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Nov 16 6 49 AM '00

WEST VIRGINIA LEGISLATURE
Legislative Rule-Making Review Committee

OFFICE OF THE WEST VIRGINIA
SECRETARY OF STATE

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November 12, 2000

NOTICE OF ACTION TAKEN BY THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

TO: Ken Hechler, Secretary of State, State Register

TO: Donna Quesenberry
Insurance Commissioner
Capitol Complex
Box 50540

FROM: Legislative Rule-Making Review Committee

Proposed Rule: Medicare Supplement Insurance, 114CSR24

The Legislative Rule-Making Review Committee recommends that the West Virginia Legislature:

- 1. Authorize the agency to promulgate the Legislative rule
 - (a) as originally filed
 - (b) as modified by the agency
- 2. Authorize the agency to promulgate part of the Legislative rule; a statement of reasons for such recommendation is attached.
- 3. Authorize the agency to promulgate the Legislative rule with certain amendments; amendments and a statement of reasons for such recommendation is attached.
- 4. Authorize the agency to promulgate the Legislative rule as modified with certain amendments; amendments and a statement of reasons for such recommendation is attached.
- 5. Recommends that the Legislative rule be withdrawn; a statement of reasons for such recommendation is attached.

SCANNED

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ANALYSIS OF PROPOSED LEGISLATIVE RULES

OCT 31 9 26 AM '00

Agency: Insurance Commissioner

OFFICE OF THE ATTORNEY GENERAL
SECRETARY OF STATE

Subject: Medicare Supplement Insurance, 114 CSR 24

Date: October 25, 2000

Counsel: Rita A. Pauley

PERTINENT DATES

Filed for public comment:	August 1, 2000
Public comment period ended:	August 31, 2000
Filed following public comment period:	September 1, 2000
Filed LRMRC:	September 1, 2000
Filed as emergency:	August 1, 2000
Fiscal Impact:	None

ABSTRACT

This is a current legislative rule which provides for the standardization of coverage and simplification of terms and benefits for Medicare supplement policies. It attempts to further public understanding and comparison of supplemental policies in order to eliminate provisions which may be misleading or confusing. The rule also requires full disclosure of actual coverage when accident and sickness insurance is sold to persons eligible for Medicare.

The proposed amendments adopt current minimum federal standards for Medicare Supplement Insurance policies mandated by the Balanced Budget Refinement Act of 1999 and the Ticket to Work and Work Incentives Improvement Act of 1999. The proposed amendments also adopt the National Association of Insurance Commissioners (NAIC) model regulation to implement the NAIC

Medicare Supplement Insurance Minimum Standards Model Act. States are required to make these changes to their regulatory programs in order to maintain approval as meeting minimum federal standards.

The proposed revisions increase consumer's rights to guaranteed issue of policies and allow persons covered under a group health plan to temporarily suspend a Medicare supplement policy without actually cancelling it.

The following is a synopsis of the significant amendments proposed to the rule.

Subsection 6.2 contains the general standards applicable to all Medicare supplement policies and certificates. These requirements are in addition to any other requirements in the rule. This subsection has been amended to provide that person covered under a group health plan may temporarily suspend a Medicare supplement policy without cancelling it. In addition, if the suspension occurs and the person's group health insurance is terminated or otherwise lost, the supplemental policy will automatically be reinstated as of the date of the loss of coverage. In order to reinstate the supplemental policy, the person must provide notice of the loss of coverage under the group plan within 90 days of the loss and pay any applicable premiums.

Section 10 sets forth the requirements for guaranteed issuance of supplemental policies for eligible persons. The proposed amendment to the rule adds an additional group of people to the eligible list. Individuals who are 65 years of age or older and enrolled with a Program of All-Inclusive Care for the Elderly (PACE) provider, may be eligible for guaranteed issuance policies. This section provides that persons who are eligible for Medicare supplement policies must apply to enroll under a guaranteed issue policy not more than 63 days after termination of insurance.

V. IS THE PROPOSED LEGISLATIVE RULE REASONABLE, ESPECIALLY AS IT AFFECTS THE CONVENIENCE OF THE GENERAL PUBLIC OR OF PERSONS AFFECTED BY IT?

Yes.

VI. CAN THE PROPOSED LEGISLATIVE RULE BE MADE LESS COMPLEX OR MORE READILY UNDERSTANDABLE BY THE GENERAL PUBLIC?

No.

VII. WAS THE PROPOSED LEGISLATIVE RULE PROMULGATED IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER 29A, ARTICLE 3 AND WITH ANY REQUIREMENTS IMPOSED BY ANY OTHER PROVISION OF THE CODE?

Yes.

VIII. OTHER.

Counsel has suggested minor technical modifications.