Chapter Ins 25

MEDICARE SUPPLEMENT POLICY TRANSITION REQUIREMENTS

Note: Chapter Ins 25 was created as an emergency rule effective September 6, 1988.

Ins 25.01 General. (1) PURPOSE AND FINDINGS. The purpose of this chapter is to assure the orderly implementation and modification of Medicare supplement insurance benefits and premiums due to changes in the federal Medicare program brought about by P.L. 100-360; to provide for the reasonable standardization of the coverage, terms, and benefits of Medicare supplement policies; to facilitate public understanding of these policies; to eliminate provisions contained in these policies which may be misleading or confusing; to eliminate policy provisions which may duplicate Medicare benefits; to provide full disclosure of policy benefits and benefit changes; and to provide for premium refunds and credits associated with benefits duplicating Medicare program benefits. This chapter is issued pursuant to the authority vested in the commissioner under ss. 601.41 (3), 628.34 (12), 628.38, and 632.81, Stats.

(2) APPLICABILITY AND SCOPE. (a) This regulation shall take precedence over other rules and requirements relating to Medicare supplement policies only to the extent necessary to assure that benefits are not duplicated, that applicants receive adequate notice and disclosure of changes in Medicare supplement policies, that appropriate premium adjustments are made in a timely manner, and that premiums are reasonable in relation to benefits.

(b) Except as otherwise provided, this regulation shall apply to all Medicare supplement policies and certificates in force, delivered, issued in this state, or which are otherwise subject to the jurisdiction of this state on or after the effective date of this section.

History: Cr. Register January, 1989, No. 397, eff. 2-1-89.

Ins 25.02 Definitions (1) "Advertisement" has the meaning set forth in s. Ins. 3.27 (5) (a).

(2) "Applicant" means:

(a) A person who seeks to contract for insurance benefits under an individual Medicare supplement policy, and

(b) A proposed certificate holder under a group Medicare supplement policy.

(3) "Certificate" means a written summary of policy provisions issued to each group member under a group Medicare supplement policy.

(4) "Medicare" means the hospital (Part A) and medical (Part B) insurance program established by title XVIII of the federal social security act of 1965, as amended.

(5) "Medicare Supplement Policy" means a policy as defined in ss. 600.03 (28p) or 600.03 (28r).

History: Cr. Register January, 1989, No. 397, eff. 2-1-89.

Ins 25.03 Benefit conversion requirements. (1) Effective January 1, 1989, no Medicare supplement policy or certificate in force in this state shall contain benefits which duplicate benefits provided by Medicare.

(2) (a) On or before December 1 of 1988, 1989, and 1990, every insurer providing Medicare supplement policy coverage shall mail to its Medicare supplement policyholders and certificate holders a notice of modifications made to its Medicare supplement policies. The notice shall be in the format shown in Appendices 1, 2, and 3 and shall:

1. Describe revisions to the Medicare program and each modification made to the Medicare supplement policy;

2. Describe any premium adjustment due to changes in Medicare benefits;

3. Describe all benefit modifications and any premium adjustments in outline form and in clear and simple terms; and

4. Include an approved rider, endorsement, or policy form necessary to eliminate any benefit under the policy that duplicates benefits provided by Medicare.

5. Be printed in at least 10 point type.

(b) At the time of or in connection with the notice required under par. (a), no agent or insurer may solicit other insurance or make any modifications to an existing Medicare supplement policy except to the extent necessary to eliminate duplication of Medicare benefits or to make modifications necessary under the policy to provide an indexed benefit adjustment.

(c) No insurer may require any person covered under a Medicare supplement policy which was in force prior to January 1, 1989, to purchase additional coverage.

(d) Every insurer shall review premiums annually and, if necessary, adjust the premium to produce an expected loss ratio which conforms to the minimum loss ratio standards for each policy form and results in a loss ratio at least as great as that originally anticipated for each policy form. No insurer shall make any premium adjustment which would modify the loss ratio experience under the policy, other than the adjustments described in this section, at any time other than upon the renewal date of the policy. An insurer shall make premium adjustments in the form of refunds or premium credits. If a credit is given, it shall be given no later than upon renewal. If a refund is provided, it shall be given no later than 60 days after the next following renewal date.

(e) Prior to October 1 of 1988, 1989, and 1990, every insurer providing Medicare supplement coverage shall file with the commissioner:

1. Appropriate premium rate adjustments necessary to produce loss ratios as originally anticipated and required for the applicable policies. The submission shall be in the format of Appendix 4 and include support-

ing documents required under ch. 625, Stats., and s. Ins. 3.39 as necessary to justify the adjustment.

2. Any riders, endorsements, or policy forms needed to eliminate duplications of Medicare benefits. These filings shall utilize the procedures specified in s. Ins. 6.05 and provide a clear description of the changes to the policy.

History: Cr. Register January, 1989, No. 397, eff. 2-1-89.

Ins 25.04 Requirements for new policies and certificates. (1) On or after January 1, 1989, no insurer shall issue any Medicare supplement policy or certificate which provides benefits duplicated by Medicare. No Medicare supplement policy or certificate shall provide less benefits than those required under s. Ins. 3.39.

(2) Prior to marketing any Medicare supplement policy with an effective date after December 31, 1988, an insurer shall file and obtain approval for each Medicare supplement insurance policy form and outline of coverage.

(3) The filing required under sub. (2) shall provide for loss ratios which are in compliance with s. Ins. 3.39.

History: Cr. Register January, 1989, No. 397, eff. 2-1-89.

Ins. 25.05 Filing requirements for advertising. Prior to use in this state, every insurer shall file with the commissioner a copy of any advertisement used in connection with the sale of Medicare supplement policies issued with an effective date after December 31, 1988. Insurers shall submit the advertisements using forms specified in Appendices 5 and 6. The advertisements shall comply with all applicable laws of this state.

History: Cr. Register January, 1989, No. 397, eff. 2-1-89.

APPENDIX 1

NOTE: This form is to be used for the Medicare changes taking effect on January 1, 1989. Insurers providing Medicare replacement coverage should substitute the words "Medicare Replacement" for "Medicare Supplement."

(COMPANY NAME)

NOTICE OF CHANGES IN MEDICARE AND YOUR MEDICARE SUPPLEMENT INSURANCE - 1989

THIS NOTICE IS FOR INFORMATION ONLY. YOU NEED NOT DO ANYTHING.
YOUR INSURANCE COVERAGE WILL CONTINUE AS LONG AS YOU PAY YOUR PREMIUM.

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE ON JANUARY 1, 1989. ADDITIONAL CHANGES TO MEDICARE BENEFITS WILL OCCUR IN THE FOLLOWING YEARS. YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY (COMPANY NAME) WILL ALSO CHANGE. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE CHANGES TO MEDICARE AND TO YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ CAREFULLY!

SERVICES	MEDICARE BENEFITS		YOUR MEDICARE SUPPLEMENT COVERAGE	
MEDICARE PART A	In 1988, Medicare Pays Per Benefit Period	Effective January 1, 1989, Medicare Pays Per Calendar Year	Your 1988 Coverage Pays Per Benefit Period	Effective January 1, 1989, Your Policy Pays Per Calendar Year
HOSPITAL SERVICES AND SUPPLIES	First 60 days - All but $540 61st to 90th day - All but $135 a day 91st to 150th day - All but $270 a day Beyond 150th day - Nothing	Unlimited number of hospital days after $564 deductible		
SKILLED NURSING HOME	Requires a 3-day prior hospital stay and admission to the facility within 30 days after hospital discharge	There is no prior hospital stay required for this benefit		

First 20 days - 100% of costs	First 8 days - All but $( ) a day
21st through 100th day - All but $67.50 a day	9th through 150th day - 100% of costs
Beyond 100 days - Nothing	Beyond 150 days - Nothing

SERVICES	MEDICARE BENEFITS		YOUR MEDICARE SUPPLEMENT COVERAGE	
MEDICARE PART B	In 1988, Medicare Pays Per Calendar Year	Effective January 1, 1989, Medicare Pays Per Calendar Year	Your 1988 Coverage Pays Per Calendar Year	Effective January 1, 1989, Your Policy Pays Per Calendar Year
SERVICES AND SUPPLIES	80% of allowable charges after a $75 deductible	No change		

NOTE: Part B benefits and prescription drug benefits will change in 1990 and 1991. You will receive notices of these changes in December 1989 and December 1990.

(Describe any other coverage provisions which are changing due to Medicare modifications.)

(Include information about premium adjustments that may be necessary due to changes in Medicare benefits and how adjustments will be made.)

THIS CHART ONLY BRIEFLY SUMMARIZES THE CHANGES TO YOUR MEDICARE BENEFITS AND TO YOUR MEDICARE SUPPLEMENT POLICY PROVIDED BY (COMPANY). FOR INFORMATION ABOUT YOUR MEDICARE BENEFITS, CONTACT YOUR LOCAL SOCIAL SECURITY OFFICE.

FOR INFORMATION ABOUT YOUR MEDICARE SUPPLEMENT POLICY, CONTACT:

(COMPANY OR AGENT) (ADDRESS/PHONE NUMBER)

IF YOU STILL HAVE QUESTIONS CALL:

MEDIGAP HOTLINE
1-800-242-1060

THIS IS A STATEWIDE TOLL-FREE NUMBER SET UP BY THE WISCONSIN BOARD ON AGING AND LONG-TERM CARE AND THE OFFICE OF THE COMMISSIONER OF INSURANCE TO ANSWER QUESTIONS ABOUT HEALTH INSURANCE AND OTHER HEALTH CARE BENEFITS FOR THE ELDERLY. IT HAS NO CONNECTION WITH ANY INSURANCE COMPANY.

APPENDIX 2

NOTE: This form is to be used for the Medicare changes taking effect on January 1, 1990. Insurers providing Medicare replacement coverage should substitute the words "Medicare Replacement" for "Medicare Supplement."

(COMPANY NAME)

NOTICE OF CHANGES IN MEDICARE AND YOUR MEDICARE SUPPLEMENT INSURANCE - 1990

THIS NOTICE IS FOR INFORMATION ONLY. YOU NEED NOT DO ANYTHING. YOUR INSURANCE COVERAGE WILL CONTINUE AS LONG AS YOU PAY YOUR PREMIUM.

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE ON JANUARY 1, 1990. ADDITIONAL CHANGES TO MEDICARE BENEFITS WILL OCCUR IN THE FOLLOWING YEARS. YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY (COMPANY NAME) WILL ALSO CHANGE. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE CHANGES TO MEDICARE AND TO YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ CAREFULLY!

SERVICES	MEDICARE BENEFITS		YOUR MEDICARE SUPPLEMENT COVERAGE	
MEDICARE PART A	In 1989, Medicare Pays Per Calendar Year	Effective January 1, 1990, Medicare Pays Per Calendar Year	In 1989, Your Policy Pays Per Calendar Year	Effective January 1, 1990, Your Policy Pays Per Calendar Year
HOSPITAL SERVICES AND SUPPLIES	Unlimited number of hospital days after $564 deductible	No change except for $( ) deductible		
SKILLED NURSING CARE	No prior hospital stay required	No change		
	First 8 days - All but $( ) a day	No change except for $( ) deductible per day		
	9th through 150th day - 100% of costs	No change		
	Beyond 150 days - Nothing	No change		

SERVICES	MEDICARE BENEFITS		YOUR MEDICARE SUPPLEMENT COVERAGE	
MEDICARE PART B	In 1989, Medicare Pays Per Calendar Year	Effective January 1, 1990, Medicare Pays Per Calendar Year	In 1989, Your Policy Pays Per Calendar Year	Effective January 1, 1990, Your Policy Pays Per Calendar Year
SERVICES AND SUPPLIES	80% of allowable charges after a $75 deductible	80% of allowable charges after $75 deductible. After an annual Part B Medicare Catastrophic Limit of $1,370 is met, 100% of allowable charges for the remainder of the calendar year. Expenses that count toward the Part B Medicare Catastrophic Limit include the Part B deductible and copayment charges, and the blood deductible charges.		
OUTPATIENT PRESCRIPTION DRUGS	None except for 80% of immunosuppressive drugs within one year after an organ transplant	The same benefits plus, after a $550 calendar year deductible, 80% of allowable charges for home intravenous (IV) therapy drugs and 50% of allowable charges for immunosuppressive drugs after the first year		

NOTE: Part B benefits and prescription drug benefits will change in 1991. You will receive notices of these changes in December 1990.

(Describe any other coverage provisions which are changing due to Medicare modifications.)

(Include information about premium adjustments that may be necessary due to changes in Medicare benefits and how adjustments will be made.)

THIS CHART ONLY BRIEFLY SUMMARIZES THE CHANGES TO YOUR MEDICARE BENEFITS AND TO YOUR MEDICARE SUPPLEMENT POLICY PROVIDED BY (COMPANY). FOR INFORMATION ABOUT YOUR MEDICARE BENEFITS, CONTACT YOUR LOCAL SOCIAL SECURITY OFFICE.

FOR INFORMATION ABOUT YOUR MEDICARE SUPPLEMENT POLICY, CONTACT:

(COMPANY OR AGENT) (ADDRESS/PHONE NUMBER)

IF YOU STILL HAVE QUESTIONS CALL:

MEDIGAP HOTLINE
1-800-242-1060

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APPENDIX 3

NOTE: This form is to be used for the Medicare changes taking effect on January 1, 1991. Insurers providing Medicare replacement coverage should substitute the words "Medicare Replacement" for "Medicare Supplement."

(COMPANY NAME)

NOTICE ON CHANGES IN MEDICARE AND YOUR MEDICARE SUPPLEMENT INSURANCE - 1991

THIS NOTICE IS FOR INFORMATION ONLY. YOU NEED NOT DO ANYTHING.
YOUR INSURANCE COVERAGE WILL CONTINUE AS LONG AS YOU PAY YOUR PREMIUM.

YOUR HEALTH CARE BENEFITS PROVIDED BY THE FEDERAL MEDICARE PROGRAM WILL CHANGE ON JANUARY 1, 1991. ADDITIONAL CHANGES TO MEDICARE BENEFITS WILL OCCUR IN THE FOLLOWING YEARS. YOUR MEDICARE SUPPLEMENT COVERAGE PROVIDED BY (COMPANY NAME) WILL ALSO CHANGE. THE FOLLOWING OUTLINE BRIEFLY DESCRIBES THE CHANGES TO MEDICARE AND TO YOUR MEDICARE SUPPLEMENT COVERAGE. PLEASE READ CAREFULLY!

SERVICES	MEDICARE BENEFITS		YOUR MEDICARE SUPPLEMENT COVERAGE	
MEDICARE PART A	In 1990, Medicare Pays Per Calendar Year	Effective January 1, 1991, Medicare Pays Per Per Calendar Year	In 1990, Your Policy Pays Per Calendar Year	Effective January 1, 1991, Your Policy Pays Per Calendar Year
SERVICES AND SUPPLIES	Unlimited number of hospital days after $( ) deductible	No change except for $( ) deductible		
SKILLED NURSING CARE	No prior hospital stay required for this benefit	No change		
	First 8 days - All but $( ) deductible a day	No change except $( ) deductible a day		
	9th through 150th day - 100% of costs	No change		
	Beyond 150 days - Nothing			

SERVICES	MEDICARE BENEFITS		YOUR MEDICARE SUPPLEMENT COVERAGE	
MEDICARE PART B	In 1990, Medicare Pays Per Calendar Year	Effective January 1, 1991, Medicare Pays Per Calendar Year	In 1990, Your Policy Pays Per Calendar Year	Effective January 1, 1991, Your Policy Pays Per Calendar Year
SERVICES AND SUPPLIES	80% of allowable charges after a $75 deductible. After an annual Medicare Catastrophic Limit of $1370 is met, 100% of allowable charges for the remainder of the calendar year.	No change except the Medicare Catastrophic Limit in 1991 is $1990 and will be adjusted on an annual basis. Expenses that count toward the Part B Medicare Catastrophic Limit include the Part B deductible and copayment charges, and the blood deductible charge.		
OUTPATIENT PRESCRIPTION DRUGS (see note)	After a $550 calendar year deductible, 80% of allowable charges for home intravenous (IV) therapy drugs and 50% of allowable charges for immunosuppressive drugs	After a $600 calendar year deductible, 80% of allowable charges for home intravenous (IV) therapy drugs and 50% of allowable charges for all other outpatient prescription drugs and immunosuppressive drugs.		

NOTE: Prescription drug benefits will change in 1992 and 1993. In 1992, the calendar year deductible will increase to $652 and the 50% of allowable charges paid by Medicare for outpatient prescription drugs will increase to 60%. In 1993, coverage for outpatient prescription drugs is expected to increase to 80% of allowable charges and the deductible will be adjusted on an annual basis. Medicare will continue to pay 80% of allowable charges for immunosuppressive drugs within one year after an organ transplant.

(Describe any other coverage provisions which are changing due to Medicare modifications.)

(Include information about premium adjustments that may be necessary due to changes in Medicare benefits and how adjustments will be made.)

THIS CHART ONLY BRIEFLY SUMMARIZES THE CHANGES TO YOUR MEDICARE BENEFITS AND TO YOUR MEDICARE SUPPLEMENT POLICY PROVIDED BY (COMPANY). FOR INFORMATION ABOUT YOUR MEDICARE BENEFITS, CONTACT YOUR LOCAL SOCIAL SECURITY OFFICE.

FOR INFORMATION ABOUT YOUR MEDICARE SUPPLEMENT POLICY, CONTACT:

(COMPANY OR AGENT) (ADDRESS/PHONE NUMBER)

IF YOU STILL HAVE QUESTIONS CALL:

MEDIGAP HOTLINE
1-800-242-1060

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APPENDIX 4

STATE OF WISCONSIN
MEDICARE SUPPLEMENT TRANSITION RATE CHANGE FORM

1. Company Name _____

2. OCI #_ _-_ _ _ _ _ _ _-_

3. Contact Person _____

4. Phone (_ _ _) _ _ _-_ _ _ _ Ext. _ _ _ _

5. Policy Form #_____

6. Effective Date Rate Change: January 1, 19_ _

7. Policy Approval Date _ _/_ _/_ _ _ _

8. Total Overall Rate Change _ _ _._%

9. Method Used to Determine Rate Change
   - Actuarial ( )
   - Pure Judgmental ( )
   - Competitive ( )

10. Experience Used
    - Wisconsin ( )
    - Companywide ( )
    - Both ( )

11. Accumulated Experience to Date

	Earned Premiums	Incurred Losses	Loss Ratio
a. Wisconsin	$_____	$_____	_____%
b. Companywide	$_____	$_____	_____%

PLEASE REFER TO INSTRUCTIONS WHEN COMPLETING FORM. The instructions may be obtained from the Office of the Commissioner of Insurance.

APPENDIX 5

ADVERTISING
CERTIFICATE OF COMPLIANCE

I, _____ (name), an officer of _____ (company name) hereby certify that I have authority to bind and obligate the company by filing this (these) advertisement(s). I further certify that, to the best of my information, knowledge, and belief:

1. The accompanying advertisement(s) as identified by the attached listing comply(ies) with all applicable provisions of the Wisconsin Statutes and with all applicable administrative rules of the Commissioner of Insurance;

2. The advertisement(s) does (do) not contain any inconsistent, ambiguous, or misleading language;

3. The attached advertisement(s) is (are) in final printed format or typed facsimile and is (are) as will be used in Wisconsin.

t

_____
(signature)

_____
(title)

_____
(date)

Individual responsible for this filing:

Name: _____ Title: _____

Address: _____

Phone Number: _____ Date: _____

APPENDIX 6

Bureau of Market Regulation
OFFICE OF THE COMMISSIONER OF INSURANCE
P. O. Box 7873
Madison, Wisconsin 53707-7873

Ref. s. Ins 25.05, Wis. Adm. Code

ADVERTISING FORM TRANSMITTAL

PLEASE REFER TO INSTRUCTIONS WHEN COMPLETING FORM. The instructions may be obtained from the Insurance Commissioner's office at the above address.

1. Company OCI Number | | | - | | | | | | | | - | |

FOR OCI USE ONLY
2. Submission Number | | | | | | | |

3. Company Name and Mailing Address

4. Individual Responsible for This Filing

5. Telephone Number

6. Advertisement Title	7. Form Number [s. Ins 3.27 (26)]	8. Coverage Class (Numeric)	9. Code (Alpha)	10. Type of Advertising (Alpha)

(If more space is required, use additional forms.)

11. ☐ Certificate of Compliance - Ref. Ins 25.05

OCI 26-16 (08-88)