures; and
- (ii) preventive screening tests or preventive services determined to be medically appropriate by the attending physician.
- (b) "Preventive medical care benefit":
- (i) is limited to reimbursement for actual charges, up to 100% of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association Current Procedural Terminology codes, to a maximum of \$120 annually; and
- (ii) may not include payment or a procedure covered by Medicare.
- (26) "Secretary" means the Secretary of the United States Department of Health and Human Services.
- (27) "Skilled nursing facility care" means coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A.
- (28) "Standardized plan" means Medicare supplement:
- (a) Plan A;
- (b) Plan B;
- (c) Plan C;
- (d) Plan D;
- (e) Plan E;
- (f) Plan F;
- (g) Plan High Deductible F;
- (h) Plan G;
- (i) Plan High Deductible G;
- (j) Plan H;
- (k) Plan I;
- (l) Plan J;
- (m) Plan High Deductible J;
- (n) Plan K;
- (o) Plan L;
- (p) Plan M; or
- (q) Plan N.
- (28) "Twisting" means knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policy or issuer to induce, or tend to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out an insurance policy with another issuer.

R590-146-5. Policy Definitions and Terms.

A policy or certificate may not be advertised, solicited, or issued for delivery in this state unless the policy or certificate contains definitions or terms that conform to Section R590-146-4 and this section.

(1) "Accident," "accidental injury," or "accidental means" shall be defined to use result language and may not include words that establish an accidental means test or use words such as external, violent, visible wounds, or similar words of description or characterization.

(a) The definition may not be more restrictive than "'injury or injuries for which benefits are provided' means accidental bodily injury sustained by the insured person which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force."

(b) The definition may exclude injuries for which benefits are provided or available under any workers' compensation, employer's liability or similar law, or motor vehicle no-fault plan, unless prohibited by law.

(2) "Benefit period" or "Medicare benefit period" may not be defined more restrictively than as defined in the Medicare program.

(3) "Care provider" means a qualified or licensed home health aide or homemaker, personal care aide or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurse registry.

(4) "Convalescent nursing home," "extended care facility," or "skilled nursing facility" may not be defined more restrictively than as defined in the Medicare program.

(5) "Health care expenses" means, for purposes of Section R590-146-14, expenses of health maintenance organizations associated with the delivery of health care services, which expenses are analogous to incurred losses of an issuer.

(6) "Hospital" may be defined in relation to its status, facilities, and available services, or to reflect its accreditation by the Joint Commission on Accreditation of Hospitals, but not more restrictively than as defined in the Medicare program.

(7) "Medicare eligible expenses" shall be defined to mean expenses of the kinds covered by Medicare Part A and B, to the extent recognized as reasonable and medically necessary by Medicare.

(8) "Physician" may not be defined more restrictively than as defined in the Medicare program.

(9) "Preexisting condition" may not be defined more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within six months before the effective date of coverage.

(10)(a) "Sickness" may not be defined to be more restrictive than an illness or disease of an insured person which first manifests itself after the effective date of insurance and while insurance is in force.

(b) "Sickness" may be further modified to exclude sicknesses or diseases for which benefits are provided under any workers' compensation, occupational disease, employer's liability, or similar law.

R590-146-6. Policy Provisions.

(1) Except for a permitted preexisting condition clause, a policy or certificate may not be advertised, solicited, or issued for delivery as a Medicare supplement insurance policy if the policy or certificate contains a preexisting limitation or exclusion that is more restrictive than those of Medicare.

(2) A policy or certificate may not use waivers to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions.

(3) A policy or certificate may not contain benefits that duplicate benefits provided by Medicare.

(4)(a) Subject to Subsections R590-146-7(1)(d), R590-146-7(1)(e), R590-146-7(1)(g), R590-146-8(1)(d), and R590-146-8(1)(e), a policy with benefits for outpatient prescription drugs in existence before January 1, 2006, shall be renewed for current policyholders who do not enroll in Medicare Part D at the option of the policyholder.

(b) A policy with benefits for outpatient prescription drugs may not be issued after December 31, 2005.

(c) After December 31, 2005, a policy with benefits for outpatient prescription drugs may not be renewed after the policyholder enrolls in Medicare Part D unless:

(i) the policy is modified to eliminate outpatient prescription coverage for expenses of outpatient prescription drugs incurred after the effective date of the individual's coverage under a Medicare Part D plan; and

(ii) premiums are adjusted to reflect the elimination of outpatient prescription coverage as of Medicare Part D enrollment, accounting for any claims paid.

R590-146-7. Minimum Benefit Standards for Pre-Standardized Plans.

A policy or certificate may not be advertised, solicited, or issued for delivery in this state as a pre-standardized plan unless it meets or exceeds the minimum standards of this section. The minimum standards do not preclude the inclusion of other provisions or benefits that are consistent with these standards.

(1) General Standards. The general standards apply to a policy or certificate and are in addition to any other requirement of this rule.

(a) A policy or certificate may not exclude or limit benefits for losses incurred more than six months after the effective date of coverage for a preexisting condition.

(b) A policy or certificate may not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

(c) A policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, copayment, or coinsurance amounts. Premiums may be modified to correspond with such changes.

(d) A noncancelable, guaranteed renewable, or noncancelable and guaranteed renewable policy may not:

(i) provide for termination of coverage of a spouse solely because of an event specified for termination of coverage of the insured, other than the nonpayment of premium; or

(ii) be canceled or nonrenewed by the issuer solely on the grounds of deterioration of health.

(e)(i) Except as authorized by the commissioner, an issuer may not cancel or nonrenew a policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

(ii) If a group policy is terminated by the group policyholder and not replaced as provided in Subsection (1)(e)(iv), the issuer shall offer to each certificate holder a policy with one of the choices as follows:

(A) an individual policy currently offered by the issuer having comparable benefits to those contained in the terminated group policy; or

(B) an individual policy that only provides benefits required to meet the basic core benefits under Subsection R590-146-8a(2).

(iii) If membership in a group is terminated, the issuer shall:

(A) offer the certificate holder the conversion opportunity described in Subsection (1)(e)(ii); or

(B) at the option of the group policyholder, offer the certificate holder continuation of coverage under the group policy.

(iv) If a group policy is replaced by another group policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to each insured under the old group policy on its date of termination. Coverage under the new group policy may not result in an exclusion for a preexisting condition that would have been covered under the group policy being replaced.

(f)(i) Termination of a policy or certificate shall be without prejudice to any continuous loss that started while the policy or certificate was in force.

(ii) The extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to:

(A) the duration of the policy benefit period, if any; or

(B) payment of the maximum benefits.

(iii) Receipt of Medicare Part D benefits may not be considered in determining a continuous loss.

(g) If a policy eliminates an outpatient prescription drug benefit due to requirements imposed by the Medicare Prescription Drug, Improvement and Modernization Act of 2003, the modified policy is considered to satisfy the guaranteed renewal requirements of this subsection.

(2) An issuer shall include the minimum benefits:

(a) coverage of Medicare Part A eligible expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;

(b) coverage for either all or none of the Medicare Part A inpatient hospital deductible amount;

(c) coverage of Medicare Part A eligible expenses incurred as daily hospital charges during use of Medicare's lifetime hospital inpatient reserve days;

(d) upon exhaustion of all Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 90% of all Medicare Part A eligible expenses for hospitalization not covered by Medicare subject to a lifetime maximum benefit of an additional 365 days;

(e) coverage under Medicare Part A for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations or already paid for under Medicare Part B;

(f) coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount of Medicare eligible expenses under Medicare Part B regardless of hospital confinement, subject to a maximum calendar year out-of-pocket amount equal to the Medicare Part B deductible; and

(g) effective January 1, 1990, coverage under Medicare Part B for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations or already paid for under Medicare Part A, subject to the Medicare deductible amount.

R590-146-8. Benefit Standards for 1990 Standardized Plans Issued for Delivery on or After July 30, 1992, and with an Effective Date for Coverage Prior to June 1, 2010.

A policy or certificate may not be advertised, solicited, delivered, or issued for delivery in this state as a 1990 plan unless it complies with the standards in this section. A 1990 plan may not be offered for sale on or after June 1, 2010.

(1) General Standards. The general standards in this subsection apply to a 1990 plan, in addition to any other requirement of this rule.

(a) A policy or certificate may not exclude or limit benefits for losses incurred more than six months after the effective date of coverage for a preexisting condition.

(b) A policy or certificate may not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

(c) A policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, copayment, or coinsurance amounts. Premiums may be modified to correspond with such changes.

(d) A policy or certificate may not provide for termination of coverage of a spouse solely because of an event specified for termination of coverage of the insured, other than the nonpayment of premium.

(e) A policy shall be guaranteed renewable.

(i) An issuer may not cancel or nonrenew a policy solely on the grounds of the health status of an insured.

(ii) An issuer may not cancel or nonrenew a policy for any reason other than nonpayment of premium or material misrepresentation.

(iii) If a group policyholder terminates a policy and the policy is not replaced, the issuer shall offer each certificate holder a policy that, at the option of the certificate holder, provides for:

(A) continuation of the benefits contained in the group policy; or

(B) an individual policy with benefits that otherwise meet the requirements of this subsection.

(iv) If a certificate holder in a group terminates membership in the group, the issuer shall:

(A) offer the certificate holder a conversion opportunity; or

(B) at the option of the group policyholder, offer the certificate holder continuation of coverage under the group policy.

(v) If a group policy is replaced by another group policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to each insured covered under the prior group policy on its date of termination. Coverage under the new group policy may not result in an exclusion for a preexisting condition that would have been covered under the prior group policy.

(vi) If a policy eliminates an outpatient prescription drug benefit due to requirements imposed by the Medicare Prescription

Drug, Improvement and Modernization Act of 2003, the modified policy satisfies the guaranteed renewal requirements of this subsection.

(f)(i) Termination of a policy or certificate shall be without prejudice to any continuous loss that started while the policy or certificate was in force.

(ii) The extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to:

(A) the duration of the policy benefit period, if any; or

(B) payment of the maximum benefits.

(iii) Receipt of Medicare Part D benefits may not be considered in determining a continuous loss.

(g)(i)(A) A policy or certificate shall provide that benefits and premiums be suspended at the request of the policyholder or certificate holder for a period, not to exceed 24 months, in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under Title XIX of the Social Security Act, if the policyholder or certificate holder notifies the issuer of the policy or certificate within 90 days after the date the insured becomes entitled to assistance.

(B) If the policy or certificate is suspended and the policyholder or certificate holder loses entitlement to medical assistance, the policy or certificate shall be automatically reinstated, effective on the date medical assistance terminated if the policyholder or certificate holder provides notice of loss of entitlement within 90 days after the date of loss and pays the required premium.

(ii)(A) A policy shall provide that benefits and premiums under a policy be suspended, for the period provided by federal regulation, at the request of the policyholder if the policyholder is entitled to benefits under Section 226(b) of the Social Security Act and is covered under a group health plan, as defined in Section 1862(b)(1)(A)(v) of the Social Security Act.

(B) If suspension occurs and if the policyholder or certificate holder loses coverage under the group health plan, the policy or certificate shall be automatically reinstated, effective on the date of loss of coverage, if the policyholder or certificate holder provides notice of loss of coverage within 90 days of the loss.

(iii) Reinstated coverage:

(A) may not include a preexisting condition waiting period;

(B)(I) shall provide for resumption of coverage substantially equivalent to the coverage in effect before the date of suspension; and

(II) if the suspended policy or certificate provided coverage for outpatient prescription drugs, the reinstated policy for Medicare Part D enrollees may not include coverage for outpatient prescription drugs and shall otherwise provide substantially equivalent coverage to the coverage in effect before the date of suspension; and

(C) shall classify premiums on terms at least as favorable to the policyholder or certificate holder as the premium classification terms that applied had the coverage not been suspended.

(h) If an issuer makes a written offer to a policyholder or certificate holder to exchange a policy or certificate during a specified period from their 1990 plan to a 2010 plan, the offer and subsequent exchange shall comply with the requirements of this subsection:

(i) an issuer is not required to provide justification to the commissioner if an insured replaces a 1990 plan with an issue age rated 2010 plan at the insured's original issue age and duration;

(ii) if an insured's policy or certificate to be replaced is priced on an issue age rate schedule at the time of such offer, the rate charged to the insured for the new exchanged policy shall recognize the policy reserve buildup, due to the pre-funding inherent in the use of an issue age rate basis, for the benefit of the insured;

(iii) the rating class of the new policy or certificate shall be the class closest to the insured's class of the replaced coverage;

(iv) an issuer may not apply a new preexisting condition limitation or a new incontestability period to the new policy for those benefits contained in the exchanged 1990 plan, but may apply a preexisting condition limitation of no more than six months to any added benefits not contained in the exchanged policy; and

(v) the new policy or certificate shall be offered to each policyholder or certificate holder within a given plan, except when the offer or issue would be in violation of state or federal law.

(2) Standards for 1990 Plans A through J.

(a) An issuer shall offer to an applicant a policy or certificate that only includes the basic core benefits, Plan A. An issuer may offer any other 1990 plan, but not in lieu of Plan A.

(b) In addition to the basic core benefits, the benefits in this subsection shall be included in Plans B through J, only as provided in Section R590-146-9:

(i) 100% of the Medicare Part A deductible;

(ii) skilled nursing facility care;

(iii) 100% of the Medicare Part B deductible;

(iv) 80% of the Medicare Part B excess charges;

(v) 100% of the Medicare Part B excess charges;

(vi) basic outpatient prescription drug benefit;

(vii) extended outpatient prescription drug benefit;

(viii) medically necessary emergency care in a foreign country benefit;

(ix) preventive medical care benefit; and

(x) at-home recovery benefit.

(3) Standardized Plan K shall only include coverage for:

(a) 100% of the Medicare Part A hospital coinsurance amount for each day used from the 61st through the 90th day in any

Medicare benefit period:

(b) 100% of the Medicare Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period;

(c) upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days, which the provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance;

(d) 50% of the Medicare Part A deductible until the out-of-pocket limitation is met;

(e) 50% of the skilled nursing facility care of the coinsurance amount until the out-of-pocket limitation is met;

(f) 50% of the hospice care coverage cost sharing for all Medicare Part A eligible expenses and respite care until the out-of-pocket limitation is met;

(g) 50%, under Medicare Part A or B, of the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations until the out-of-pocket limitation is met;

(h) except for coverage provided in Subsection (3)(i), 50% of the cost sharing otherwise applicable under Medicare Part B after the insured pays the Medicare Part B deductible until the out-of-pocket limitation is met;

(i) 100% of the cost sharing for Medicare Part B preventive services after the insured pays the Medicare Part B deductible; and

(j) 100% of all cost sharing under Medicare Part A and B for the balance of the calendar year after the insured has reached the out-of-pocket limitation on annual expenditures under Medicare Part A and B of \$4,000 in 2006, as specified by the Secretary.

(4) Standardized Plan L shall only consist of:

(a) the benefits under Subsections (3)(a), (3)(b), (3)(c), and (3)(i);

(b) the benefits under Subsections (3)(d), (3)(e), (3)(f), (3)(g), and (3)(h), substituting 75% for 50%; and

(c) the benefit under Subsection (3)(j), substituting \$2,000 for \$4,000.

R590-146-8a. Benefit Standards for 2010 Standardized Plans Issued for Delivery with an Effective Date for Coverage on or After June 1, 2010.

A policy or certificate may not be advertised, solicited, delivered, or issued for delivery in this state as a 2010 plan unless it complies with the standards in this section.

(1) General Standards. The general standards in this subsection apply to a 2010 plan, in addition to any other requirement of this rule.

(a) A policy or certificate may not exclude or limit benefits for losses incurred more than six months after the effective date of coverage for a preexisting condition.

(b) A policy or certificate may not indemnify against losses resulting from a sickness on a different basis than losses resulting from accidents.

(c) A policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, copayment, or coinsurance amounts. Premiums may be modified to correspond with such changes.

(d) A policy or certificate may not provide for termination of coverage of a spouse solely because of an event specified for termination of coverage of the insured, other than the nonpayment of premium.

(e) A policy shall be guaranteed renewable.

(i) An issuer may not cancel or nonrenew a policy solely on the grounds of the health status of an insured.

(ii) An issuer may not cancel or nonrenew a policy for any reason other than nonpayment of premium or material misrepresentation.

(iii) If a group policyholder terminates a policy and the policy is not replaced as provided under Subsection (1)(e)(v), the issuer shall offer each certificate holder a policy that, at the option of the certificate holder, provides for:

(A) continuation of the benefits contained in the group policy; or

(B) an individual policy with benefits that otherwise meet the requirements of this subsection.

(iv) If a certificate holder in a group terminates membership in the group, the issuer shall:

(A) offer the certificate holder a conversion opportunity; or

(B) at the option of the group policyholder, offer the certificate holder continuation of coverage under the group policy.

(v) If a group policy is replaced by another group policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to each insured covered under the prior group policy on its date of termination. Coverage under the new group policy may not result in an exclusion for a preexisting condition that would have been covered under the prior group policy.

(f)(i) Termination of a policy or certificate shall be without prejudice to any continuous loss that started while the policy or certificate was in force.

(ii) The extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to:

(A) the duration of the policy benefit period, if any; or

(B) payment of the maximum benefits.

(iii) Receipt of Medicare Part D benefits may not be considered in determining a continuous loss.

(g)(i) A policy or certificate shall provide that benefits and premiums be suspended at the request of the policyholder or

certificate holder for a period, not to exceed 24 months, in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under Title XIX of the Social Security Act, if the policyholder or certificate holder notifies the issuer of the policy or certificate within 90 days after the date the insured becomes entitled to assistance.

(ii) If the policy or certificate is suspended and the policyholder or certificate holder loses entitlement to medical assistance, the policy or certificate shall be automatically reinstated, effective on the date medical assistance terminated if the policyholder or certificate holder provides notice of loss of entitlement within 90 days after the date of loss and pays the required premium.

(iii)(A) A policy shall provide that benefits and premiums under the policy be suspended, for any period that may be provided by federal regulation, at the request of the policyholder if the policyholder is entitled to benefits under Section 226(b) of the Social Security Act and is covered under a group health plan, as defined in Section 1862(b)(1)(A)(v) of the Social Security Act.

(B) If suspension occurs and if the policyholder or certificate holder loses coverage under the group health plan, the policy or certificate shall be automatically reinstated, effective on the date of loss of coverage if the policyholder or certificate holder provides notice of loss of coverage within 90 days of the loss.

(C) Reinstated coverage:

(I) may not include a preexisting condition waiting period;

(II) shall provide for resumption of coverage substantially equivalent to the coverage in effect before the date of suspension; and

(III) shall classify premiums on terms at least as favorable to the policyholder or certificate holder as the premium classification terms that applied had the coverage not been suspended.

(2) Standards for 2010 Plans A, B, C, D, F, High Deductible F, G, M, and N.

(a) An issuer shall offer to an applicant a policy or certificate that only includes the basic core benefits, Plan A. An issuer may offer any other 2010 plan, but not in lieu of Plan A.

(b) In addition to the basic core benefits, the benefits in this subsection shall be included in Plans B, C, D, F, High Deductible F, G, M, and N, only as provided in Subsection R590-146-9a:

(i) 100% of the Medicare Part A deductible;

(ii) 50% of the Medicare Part A deductible;

(iii) skilled nursing facility care;

(iv) 100% of the Medicare Part B deductible;

(v) 100% of the Medicare Part B excess charges; and

(vi) medically necessary emergency care in a foreign country.

R590-146-9. Standard Plans for 1990 Standardized Plans Issued for Delivery After July 30, 1992, and with an Effective Date for Coverage Prior to June 1, 2010.

(1) An issuer offering a 1990 plan shall offer to an applicant a policy or certificate that only contains the basic core benefits.

(2) A group, package, or combinations of Medicare supplement insurance benefits, other than those listed in this section, may not be offered for sale, except as permitted in Subsection (6) and Section R590-146-10.

(3) A 1990 plan shall be:

(a) uniform in structure, language, designation, and format; and

(b) structured according to the format provided in Subsection R590-146-8(2), R590-146-8(3), or R590-146-8(4) and list the benefits in the order shown in Subsection (5) of this section.

(4) An issuer may use, in addition to the plan designations required in Subsection (3), other designations to the extent permitted by law.

(5) A 1990 plan shall include the benefits listed in this subsection.

(a) Standardized Plan A shall only include the basic core benefits.

(b) Standardized Plan B shall only include:

(i) basic core benefits; and

(ii) 100% of the Medicare Part A deductible.

(c) Standardized Plan C shall only include:

(i) basic core benefits;

(ii) 100% of the Medicare Part A deductible;

(iii) skilled nursing facility care;

(iv) 100% of the Medicare Part B deductible; and

(v) medically necessary emergency care in a foreign country.

(d) Standardized Plan D shall only include:

(i) basic core benefits;

(ii) 100% of the Medicare Part A deductible;

(iii) skilled nursing facility care;

(iv) medically necessary emergency care in a foreign country; and

(v) at-home recovery benefit.

(e) Standardized Plan E shall only include:

(i) basic core benefits;

(ii) 100% of the Medicare Part A deductible;

(iii) skilled nursing facility care;

(iv) medically necessary emergency care in a foreign country; and
(v) preventive medical care.
(f) Standardized Plan F shall only include:
(i) basic core benefits;
(ii) 100% of the Medicare Part A deductible;
(iii) skilled nursing facility care;
(iv) 100% of the Medicare Part B deductible;
(v) 100% of the Medicare Part B excess charges; and
(vi) medically necessary emergency care in a foreign country.
(g)(i) Standardized Plan High Deductible F shall only include 100% of covered expenses following the payment of the annual Plan High Deductible F deductible. The covered expenses after payment of the deductible include:
(A) basic core benefits;
(B) 100% of the Medicare Part A deductible;
(C) skilled nursing facility care;
(D) 100% of the Medicare Part B deductible;
(E) 100% of the Medicare Part B excess charges; and
(F) medically necessary emergency care in a foreign country.
(ii) The annual Plan High Deductible F deductible shall:
(A) consist of out-of-pocket expenses, other than premiums, for services covered by Plan F; and
(B) be in addition to any other specific benefit deductibles.
(iii) The annual Plan High Deductible F deductible shall be based on the calendar year as adjusted annually by the Secretary.
(h) Standardized Plan G shall only include:
(i) basic core benefits;
(ii) 100% of the Medicare Part A deductible;
(iii) skilled nursing facility care;
(iv) 80% of the Medicare Part B excess charges;
(v) medically necessary emergency care in a foreign country; and
(vi) at-home recovery benefit.
(i) Standardized Plan H shall only include:
(i) basic core benefits;
(ii) 100% of the Medicare Part A deductible;
(iii) skilled nursing facility care;
(iv) for a policy issued before January 1, 2006, basic prescription drug benefit; and
(v) medically necessary emergency care in a foreign country.
(j) Standardized Plan I shall only include:
(i) basic core benefits;
(ii) 100% of the Medicare Part A deductible;
(iii) skilled nursing facility care;
(iv) 100% of the Medicare Part B excess charges;
(v) for a policy issued before January 1, 2006, basic prescription drug benefit;
(vi) medically necessary emergency care in a foreign country; and
(vii) at-home recovery benefit.
(k) Standardized Plan J shall only include:
(i) basic core benefits;
(ii) 100% of the Medicare Part A deductible;
(iii) skilled nursing facility care;
(iv) 100% of the Medicare Part B deductible;
(v) 100% of the Medicare Part B excess charges;
(vi) for a policy issued before January 1, 2006, extended prescription drug benefit;
(vii) medically necessary emergency care in a foreign country;
(viii) preventive medical care; and
(ix) at-home recovery benefit.
(l)(i) Standardized Plan High Deductible J shall only include 100% of covered expenses following the payment of the annual Plan High Deductible J deductible. The covered expenses after payment of the deductible include:
(A) basic core benefits;
(B) 100% of the Medicare Part A deductible;
(C) skilled nursing facility care;
(D) 100% of the Medicare Part B deductible;
(E) 100% of the Medicare Part B excess charges;
(F) for a policy issued before January 1, 2006, extended outpatient prescription drug benefit;
(G) medically necessary emergency care in a foreign country;
(H) preventive medical care benefit; and

- (l) at-home recovery benefit.
- (ii) The annual Plan High Deductible J deductible shall:
 - (A) consist of out-of-pocket expenses, other than premiums, for services covered by Plan J;
 - (B) be in addition to any other specific benefit deductibles; and
 - (C) be based on the calendar year, as adjusted annually by the Secretary.
- (m) Standardized Plan K shall only consist of those benefits under Subsection R590-146-8(3).
- (n) Standardized Plan L shall only consist of those benefits under Subsection R590-146-8(4).
- (6)(a) An issuer may, with the prior approval of the commissioner, offer a policy or certificate with a new or innovative benefit in addition to the standardized benefits provided in a policy or certificate.
 - (b)(i) A new or innovative benefit may include a benefit that is appropriate to Medicare supplement insurance, new or innovative, not otherwise available, cost effective, and offered in a manner that is consistent with the goal of simplification of a policy.
 - (ii) After December 31, 2005, an innovative benefit may not include an outpatient prescription drug benefit.

R590-146-9a. Standard Plans for 2010 Standardized Plans Issued for Delivery with an Effective Date for Coverage on or After June 1, 2010.

The standards in this section are applicable to any 2010 plan delivered or issued for delivery in this state with an effective date for coverage on or after June 1, 2010. A policy or certificate may not be advertised, solicited, delivered, or issued for delivery unless it complies with the standards in this section.

- (1)(a) An issuer offering a 2010 plan shall offer to an applicant a policy or certificate that only contains the basic core benefits.
 - (b) If an issuer offers any of the additional benefits under Subsection R590-146-8a(2)(b), or offers Plans K or L under Subsection (5)(h) or (5)(i) of this section, the issuer shall also offer to an applicant either Plan C, under Subsection (5)(c) of this section, or Plan F, under Subsection (5)(e) of this section.
- (2) A group, package, or combination of Medicare supplement insurance benefits, other than those listed in this section, may not be offered for sale except as permitted in Subsection (6) and in Section R590-146-10.
- (3) A 2010 plan shall be:
 - (a) uniform in structure, language, designation, and format; and
 - (b) structured according to the format provided in Subsection R590-146-8a(2), or in the case of Plan K or L in Subsection (5)(h) or (5)(i) of this section, and list the benefits in the order shown.
- (4) An issuer may use, in addition to the plan designations required under Subsection (3), other designations to the extent permitted by law.
- (5) A 2010 plan shall only include the benefits listed in this subsection.
 - (a) Standardized Plan A shall only include the basic core benefits.
 - (b) Standardized Plan B shall only include:
 - (i) basic core benefits; and
 - (ii) 100% of the Medicare Part A deductible.
 - (c) Standardized Plan C shall only include:
 - (i) basic core benefits;
 - (ii) 100% of the Medicare Part A deductible;
 - (iii) skilled nursing facility care;
 - (iv) 100% of the Medicare Part B deductible; and
 - (v) medically necessary emergency care in a foreign country.
 - (d) Standardized Plan D shall only include:
 - (i) basic core benefits;
 - (ii) 100% of the Medicare Part A deductible;
 - (iii) skilled nursing facility care; and
 - (iv) medically necessary emergency care in a foreign country.
 - (e) Standardized Plan F shall only include:
 - (i) basic core benefits;
 - (ii) 100% of the Medicare Part A deductible;
 - (iii) skilled nursing facility care;
 - (iv) 100% of the Medicare Part B deductible;
 - (v) 100% of the Medicare Part B excess charges; and
 - (vi) medically necessary emergency care in a foreign country.
 - (f)(i) Standardized Plan High Deductible F shall only include 100% of covered expenses following the payment of the annual Plan High Deductible F deductible. The covered expenses after payment of the deductible include:
 - (A) basic core benefits;
 - (B) 100% of the Medicare Part A deductible;
 - (C) skilled nursing facility care;
 - (D) 100% of the Medicare Part B deductible;
 - (E) 100% of the Medicare Part B excess charges; and
 - (F) medically necessary emergency care in a foreign country.

(ii) The annual Plan High Deductible F deductible shall:

(A) consist of out-of-pocket expenses, other than premiums, for services covered by Plan F; and

(B) be in addition to any other specific benefit deductibles.

(iii) The annual Plan High Deductible F deductible shall be based on the calendar year as adjusted annually by the Secretary.

(g)(i) Standardized Plan G shall only include:

(A) basic core benefits;

(B) 100% of the Medicare Part A deductible;

(C) skilled nursing facility care;

(D) 100% of the Medicare Part B excess charges; and

(E) medically necessary emergency care in a foreign country.

(ii) Effective January 1, 2020, Plan High Deductible F under Subsection R590-146-9b(1)(d) is redesignated as Plan High Deductible G and may be offered to an individual eligible for Medicare before January 1, 2020.

(h) Standardized Plan K shall only include:

(i) 100% of the Medicare Part A hospital coinsurance amount for each day used from the 61st through the 90th day in any Medicare benefit period;

(ii) 100% of the Medicare Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period;

(iii) upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days, which the provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance;

(iv) 50% of the Medicare Part A deductible until the out-of-pocket limitation is met;

(v) 50% of the skilled nursing facility care coinsurance amount until the out-of-pocket limitation in Subsection (3)(h)(x) is met;

(vi) 50% of the hospice care cost sharing for all Medicare Part A eligible expenses and respite care until the out-of-pocket limitation is met;

(vii) 50%, under Medicare Part A or B, of the reasonable cost of the first 3 pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced in accordance with federal regulations until the out-of-pocket limitation is met;

(viii) except for coverage provided in Subsection (5)(h)(ix), 50% of the cost-sharing otherwise applicable under Medicare Part B after the insured pays the Medicare Part B deductible until the out-of-pocket limitation is met;

(ix) 100% of the cost-sharing for Medicare Part B preventive services after the insured pays the Part B deductible; and

(x) 100% of all cost sharing under Medicare Part A and B for the balance of the calendar year after the insured has reached the out-of-pocket limitation on annual expenditures under Medicare Part A and B of \$4,000 in 2006, indexed each year by the Secretary.

(i) Standardized Plan L shall only include:

(i) the benefits under Subsections (5)(h)(i), (5)(h)(ii), (5)(h)(iii), and (5)(h)(ix);

(ii) the benefits under Subsections (5)(h)(iv), (5)(h)(v), (5)(h)(vi), (5)(h)(vii), and (5)(h)(viii), but substituting 75% for 50%;

and

(iii) the benefits under Subsection (5)(h)(x), substituting \$2,000 for \$4,000.

(j) Standardized Plan M shall only include:

(i) basic core benefits;

(ii) 50% of the Medicare Part A deductible;

(iii) skilled nursing facility care; and

(iv) medically necessary emergency care in a foreign country.

(k)(i) Standardized Plan N shall only include:

(A) basic core benefits;

(B) 100% of the Medicare Part A deductible;

(C) skilled nursing facility care; and

(D) medically necessary care in a foreign country.

(ii) The copayments for the benefits in Subsection (5)(k)(i) are the lesser of:

(A) \$20 or the Medicare Part B coinsurance or copayment for each covered health care provider office visit, including visits to medical specialists; and

(B) \$50 or the Medicare Part B coinsurance or copayment for each covered emergency room visit, however, this copayment shall be waived if the insured is admitted to a hospital and the emergency visit is subsequently covered as a Medicare Part A expense.

(6)(a) An issuer may, with the prior approval of the commissioner, offer a policy or certificate with a new or innovative benefit in addition to the standardized benefits provided in a policy or certificate.

(b) A new or innovative benefit shall only include a benefit that is appropriate to Medicare supplement insurance, new or innovative, not otherwise available, and cost effective.

(c) A new or innovative benefit may not:

(i) adversely impact the goal of Medicare supplement simplification;

(ii) include an outpatient prescription drug benefit; or

(iii) be used to change or reduce benefits, including a change of any cost sharing provision, in any standardized plan.

R590-146-9b. Standard Plans for 2020 Standardized Plans Issued for Delivery to Individuals Newly Eligible for Medicare on or After January 1, 2020.

The standards in this section are applicable to any 2020 plan delivered or issued for delivery in this state to an individual newly eligible for Medicare with an effective date of coverage on or after January 1, 2020. A policy or certificate that provides coverage of the Medicare Part B deductible may not be advertised, solicited, delivered, or issued for delivery in this state as a Medicare supplement insurance policy or certificate to an individual newly eligible for Medicare on or after January 1, 2020. A policy or certificate may not be advertised, solicited, delivered, or issued for delivery unless it complies with the standards in this section.

(1) The standards and requirements of Section R590-146-9a apply to a 2020 plan except:

(a) Plan C is redesignated as Plan D and shall provide the benefits in Subsection R590-146-9a(5)(c) but may not provide coverage for any portion of the Medicare Part B deductible;

(b) Plan F is redesignated as Plan G and shall provide the benefits in Subsection R590-146-9a(5)(e) but may not provide coverage for any portion of the Medicare Part B deductible;

(c) Plan C, F, or High Deductible F may not be offered to an individual newly eligible for Medicare on or after January 1, 2020;

(d) Plan High Deductible F is redesignated as Plan High Deductible G and shall provide the benefits in Subsection R590-146-9a(5)(f) but may not provide coverage for any portion of the Medicare Part B deductible, provided that the Medicare Part B deductible paid by the insured is considered an out-of-pocket expense in meeting the annual high deductible; and

(e) the reference to Plan C or F under Subsection R590-146-9a(1)(b) is considered a reference to Plan D or G for purposes of this section.

(2) This section applies to an individual who is newly eligible for Medicare on or after January 1, 2020:

(a) by reason of attaining age 65 on or after January 1, 2020; or

(b) by reason of entitlement to benefits under Medicare Part A pursuant to Section 226(b) or 226A of the Social Security Act, or who is considered to be eligible for benefits under Section 226(a) of the Social Security Act on or after January 1, 2020.

(3) For purposes of Subsection R590-146-12(5), in the case of an individual who is newly eligible for Medicare on or after January 1, 2020, a reference to Plan C or F, including High Deductible F, shall be deemed to be a reference to Plan D or G, including High Deductible G, respectively, that meet the requirements of this section.

(4) On or after January 1, 2020, the plans under Subsection (1)(d) may be offered to an individual who was eligible for Medicare prior to January 1, 2020, in addition to the standardized plans under Subsection R590-146-9a(5).

R590-146-10. Medicare Select Policies and Certificates.

(1)(a) This section applies to a Medicare Select policy and certificate.

(b) A policy or certificate may not be advertised as a Medicare Select policy or Medicare Select certificate unless it meets the requirements of this section.

(2) The definitions in this subsection apply to this section.

(a) "Complaint" means a dissatisfaction expressed by an insured concerning a Medicare Select issuer or its network providers.

(b) "Grievance" means dissatisfaction expressed in writing by an insured under a Medicare Select policy or Medicare Select certificate with the administration, claims practices, or provision of services concerning a Medicare Select issuer or its network providers.

(c) "Medicare Select issuer" means an issuer offering, or seeking to offer, a Medicare Select policy or certificate.

(d) "Medicare Select policy" or "Medicare Select certificate" mean respectively a Medicare supplement policy or certificate that contains restricted network provisions.

(e) "Network provider" means a healthcare provider, or a group of healthcare providers, that enters into a written agreement with an issuer to provide benefits under a Medicare Select policy.

(f) "Restricted network provision" means a provision that conditions the payment of benefits, in whole or in part, on the use of network providers.

(g) "Service area" means a geographic area approved by the commissioner where a Medicare Select issuer is authorized to offer a Medicare Select policy.

(3) The commissioner may authorize an issuer to offer a Medicare Select policy or Medicare Select certificate under this section if the commissioner finds that the issuer has satisfied the requirements of this rule.

(4) A Medicare Select issuer may not issue a Medicare Select policy or Medicare Select certificate in this state until its plan of operation has been approved by the commissioner.

(5) A Medicare Select issuer shall file a proposed plan of operation with the commissioner that includes:

(a) evidence that each covered service that is subject to a restricted network provision is available and accessible through network providers, including a demonstration that:

(i) services may be provided by network providers with reasonable promptness for geographic location, hours of operation, and after-hours care based on the usual practice in the local area and the usual travel times within the community;

(ii) the number of network providers in the service area is sufficient, with respect to current and expected policyholders or certificate holders, either:

(A) to deliver adequate services subject to a restricted network provision; or

(B) to make appropriate referrals;

(iii) there are written agreements with network providers describing specific responsibilities;

(iv) emergency care is available 24 hours per day and seven days per week; and

(v) in the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network providers prohibiting the providers from billing or otherwise seeking reimbursement from, or recourse against, an insured under a Medicare Select policy or Medicare Select certificate, except that this subsection may not apply to supplemental charges or coinsurance amounts as stated in the Medicare Select policy or Medicare Select certificate;

(b) a statement or map providing a clear description of the service area;

(c) a description of the grievance procedure to be used;

(d) a description of the quality assurance program, including:

(i) the formal organizational structure;

(ii) the written criteria for selection, retention, and removal of a network provider; and

(iii) the procedures for evaluating quality of care provided by a network provider and the process to initiate corrective action when warranted;

(e) a list and description, by specialty, of each network provider;

(f) written information proposed to be used by the issuer to comply with Subsection (9); and

(g) any other information requested by the commissioner.

(6)(a) A Medicare Select issuer shall file with the commissioner any proposed change to the plan of operation, except for a change to the list of network providers, prior to implementing the changes.

(b) A change to the list of network providers shall be filed with the commissioner within 30 days of the change. The submission shall include each network provider and clearly identify new and discontinued providers.

(7) A Medicare Select policy or Medicare Select certificate may not restrict payment for covered services provided by a non-network provider if:

(a) the services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury, or condition; and

(b) it is unreasonable to obtain services through a network provider.

(8) A Medicare Select policy or Medicare Select certificate shall provide payment for full coverage under the policy for a covered service that is not available through a network provider.

(9) A Medicare Select issuer shall make full and fair disclosures in writing of each provision, restriction, and limitation of a Medicare Select policy or Medicare Select certificate to an applicant. The disclosure shall include:

(a) an outline of coverage sufficient to permit an applicant to compare the coverage and premiums of the Medicare Select policy or Medicare Select certificate with:

(i) other Medicare supplement insurance policies or certificates offered by the issuer; and

(ii) other Medicare Select policies or Medicare Select certificates;

(b) a description, including address, phone number, and hours of operation, of each network provider, including primary care physicians, specialty physicians, hospitals, and other providers;

(c) a description of the restricted network provisions, including payments for coinsurance and deductibles, when providers other than network providers are utilized, except to the extent specified in the Medicare Select policy or Medicare Select certificate, expenses incurred when using out-of-network providers do not count toward the out-of-pocket annual limit contained in a Plan K or L;

(d) a description of coverage for emergency and urgent care and other out-of-service area coverage;

(e) a description of any limitation on a referral to a restricted network provider or other provider;

(f) a description of the Medicare Select policyholder's rights to purchase another Medicare supplement insurance policy or certificate offered by the issuer; and

(g) a description of the Medicare Select issuer's quality assurance program and grievance procedure.

(10) Prior to the sale of a Medicare Select policy or Medicare Select certificate, a Medicare Select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information required under Subsection (9) and that the applicant understands the restrictions of the Medicare Select policy or Medicare Select certificate.

(11) A Medicare Select issuer shall have and use procedures for hearing complaints and resolving written grievances from insureds. The procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.

(a) A grievance procedure shall be described in the Medicare Select policy, Medicare Select certificate, and outline of coverage.

(b) At the time a Medicare Select policy or Medicare Select certificate is issued, a Medicare Select issuer shall provide detailed information to the policyholder or certificate holder describing how a grievance may be registered with the issuer.

(c) An issuer shall consider a grievance in a timely manner and transmit it to an appropriate decision maker who has the authority to fully investigate the issuer and take corrective action.

(d) If a grievance is found to be valid, corrective action shall be promptly taken.

(e) Each concerned party shall be notified about the results of a grievance.

(f) A Medicare Select issuer shall report to the commissioner no later than March 31 of each year the number of grievances filed in the past year and a summary of the subject, nature, and resolution of the grievances.

(12)(a) At the request of an insured, a Medicare Select issuer shall provide the insured the opportunity to purchase a Medicare supplement insurance policy or certificate offered by the issuer which has comparable or lesser benefits that does not contain a restricted network provision. The issuer shall make the Medicare supplement insurance policy or certificate available

without requiring evidence of insurability after the Medicare Select policy or Medicare Select certificate has been in force for six months.

(b) For the purposes of this subsection, a Medicare supplement policy or certificate is considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or Medicare Select certificate being replaced. A significant benefit includes coverage for the Medicare Part A deductible, at-home recovery services, or the Medicare Part B excess charges.

(13)(a) A Medicare Select policy or Medicare Select certificate shall provide for continuation of coverage in the event the Secretary determines that Medicare Select policies and Medicare Select certificates should be discontinued due to either failure of the Medicare Select Program to be reauthorized under law or its substantial amendment.

(b) A Medicare Select issuer shall provide an insured under a Medicare Select policy or Medicare Select certificate the opportunity to purchase a Medicare supplement insurance policy or certificate offered by the issuer that has comparable or lesser benefits that does not contain a restricted network provision. The issuer shall make the Medicare supplement insurance policy or certificate available without requiring evidence of insurability.

(c) For the purposes of this subsection, a Medicare supplement insurance policy or certificate is considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or Medicare Select certificate being replaced. For this subsection, a significant benefit includes coverage for the Medicare Part A deductible, at-home recovery services, or the Medicare Part B excess charges.

(14) A Medicare Select issuer shall comply with reasonable requests for data to evaluate the Medicare Select Program.

R590-146-11. Open Enrollment.

(1)(a) An issuer may not deny or condition the issuance or effectiveness of a policy or certificate available for sale in this state, nor discriminate in the pricing of a policy or certificate because of the health status, claims experience, receipt of health care, or medical condition of an applicant in the case of an application for a policy or certificate that is submitted prior to or during the six month period beginning with the first day of the first month in which an individual is both 65 years of age or older and is enrolled for benefits under Medicare Part B.

(b) Each policy or certificate currently available from an issuer shall be available to an applicant who qualifies under this section regardless of age.

(c) During an applicant's open enrollment period, an issuer shall offer the lowest rate available to an applicant without regard to health or smoker status.

(2)(a) An issuer may not exclude benefits based on a preexisting condition if an applicant described in Subsection (1) has had a continuous period of creditable coverage of at least six months.

(b) An issuer shall reduce the period of a preexisting condition exclusion by the aggregate of the period of creditable coverage if an applicant, described in Subsection (1), as of the date of application, has had a continuous period of creditable coverage that is less than six months. The Secretary shall specify the manner of the reduction under this subsection.

(3) Except as provided in Subsection (2) and Sections R590-146-12 and R590-146-13, Subsection (1) may not be construed as preventing the exclusion of benefits under a policy, during the first six months, for a preexisting condition.

R590-146-12. Guaranteed Issue for Eligible Persons.

(1)(a) An eligible person is an individual described in Subsection (2) who seeks to enroll under a policy or certificate during the period specified in Subsection (3), and who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment with an application for a policy or certificate.

(b) With respect to an eligible person, an issuer may not:

(i) deny or condition the issuance or effectiveness of a policy or certificate described in Subsection (5) that is offered and is available for issuance to new enrollees by the issuer;

(ii) discriminate in the pricing of a policy because of health status, claims experience, receipt of health care, or medical condition; or

(iii) impose a benefit exclusion based on a preexisting condition.

(2) An eligible person is an individual:

(a) enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under Medicare, and the plan terminates or the plan no longer provides all supplemental health benefits to the individual;

(b) enrolled with a Medicare Advantage organization under a Medicare Advantage plan, and one or more of the circumstances in this subsection apply, or the individual is 65 years of age or older and is enrolled with a Program of All-Inclusive Care for the Elderly, PACE, provider under Section 1894 of the Social Security Act, and there are circumstances similar to those described in this subsection that would permit discontinuance of the individual's enrollment with such provider if such individual were enrolled in a Medicare Advantage plan:

(i) the certification of the organization or plan has been terminated;

(ii) the organization has terminated or otherwise discontinued providing the plan in the area the individual resides;

(iii) the individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the Secretary, but not including termination of the individual's enrollment on the basis described in Section 1851(g)(3)(B) of the Social Security Act, when the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under Section 1856, or the plan is terminated for each individual within a residence area;

(iv) the individual demonstrates, in accordance with guidelines established by the Secretary, that:

(A) the organization offering the plan substantially violated a material provision of the organization's contract under this part in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or

(B) the organization, or producer or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual; or

(v) the individual meets such other exceptional conditions the Secretary may provide;

(c)(i) enrolled with:

(A) an eligible organization under a contract under Section 1876 of the Social Security Act;

(B) a similar organization operating under demonstration project authority, effective before April 1, 1999;

(C) an organization under an agreement under Section 1833(a)(1)(A) of the Social Security Act; or

(D) an organization under a Medicare Select policy; and

(ii) enrollment ends under circumstances that would permit discontinuance of an individual's election of coverage under Subsection (2)(b):

(d) enrolled under a policy and the enrollment ends because of:

(i)(A) the insolvency of the issuer or bankruptcy of the non-issuer organization; or

(B) other involuntary termination of coverage or enrollment under the policy;

(ii) the issuer of the policy substantially violated a material provision of the policy; or

(iii) the issuer, or a producer or other entity acting on the issuer's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual;

(e)(i) enrolled under a policy and terminates enrollment and subsequently enrolls, for the first time, with any Medicare Advantage organization under a Medicare Advantage plan, any eligible organization under a contract under Section 1876 of the Social Security Act, any similar organization operating under demonstration project authority, any PACE provider under Section 1894 of the Social Security Act, or a Medicare Select policy; and

(ii) subsequent enrollment under Subsection (2)(e)(i) is terminated by the enrollee during any period within the first 12 months of such subsequent enrollment, during which the enrollee is permitted to terminate such subsequent enrollment under Section 1851(e) of the Social Security Act;

(f) upon first becoming eligible for benefits under Medicare Part A at age 65, enrolls in a Medicare Advantage plan, or with a PACE provider under Section 1894 of the Social Security Act, and disenrolls from the plan or program within 12 months after the effective date of enrollment;

(g) enrolled in a Medicare Part D plan during the initial enrollment period and was enrolled under a policy that covers outpatient prescription drugs and the individual terminates enrollment in the policy and submits evidence of enrollment in Medicare Part D along with the application for a policy described in Subsection (5)(d); or

(h) enrolled under medical assistance under Title XIX of the Social Security Act, Medicaid, and is involuntarily terminated outside of requirements of Subsection R590-146-8(1)(g)(i) or R590-146-8a(1)(g)(i) and R590-146-8a(1)(g)(ii).

(3)(a) For an eligible person described in Subsection (2)(a), the guaranteed issue period extends for 63 days beginning on the later of:

(i) the date the individual receives a notice of termination or cessation of all supplemental health benefits or, if a notice is not received, notice that a claim has been denied because of a termination or cessation; or

(ii) the date that the applicable coverage terminates or ends.

(b) For an eligible person described in Subsection (2)(b), (2)(c), (2)(e), or (2)(f), whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends 63 days after the date applicable coverage is terminated.

(c) For an eligible person described in Subsection (2)(d)(i), the guaranteed issue period extends for 63 days beginning on the later of:

(i) the date that the individual receives a notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar notice, if any; or

(ii) the date that the applicable coverage is terminated.

(d) For an eligible person described in Subsection (2)(b), (2)(d)(ii), (2)(d)(iii), (2)(e), or (2)(f) who disenrolls voluntarily, the guaranteed issue period begins on the date that is 60 days before the effective date of the disenrollment and ends on the date that is 63 days after the effective date.

(e) For an eligible person described in Subsection (2)(g), the guaranteed issue period begins on the date the individual receives notice under Section 1882(v)(2)(B) of the Social Security Act from the issuer during the 60-day period immediately preceding the initial Medicare Part D enrollment period and ends on the date that is 63 days after the effective date of the individual's coverage under Medicare Part D.

(f) For an eligible person described in Subsection (2) but not described in Subsections (3)(a) through (e), the guaranteed issue period begins on the effective date of disenrollment and ends on the date that is 63 days after the effective date.

(4)(a) An eligible person described in Subsection (2)(e), or who is considered to be an eligible person under this subsection, whose enrollment with an organization or provider described in Subsection (2)(e)(i) is involuntarily terminated within the first 12 months of enrollment, and who, without an intervening enrollment, enrolls with another such organization or provider, the subsequent enrollment is considered to be an initial enrollment.

(b) An eligible person described in Subsection (2)(f), or who is considered to be an eligible person under this subsection, whose enrollment with a plan or in a program described in Subsection (2)(f) is involuntarily terminated within the first 12 months of

enrollment, and who, without an intervening enrollment, enrolls in another such plan or program, the subsequent enrollment is considered to be an initial enrollment.

(c) For the purposes of Subsections (2)(e) and (2)(f), enrollment of an individual with an organization or provider described in Subsection (2)(e)(i) or with a plan or in a program described in Subsection (2)(f), may not be considered to be an initial enrollment under this subsection after the two-year period beginning on the date on which the individual first enrolled with the organization, provider, plan, or program.

(5)(a) An eligible person who is entitled to an open enrollment period under Subsection (2)(a), (2)(b), (2)(c), or (2)(d) may select Plan A, B, C, F, High Deductible F, K, or L if offered by any insurer.

(b)(i) Subject to Subsection (5)(b)(ii), the policy an eligible person is entitled to under Subsection (2)(e) is the same policy in which the individual was most recently previously enrolled, if available from the same issuer, or, if not available, a policy described in Subsection (5)(a).

(ii) After December 31, 2005, if the individual was most recently enrolled in a policy with an outpatient prescription drug benefit, a policy described in this subsection is:

(A) the policy available from the same issuer but modified to remove outpatient prescription drug coverage; or

(B) at the election of the policyholder, Plan A, B, C, F, High Deductible F, K, or L that is offered by any issuer.

(c) The policy an eligible person is entitled to under Subsection (2)(f) includes any policy offered by any issuer.

(d) The policy an eligible person is entitled to under Subsection (2)(g) is Plan A, B, C, F, High Deductible F, K, or L, and is offered and available for issuance to new enrollees by the same issuer that issued the individual's policy with outpatient prescription drug coverage.

(6)(a) At the time of an event described in Subsection (2) because an individual loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization, issuer, or administrator terminating the contract, agreement, policy, or plan, shall notify the individual of their rights under this section, and of the obligations of issuers of Medicare supplement insurance policies under Subsection (1). The notice shall be communicated with the notification of termination.

(b) At the time of an event described in Subsection (2) because an individual ends enrollment under a contract, agreement, policy, or plan, the organization, issuer, or administrator offering the contract, agreement, policy, or plan, regardless of the basis for ending enrollment, shall notify the individual of their rights under this section, and of the obligations of issuers of Medicare supplement insurance policies under Subsection (1). The notice shall be provided within ten working days of the issuer receiving notification of disenrollment.

R590-146-13. Standards for Claims Payment.

(1) An issuer shall comply with Section 1882(c)(3) of the Social Security Act, as enacted by Section 4081(b)(2)(c) of the Omnibus Budget Reconciliation Act of 1987, OBRA, 1987, Pub. L. No. 100-203, by:

(a) accepting a notice from a Medicare issuer on dually assigned claims submitted by a participating physician and supplier as a claim for benefits in place of any other claim form otherwise required and making a payment determination based on the information contained in that notice;

(b) notifying the participating physician or supplier and the beneficiary of the payment determination;

(c) paying the participating physician or supplier directly;

(d) furnishing, at enrollment, each enrollee with a card listing the policy name, number, and a central mailing address to which notices from an issuer may be sent;

(e) paying user fees for claim notices that are transmitted electronically or otherwise; and

(f) providing to the Secretary, at least annually, a central mailing address where each claim may be sent by an issuer.

(2) Compliance with the requirements in this section shall be certified on the Medicare supplement insurance experience reporting form.

R590-146-14. Loss Ratio Standards and Filing Requirements.

(1)(a)(i) A policy or certificate may not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificate holders in the form of aggregate benefits, not including anticipated refunds or credits, provided under the policy form or certificate form:

(A) at least 75% of the aggregate amount of premiums earned, in the case of group policies; or

(B) at least 65% of the aggregate amount of premiums earned, in the case of individual policies.

(ii) The loss ratio shall be calculated based on incurred claims experience or incurred health care expenses when coverage is provided by a health maintenance organization on a service, rather than reimbursement, basis and earned premiums for the period and in accordance with accepted actuarial principles and practices. Incurred health care expenses when coverage is provided by a health maintenance organization may not include:

(A) home office and overhead costs;

(B) advertising costs;

(C) commissions and other acquisition costs;

(D) taxes;

(E) capital costs;

(F) administration costs; and

(G) claims processing costs.

(b) Rate filings and rating schedules shall demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Rate revision filings shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and comply with the requirements of Rule R590-85.

(c) For purposes of this subsection, policies issued through the mail or by mass media advertising, including both print and broadcast advertising, are considered to be individual policies.

(d) For policies issued before July 30, 1992, expected claims in relation to premiums shall meet:

(i) the originally filed anticipated loss ratio when combined with the actual experience since inception;

(ii) the appropriate loss ratio requirement from Subsection (1)(a)(i) when combined with actual experience beginning with the effective date of October 31, 1994; and

(iii) the appropriate loss ratio requirement from Subsection (1)(a)(i) over the entire future period for which the rates are computed to provide coverage.

(2)(a) An issuer shall collect, complete, and file with the commissioner by May 31 of each year:

(i) the Medicare Supplement Refund Calculation report;

(ii) the Calculation of Benchmark Ratio Since Inception for Group Policies report; and

(iii) the Calculation of Benchmark Ratio Since Inception for Individual Policies report.

(b) If, based on the experience as reported, the benchmark ratio since inception, ratio 1, exceeds the adjusted experience ratio since inception, ratio 3, then a refund or credit calculation is required. The refund calculation shall be done on a statewide basis for each standardized plan type in a standardized plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

(c) For this section and for policies or certificates issued before July 30, 1992, the issuer shall make the refund or credit calculation separately for all individual policies, including all group policies subject to an individual loss ratio standard when issued, combined, and all other group policies combined for experience after the effective date of this rule.

(d) A refund or credit shall be made when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the Secretary, but in no event shall it be less than the average rate of interest for 13-week Treasury notes. A refund or credit against premiums due shall be made by September 30 following the experience year upon which the refund or credit is based.

(3)(a) An issuer shall annually file a report with the commissioner that includes the rates, rating schedule, and supporting documentation, including ratios of incurred losses to earned premiums by policy duration in accordance with the filing requirements and procedures prescribed by the commissioner.

(b) The supporting documentation shall demonstrate, in accordance with actuarial standards of practice using reasonable assumptions, that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio, which is greater than or equal to the applicable percentage, shall be demonstrated for policies or certificates in force less than three years.

(c) The report shall be filed no later than May 31 each year, and in compliance with Rule R590-220.

(4)(a) An issuer shall file with the commissioner, in accordance with the applicable filing procedures, appropriate premium adjustments necessary to produce loss ratios as anticipated for the current premium for the applicable policies or certificates. The supporting documents necessary to justify the adjustment shall accompany the filing. The filing:

(i) shall include premium adjustments necessary to produce an expected loss ratio under the policy or certificate to conform to minimum loss ratio standards and are expected to result in a loss ratio at least as great as that originally anticipated in the rates used to produce current premiums by the issuer for the policies or certificates; and

(ii) may not include a premium adjustment that:

(A) modifies the loss ratio experience under the policy other than the adjustments described in this subsection; and

(B) is made at any time other than the renewal date or anniversary date.

(b) If an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds, or premium credits deemed necessary to achieve the loss ratio required by this section.

(5)(a) An issuer shall annually file by May 31 the Utah rate and enrollment information for standardized Medicare supplement insurance plans as specified in the Medicare Supplement Rate Data Template spreadsheet, available on the department's website, <https://insurance.utah.gov>

(b) The report shall be filed at <https://medigap.utah.gov/provider/upload> no later than May 31 each year and in compliance with Rule R590-220.

(6) The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate if the experience of the policy form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of any refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner prescribed by the commissioner.

R590-146-15. Filing Policies, Certificates, and Premium Rates.

(1) For the purpose of this subsection, "type" means:

(a) an individual policy;

(b) a group policy;

(c) an individual Medicare Select policy; or

(d) a group Medicare Select policy.

(2) An issuer may not deliver or issue for delivery a policy or certificate to a resident of this state unless the policy form or certificate form has been filed in accordance with filing requirements and procedures prescribed by the commissioner.

(3) An issuer may not use or change premium rates unless the rates, rating schedule, and supporting documentation have been filed in accordance with the filing requirements and procedures prescribed by the commissioner.

(4)(a) Except as provided in Subsection (4)(b), an issuer may not file more than one policy form or certificate form of each standardized plan type for each standardized plan.

(b) An issuer may offer, with the approval of the commissioner, up to four additional policy forms or certificate forms of the same standardized plan type, one for:

(i) the inclusion of new or innovative benefits;

(ii) the addition of either direct response or producer marketing methods;

(iii) the addition of either guaranteed issue or underwritten coverage; and

(iv) the offering of coverage to individuals eligible for Medicare by reason of disability.

(c) A policy form issued under Section R590-146-9b is not considered a new policy form, and is not a permissible separate rating class.

(5)(a) Except as provided in Subsection (5)(b), an issuer shall continue to make available for purchase each policy form or certificate form that has been filed with the commissioner. A policy form or certificate form is not considered available for purchase unless the issuer has actively offered it for sale in the previous 12 months.

(b) An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the commissioner, in writing, its decision at least 30 days before discontinuing the availability of the policy form or certificate form. After receipt of the notice by the commissioner, the issuer may no longer offer for sale the policy form or certificate form in this state.

(i) An issuer that discontinues the availability of a policy form or certificate form under this subsection may not file a new policy form or certificate form of the same standardized plan type for the same standardized plan as the discontinued form for a period of five years after the issuer provides notice to the commissioner of the discontinuance. The period of discontinuance may be reduced if the commissioner determines that a shorter period is appropriate.

(ii) The sale or other transfer of Medicare supplement insurance business to another issuer is considered a discontinuance.

(iii)(A) A change in the rating structure or methodology shall be considered a discontinuance unless the issuer:

(I) provides an actuarial memorandum, in a form and manner prescribed by the commissioner, describing the manner in which the revised rating methodology and resultant rates differ from the existing rating methodology and existing rates; and

(II) does not subsequently put into effect a change of rates or rating factors that causes the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change.

(B) The commissioner may approve a change to the differential that is in the public interest.

(C) A revised rating methodology may only apply to a policy or certificate issued after the effective date of the revision.

(6)(a) Except as provided in Subsection (6)(b), the experience of all policy forms or certificate forms of the same type in a standardized plan shall be combined for purposes of the refund or credit calculation prescribed in Section R590-146-14.

(b) Policy forms assumed under an assumption reinsurance agreement may not be combined with the experience of other forms for purposes of the refund or credit calculation.

R590-146-16. Permitted Compensation Arrangements.

(1) An issuer or other entity may provide commission or other compensation to a producer or other representative for the sale of a policy or certificate only if the first-year commission or other first-year compensation is no more than 200% of the commission or other compensation paid for selling or servicing the policy or certificate in the second year.

(2) The commission or other compensation provided in subsequent renewal years shall be the same as that provided in the second year and shall be provided for at least five renewal years.

(3) An issuer or other entity may not provide compensation to its producers, and a producer may not receive, compensation greater than the renewal compensation payable by the replacing issuer on a renewal policy or certificate if an existing policy or certificate is replaced.

(4) An issuer may not create a disincentive to sell a policy during the open enrollment period by establishing compensation arrangements that result in a producer receiving substantially lower or no compensation for policies sold during open enrollment.

(5) For purposes of this section, compensation includes pecuniary or non-pecuniary remuneration of any kind relating to the sale or renewal of a policy or certificate including a bonus, gift, prize, award, or finder's fee.

R590-146-17. Required Disclosure Provisions.

(1)(a) A policy or certificate shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of policy issued. The provision shall be appropriately captioned, appear on the first page of the policy or certificate, and include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the insured's age.

(b)(i) A rider or endorsement added to a policy after the date of issue or at reinstatement or renewal that reduces or eliminates a benefit or coverage in the policy shall require a signed acceptance by the insured, unless the issuer:

(A) is effectuating a request made in writing by the insured;

(B) is exercising a specifically reserved right under a policy; or

(C) is required to reduce or eliminate benefits to avoid duplication of Medicare benefits.

(ii) After the issue date of a policy or certificate, a rider or endorsement that increases benefits or coverage with an associated increase in premium during the policy term shall be agreed to in writing signed by the insured, unless:

(A) the benefits are required by the minimum standards for Medicare supplement insurance policies; or

(B) the increased benefit or coverage is required by law.

(iii) When a separate additional premium is charged for benefits provided in connection with a rider or endorsement, the premium charge shall be stated in the policy.

(c) A policy or certificate may not provide for the payment of benefits based on standards described as "usual and customary," "reasonable and customary," or similar words.

(d) If a policy or certificate contains a limitation regarding a preexisting condition, the limitation shall appear as a separate section of the policy and be labeled as "Preexisting Condition Limitations."

(e) A policy and certificate shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating that the policyholder or certificate holder has the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the insured is not satisfied for any reason.

(f)(i) An issuer of an accident and health insurance policy or certificate that provides hospital or medical expense coverage on an expense incurred or indemnity basis to an individual eligible for Medicare shall provide to the applicant the Guide to Health Insurance for People with Medicare in the form developed jointly by the NAIC and the Centers for Medicare and Medicaid Services in a font no smaller than 12-point.

(ii) Delivery of the guide shall be made whether or not the policy or certificate is advertised, solicited, or issued as a Medicare supplement insurance policy or certificate

(A) Except in the case of a direct response issuer, delivery of the guide shall be made to the applicant at application and acknowledgement of receipt of the guide shall be obtained by the issuer.

(B) A direct response issuer shall deliver the guide to the applicant upon request but not later than when the policy is delivered.

(2)(a) As soon as practicable, but no later than 30 days before the annual effective date of any Medicare benefit change, an issuer shall notify each policyholder and certificate holder of a modification it has made to a policy or certificate in a format acceptable to the commissioner. The notice shall:

(i) include a description of the revisions to the Medicare program and a description of each modification made to the coverage provided under the policy or certificate; and

(ii) inform each policyholder or certificate holder when a premium adjustment is made due to changes in Medicare.

(b) The notice of a benefit modification and any premium adjustment shall be in outline form and in clear and simple terms.

(c) A notice may not contain or be accompanied by any solicitation.

(3)(a) An issuer shall provide an outline of coverage to an applicant when the application is presented to the prospective applicant and, except for direct response policies, shall obtain an acknowledgement of receipt of the outline of coverage from the applicant.

(b) If an outline of coverage is provided at the time of application and a policy or certificate is issued on a basis that requires a revision to the outline of coverage, a substitute outline of coverage describing the policy or certificate shall accompany the policy or certificate when it is delivered, and shall state, in no less than 12-point bold font, immediately above the company name, "NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued."

(c)(i) The outline of coverage shall be in no less than 12-point font and include five parts, in the following order:

(A) a cover page;

(B) premium information;

(C) Benefit Chart of Medicare Supplement Plans Sold on or After January 1, 2020;

(D) Outline of Coverage Disclosures; and

(E) Standardized Plan Description for each standardized plan offered by the issuer.

(ii) Each standardized plan shall be shown on the cover page, and the plans offered by the issuer shall be prominently identified.

(iii)(A) Premium information for the offered plans shall be shown on the cover page or immediately following the cover page, and shall be prominently displayed.

(B) The premium and payment mode shall be stated for each plan that is offered to the applicant.

(C) Each possible premium for the applicant shall be illustrated.

(4)(a) An accident and health insurance policy or certificate, other than a Medicare supplement insurance policy, or other policy identified in Subsection 31A-22-620(2)(b), issued for delivery in this state to an individual eligible for Medicare, shall notify an insured that the policy is not a Medicare supplement insurance policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to an insured, or if no outline of coverage is delivered, to the first page of the accident and health insurance policy or certificate delivered to an insured. The notice shall be in no less than 12-point font and shall state, "THIS (POLICY OR CERTIFICATE) IS NOT A MEDICARE SUPPLEMENT (POLICY OR CERTIFICATE). If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the company."

(b) An application for an accident and health insurance policy or certificate provided to an individual eligible for Medicare described in Subsection (3)(a) shall disclose, using the applicable statement in Subsection R590-146-3(3), the extent to which the policy duplicates Medicare. The disclosure statement shall be provided as a part of, or together with, the application for the policy or certificate.

R590-146-18. Requirements for Application Forms and Replacement Coverage.

(1)(a) An application form shall include questions designed to elicit information as to whether, as of the date of the application, the applicant:

(i) has Medicare supplement insurance, Medicare Advantage coverage, Medicaid coverage, or other accident and health insurance currently in force; or

(ii) intends to replace any other accident and health insurance policy or certificate currently in force.

(b) A supplementary application or other form to be signed by the applicant and producer containing the questions and statements in the Application Supplementary Statements and Questions may be used.

(2) A producer shall list all other health insurance policies they have sold to the applicant, including a list of each policy sold:

(a) that is still in force; and

(b) in the past five years, that is no longer in force.

(3) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant and acknowledged by the issuer, shall be returned to the applicant by the issuer at policy delivery.

(4)(a) Upon determining a sale will involve Medicare supplement insurance coverage replacement, an issuer, other than a direct response issuer or its producer, shall provide to the applicant, prior to issuance or delivery of the policy or certificate, the Notice to Applicant Regarding Replacement of Medicare Supplement Insurance or Medicare Advantage.

(b) One copy of the notice signed by the applicant and the producer, except when the coverage is sold without a producer, shall be provided to the applicant and an additional signed copy shall be retained by the issuer.

(c) A direct response issuer shall deliver to the applicant when issuing the policy the Notice to Applicant Regarding Replacement of Medicare Supplement Insurance or Medicare Advantage.

(d) The notice shall be provided in substantially the same format in no less than 12-point font.

(5) Paragraphs one and two of the notice may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

R590-146-19. Filing Requirements for Advertising.

An issuer shall, upon request from the commissioner, file a copy of any Medicare supplement insurance advertisement intended for use in this state whether through printed, audio, or visual medium.

R590-146-20. Marketing Standards.

(1) An issuer, directly or through its producers, shall:

(a) establish marketing procedures to assure that any comparison of policies by its producers will be fair and accurate;

(b) establish marketing procedures to assure excessive insurance is not sold or issued;

(c) display prominently by type, in bold font, stamp, or other appropriate means on the first page of the policy: "Notice to buyer: This policy may not cover all of your medical expenses.";

(d) inquire and otherwise make a reasonable effort to identify whether an applicant already has accident and health insurance and the types and amounts of any such insurance; and

(e) establish auditable procedures for verifying compliance.

(2) In addition to the practices prohibited in Title 31A, Chapter 23a, Part 4, Marketing Practices, the following acts and practices are prohibited:

(a) cold lead advertising;

(b) high pressure tactics; or

(c) twisting.

(3) The terms "Medicare Supplement," "Medigap," "Medicare wrap-around," or similar words may not be used unless the policy is issued in compliance with this rule.

R590-146-21. Appropriateness of Recommended Purchase and Excessive Insurance.

(1) A producer shall make a reasonable effort to determine the appropriateness of a recommended purchase or replacement of a Medicare supplement insurance policy or certificate.

(2) The sale of a Medicare supplement insurance policy or certificate that provides an individual more than one Medicare supplement insurance policy or certificate is prohibited.

(3) An issuer may not issue a Medicare supplement insurance policy or certificate to an individual enrolled in a Medicare Advantage plan unless the effective date of the new policy or certificate is after the termination date of the individual's Medicare Advantage plan coverage.

R590-146-22. Multiple Policies Report.

(1) On or before May 31 of each year, an issuer shall file the Form for Reporting Medicare Supplement Policies report for each individual resident of this state for which the issuer has in force more than one Medicare supplement insurance policy or certificate.

(2) The information shall be grouped by individual policyholder.

R590-146-23. Prohibition Against Preexisting Conditions, Waiting Periods, Elimination Periods, and Probationary Periods in Replacement Policies or Certificates.

(1) If a Medicare supplement insurance policy or certificate replaces another Medicare supplement insurance policy or certificate, the replacing issuer shall waive any time periods applicable to a preexisting condition, a waiting period, an elimination period, or a probationary period in the new Medicare supplement policy or certificate to the extent the time was spent under the original policy.

(2) If a Medicare supplement insurance policy or certificate replaces another Medicare supplement insurance policy or certificate that is in effect for at least six months, the replacing policy may not provide any time period applicable to a preexisting condition, a waiting period, an elimination period, or a probationary period for a benefit similar to those contained in the original policy or certificate.

R590-146-24. Prohibition Against Use of Genetic Information and Requests for Genetic Testing.

(1) An issuer may not:

(a) deny or condition the issuance or effectiveness of a policy or certificate, including the imposition of an exclusion of benefits under the policy based on a preexisting condition, based on the genetic information of the individual; or

(b) discriminate in the pricing of the policy or certificate, including the adjustment of premium rates, of an individual based on the genetic information of the individual.

(2) Nothing in this section shall be construed to limit the ability of an issuer, to the extent otherwise permitted by law, from:

(a) denying or conditioning the issuance or effectiveness of a policy or certificate or increasing the premium for a group based on the manifestation of a disease or disorder of an insured or applicant; or

(b) increasing the premium for a policy issued to an individual based on the manifestation of a disease or disorder of an individual who is covered under the policy.

(3) An issuer may not request or require an individual or a family member of an individual to undergo a genetic test.

(4) Subsection (3) does not preclude an issuer from obtaining and using the results of a genetic test in making a determination regarding payment if it is consistent with Subsection (1).

(5) For purposes of Subsection (4), an issuer may only request the minimum amount of information necessary to accomplish the intended purpose.

(6) Notwithstanding Subsection (3), an issuer may request, but not require, that an individual or a family member of an individual undergo a genetic test if each condition in this subsection is met:

(a) a request is made for research that complies with Part 46 of Title 45, Code of Federal Regulations, or equivalent federal regulations, and any applicable state or local law or regulations for the protection of human subjects in research;

(b) an issuer clearly indicates to each individual, or in the case of a minor child, to the legal guardian of such child, to whom the request is made that:

(i) compliance with the request is voluntary; and

(ii) non-compliance will have no effect on enrollment status, premium, or contribution amounts;

(c) genetic information collected or acquired is not used for underwriting, determination of eligibility to enroll or maintain enrollment status, premium rates, or the issuance, renewal, or replacement of a policy or certificate;

(d) an issuer notifies the Secretary in writing that the issuer is conducting activities under this exception, including a description of the activities conducted; and

(e) an issuer complies with other conditions as the Secretary may, by regulation, require for activities conducted under this subsection.

(7) An issuer may not request, require, or purchase genetic information for underwriting purposes.

(8) An issuer may not request, require, or purchase genetic information with respect to an individual prior to the individual's enrollment under a policy.

(9) If an issuer obtains genetic information incidental to requesting, requiring, or purchasing of other information concerning an individual, such request, requirement, or purchase may not be considered a violation of Subsection (8) if such request, requirement, or purchase is not in violation of Subsection (7).

(10) For the purposes of this section:

(a) "Family member" means an individual who is a first-degree, second-degree, third-degree, or fourth-degree relative of an individual.

(b) "Genetic information" means information about an individual's genetic tests, the genetic tests of family members of an individual, and the manifestation of a disease or disorder in family members of an individual.

(i) "Genetic information" includes a request for, or receipt of, genetic services, or participation in clinical research that includes genetic services, by an individual or a family member of an individual. Any reference to genetic information concerning an individual or family member of an individual who is a pregnant woman includes genetic information of any fetus carried by a pregnant woman, or with respect to an individual or family member utilizing reproductive technology, includes genetic information of an embryo legally held by an individual or family member.

(ii) "Genetic information" does not include information about the sex or age of an individual.

(c) "Genetic services" means a genetic test, genetic counseling, including obtaining, interpreting, or assessing genetic information, or genetic education.

(d)(i) "Genetic test" means an analysis of human DNA, RNA, chromosomes, proteins, or metabolites that detect genotypes, mutations, or chromosomal changes.

(ii) "Genetic test" does not include an analysis of proteins or metabolites that does not detect genotypes, mutations, or chromosomal changes, or an analysis of proteins or metabolites that is directly related to a manifested disease, disorder, or pathological condition that could reasonably be detected by a health care professional with appropriate training and expertise in the field of medicine involved.

(e) "Issuer" includes a third-party administrator or other person acting for or on behalf of the issuer.

(f) "Underwriting purposes" means:

(i) rules for, or determination of, eligibility, including enrollment and continued eligibility, for benefits;

(ii) computation of premium or contribution amounts;

(iii) application of a preexisting condition exclusion; and

(iv) any other activity related to the creation, renewal, or replacement of health benefits or an accident and health insurance policy.

R590-146-25. Severability.

If any provision of this rule, Rule R590-146, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: insurance

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