

**WEST VIRGINIA
SECRETARY OF STATE**

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #4

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF RULE MODIFICATION OF A PROPOSED RULE

AGENCY: Insurance Commissioner TITLE NUMBER: 114

CITE AUTHORITY West Virginia Code §§ 33-2-10, 33-15-15 and 33-16C-9

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

THE ABOVE PROPOSED LEGISLATIVE RULE, FOLLOWING REVIEW BY THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE IS HEREBY MODIFIED AS A RESULT OF REVIEW AND COMMENT BY THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE. THE ATTACHED MODIFICATIONS ARE FILED WITH THE SECRETARY OF STATE.

Hanley C. Clark

Hanley C. Clark
Insurance Commissioner

3.20



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON
Governor

HANLEY C. CLARK
- Insurance Commissioner

January 15, 1993

HAND DELIVERED

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

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

JAN 15 2 07 PM '93

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Dear Ms. Cooper:

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

- (1) Notice of Rule Modification of a Proposed Rule;
and
- (2) The proposed rule entitled "Individual and Employer Group Minimum Benefits Accident and Sickness Insurance Policies" (Series 33).

Please contact me if further information is needed.

Very truly yours,

Linda Gay
Linda Gay
Associate Counsel

LG/sar
Enclosures

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. Severability

- 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

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**OFFICE OF WEST VIRGINIA
SECRETARY OF STATE**

114CSR33

**TITLE 114
LEGISLATIVE RULE
INSURANCE COMMISSIONER**

SERIES 33

**INDIVIDUAL AND EMPLOYER GROUP MINIMUM BENEFITS ACCIDENT AND
SICKNESS INSURANCE POLICIES**

§ 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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Title 114, Series 33

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. A minimum benefits accident and sickness insurance policy may contain provisions specifying that coverage under the policy is secondary to coverage provided under any other applicable health insurance policy or plan.

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

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

3.3.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

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

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

3.4. 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.

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

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3.5.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

3.5.b. A signed written statement acknowledging that he or she 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 each eligible employee to be covered under the minimum benefits policy, on the form prescribed in Appendix B:

3.6.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

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

3.7. 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:

3.7.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.

3.7.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. Severability

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



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JAN 20 2 06 PM '93

WEST VIRGINIA LEGISLATURE
LEGISLATIVE RULE-MAKING REVIEW COMMITTEE
Room M-152, State Capitol
Charleston, West Virginia 25305
(304) 340-3286

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

Senator William R. Wooton, Co-Chair
Delegate David Grubb, Co-Chair

Debra A. Graham, Counsel
~~Michael McThomas, Associate Counsel~~
Marie Nickerson, Admr. Assistant

NOTICE OF ACTION TAKEN BY LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

January 12, 1993

TO: Ken Hechler, Secretary of State, State Register
TO: Mr. Hanley C. Clark
Insurance Commissioner
2019 Washington Street, East
Charleston, WV 25305
FROM: Legislative Rule-Making Review Committee
PROPOSED RULE: Individual and Employer Group Minimum Benefits
Accident and Sickness Insurance Policies

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 X
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 rule be withdrawn; a statement of reasons for such recommendation is attached. _____

Pursuant to Code 29A-3-11(c), this notice has been filed in the State Register and with the agency proposing the rule.

cc: Linda Gay, Associate Counsel