

WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #2

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: Insurance Commissioner TITLE NUMBER: 114
RULE TYPE: Legislative; CITE AUTHORITY WV Code Secs. 33-2-10, 33-15-15
AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: Series 33

TITLE OF RULE BEING PROPOSED: Individual and Employer Group Minimum
Benefits Accident and Sickness Insurance Policies

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON September 11, 1992 AT 4:30 P.M.

ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS.

B. Keith Huffman, General Counsel
Office of the Insurance Commissioner
Post Office Box 50540
2019 Washington Street, East
Charleston, WV 25305-0540

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.

Hanley C. Clark
Hanley C. Clark
Insurance Commissioner

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

3.30



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON
Governor

HANLEY C. CLARK
Insurance Commissioner

August 10, 1992

HAND DELIVERED

Ms. Judy Cooper, Director
Administrative Law Division
Office of Secretary of State
State Capitol
Charleston, WV 25305

Dear Ms. Cooper:

Enclosed please find for filing one (1) copy of each of the following:

- (1) Notice of a Comment Period on a Proposed Rule;
- (2) Fiscal Note;
- (3) Consent to Proposed Rule;
- (4) Brief Summary of Rule; and
- (5) The Insurance Commissioner's proposed legislative rule entitled "Individual and Employer Group Minimum Benefits for Accident and Sickness Insurance Policies" (Series 33).

Please contact me if further information is needed.

Very truly yours,

Linda Gay

Linda Gay
Staff Counsel

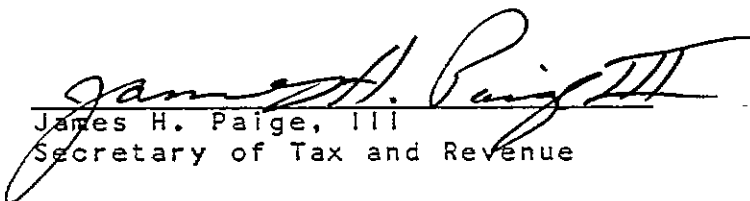
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Enclosures

CONSENT TO PROPOSAL OF RULE

To Whom It May Concern:

Pursuant to West Virginia Code § 5F-2-2(a)(12), the undersigned hereby grants consent to the proposal of the following rule proposed by the Insurance Commissioner of the State of West Virginia: Title 114, Series 33, relating to Individual and Employer Group Minimum Benefit Accident and Sickness Insurance Policies.

Signed this 30 day of July, 1992.


James H. Paige, III
Secretary of Tax and Revenue

Insurance Commissioner
Legislative Rule
Title 114, Series 33

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INDIVIDUAL AND EMPLOYER GROUP MINIMUM BENEFITS ACCIDENT AND
SICKNESS INSURANCE POLICIES SECRETARY OF STATE

Title 114, Series 33

BRIEF SUMMARY OF RULE

This proposed rule implements the provisions of West Virginia Code § 33-15-15 and Chapter 33, Article 16C, which direct the Insurance Commissioner to design minimum benefits accident and sickness insurance policies for individuals and employer groups. This rule defines the benefit structures of these policies. The benefit structure for the individual minimum benefits policy is the same as the benefit structure for the employer group minimum benefits policy. The rule also establishes procedures relating to minimum benefits policy rates and forms.

FISCAL NOTE FOR PROPOSED RULES

Rule Title: **Individual and Employer Group Minimum Benefits Accident and Sickness Insurance Policies (Title 114, Series 33)**

Type of Rule: XX Legislative _____ Interpretive _____ Procedural _____

Agency: Insurance Commissioner Address: Post Office Box 50540
2019 Washington Street, East,
Charleston, WV 25305-0540

1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR		
	Increase	Decrease	Current	Next	Thereafter
Estimated Total Cost	NONE				
Personal Services					
Current Expense					
Repairs & Alterations	NONE				
Equipment					
Other					

2. Explanation of above estimates:

The proposed rule will have no fiscal impact on state, local, or federal government.

3. Objectives of these rules:

The objectives of the rule are to establish minimum benefits for basic accident and sickness insurance policies for individuals and employer groups. The rule defines these benefits and establishes procedures relating to minimum benefits policy rates and forms.

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic impact on State Government.

NONE

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of citizens.

NONE

C. Economic Impact on Citizens/Public at Large.

The structure of the minimum benefits accident and sickness policies was designed to provide catastrophic coverage at low premium rates. The desired outcome is insurance protection for a maximum number of people and eventually, reduction of the cost-shift to other insured patients.

Date: Aug. 7, 1992

Signature of Agency Head or Authorized Representative

Hanley C. Clark

Hanley C. Clark
Insurance Commissioner

114CSR33

TITLE 114
LEGISLATIVE RULE
INSURANCE COMMISSIONER

SERIES 33
INDIVIDUAL AND EMPLOYER GROUP MINIMUM BENEFITS ACCIDENT AND
SICKNESS INSURANCE POLICIES

Section

- 114-33-1. General
- 114-33-2. Benefit Structures of Individual and Employer Group Policies
- 114-33-3. Policy Rates and Forms
- 114-33-4. Separability
- Appendix A. Individual Certification of Eligibility for Minimum Benefits Policy
- Appendix B. Employee Certification of Eligibility for Minimum Benefits Policy
- Appendix C. Employer Certification of Eligibility for Minimum Benefits Policy

TITLE 114
LEGISLATIVE RULE
INSURANCE COMMISSIONER

FILED

SERIES 33

1992 AUG 10 AM 8:45

INDIVIDUAL AND EMPLOYER GROUP MINIMUM BENEFITS ACCIDENT AND
SICKNESS INSURANCE POLICIES

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

§ 114-33-1. General

1.1. Scope. -- This legislative rule implements the provisions of West Virginia Code § 33-15-15 and Chapter 33, Article 16C. Code § 33-15-15 directs the Insurance Commissioner to establish minimum benefits for accident and sickness insurance policies for individuals. Chapter 33, Article 16C directs the Commissioner to establish minimum benefits accident and sickness insurance policies for employer groups. This rule defines the benefit structures of these policies and establishes procedures relating to minimum benefit policy rates and forms.

1.2. Authority. -- West Virginia Code §§ 33-2-10, 33-15-15 and 33-16C-9

1.3. Filing Date. --

1.4. Effective Date. --

§ 114-33-2. Benefit Structures of Individual and Employer Group Policies

2.1. The benefit structure for an individual minimum benefits policy shall be the same as the benefit structure for an employer group minimum benefits policy. The benefit structure shall be as follows:

2.1.a. Inpatient hospitalization -- thirty (30) days per year, with a maximum of one (1) medical visit per inpatient day.

2.1.b. Outpatient services -- include surgery, anesthesia, preadmission testing, radiation, and chemotherapy (does not include routine diagnostic testing).

2.1.c. Maternity coverage -- includes prenatal care and delivery.

2.1.d. Newborn infant care -- covers four (4) office visits during the first twelve (12) months of life.

2.1.e. Emergency care -- covers a condition if it falls within the following definition: "A nonoccupational accidental injury or illness whose symptoms are of sufficient severity that, if medical attention is not provided within 72 hours, could reasonably be expected to result in an immediate or

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delayed threat to life, a prolonged hospitalization or an organ or body part not returning to full, normal function; provided, that an illness treated in an emergency room will be covered only if it results in the patient's subsequent admission to the hospital."

2.2. Any additional benefits an insurer wishes to add to a minimum benefits policy must first be approved by the Insurance Commissioner.

§ 114-33-3. Policy Rates and Forms

3.1. Any company licensed to write accident and sickness insurance business in the State of West Virginia may offer a minimum benefits accident and sickness policy; provided, however, that all rates and forms for any such policy shall be submitted to the Insurance Commissioner for approval.

3.2. Upon offering coverage under a minimum benefits policy, the insurer shall provide the applicant with a written disclosure statement containing at least the following:

3.2.a. An explanation of benefits otherwise mandated by state law but not covered by the basic policy;

3.2.b. An explanation of cost control features of the minimum benefits policy, along with all appropriate mailing addresses and telephone numbers to be utilized by insureds or their family members in seeking information or authorization for treatment; and

3.2.c. An explanation that the insurance policy is a minimum benefits policy; and

3.2.d. An explanation of any and all deductibles and/or copayments for which the insured will or may be responsible.

3.3. This disclosure statement shall be presented in a clear and understandable form and format, and shall be separate from the basic policy or certificate or evidence of coverage provided to an eligible applicant or family member.

3.4. Before any insurer issues a minimum benefits policy to an individual, it shall obtain from such individual, on the form prescribed in Appendix A:

3.4.a. Certification from the individual that he or she has been without health insurance coverage for at least one (1) year prior to application for a minimum benefits policy; and

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3.4.b. A signed written statement acknowledging that he or she understands the limited nature of the coverage provided under the minimum benefits policy.

3.5. Before any insurer issues a minimum benefits policy to an employer group, it shall obtain from each eligible employee to be covered under the minimum benefits policy, on the form prescribed in Appendix B:

3.5.a. Certification from the employee that the employer group has not provided him or her with health insurance for the past twelve (12) months; and

3.5.b. A signed written statement acknowledging that the employee understands the limited nature of the coverage provided under the minimum benefits policy.

3.6. Before any insurer issues a minimum benefits policy to an employer group, it shall obtain from the employer on the form prescribed in Appendix C:

3.6.a. Certification from the employer that it has not provided health insurance benefits for its employees for the twelve (12) months immediately preceding application for a minimum benefits employer group policy.

3.6.b. A signed written statement acknowledging that the employer understands the limited nature of the coverage provided under the minimum benefits policy.

§ 114-33-4. Separability

If any provision of this rule or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provisions to other persons or circumstances shall not be affected thereby.

APPENDIX A

INDIVIDUAL CERTIFICATION OF ELIGIBILITY
FOR MINIMUM BENEFITS POLICY

I hereby certify that I have not had health insurance coverage for the past one (1) year.

I acknowledge that if the information contained in the preceding paragraph is determined to be untrue, remedies may be pursued to recover monies paid for claims on my behalf, and on my dependents' behalf, which remedies include but are not limited to cancellation, rescission of coverage, or civil and/or criminal proceedings.

I understand and acknowledge that the policy for which I am applying is a minimum benefits policy and does not contain certain benefits otherwise mandated by state law.

[Signature of Individual Applying
for Insurance]

Date

APPENDIX B

EMPLOYEE CERTIFICATION OF ELIGIBILITY
FOR MINIMUM BENEFITS POLICY

I hereby certify that [current employer] has not offered health insurance to me within the past twelve (12) months.

I acknowledge that if the information contained in the preceding paragraph is determined to be untrue, remedies may be pursued to recover monies paid for claims on my behalf, and on my dependents' behalf, which remedies include but are not limited to cancellation, rescission of coverage, or civil and/or criminal proceedings.

I understand and acknowledge that the policy for which my employer is applying is a minimum benefits policy and does not contain certain benefits otherwise mandated by state law.

[Signature of Employee]

Date

APPENDIX C

EMPLOYER CERTIFICATION OF ELIGIBILITY
FOR MINIMUM BENEFITS POLICY

I, _____, hold the position of _____ for _____ with its principal office at _____, and having express authority to provide the information contained herein, hereby state and certify that [employer] has not offered health insurance coverage to all of its employees for the past twelve (12) months.

I acknowledge that if the information contained in the preceding paragraph is determined to be untrue, remedies may be pursued to recover monies paid for claims on behalf of the employees of (Group Name) and their dependents, which remedies include but are not limited to cancellation, rescission of coverage, or civil and/or criminal proceeding.

I understand and acknowledge that the policy for which [employer] in applying is a minimum benefits policy and does not contain certain benefits otherwise mandated by state law.

[Signature of Employer's Representative]

Title

Date