



## EXISTING ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

draft was more restrictive than the federal requirement regarding the ability of persons eligible for Medicare prior to 2020 to obtain the Part B medical deductible rider after January 1, 2020, as the benefits consumers may elect are tied to the date of their initial eligibility not the date they seek coverage through a supplemental product. The OCI has revised the rule to fully address this concern.

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9. Did the Agency consider any of the following Rule Modifications to reduce the Impact of the Rule on Small Businesses in lieu of repeal?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe: The rules change minimum necessary to retain regulatory jurisdiction over Medicare supplement products.

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10. Fund Sources Affected

- GPR    FED    PRO    PRS    SEG    SEG-S

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11. Chapter 20, Stats. Appropriations Affected

None

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12. Fiscal Effect of Repealing or Modifying the Rule

- No Fiscal Effect       Increase Existing Revenues       Increase Costs  
 Indeterminate       Decrease Existing Revenues       Could Absorb Within Agency's Budget  
 Decrease Cost

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13. Summary of Costs and Benefits of Repealing or Modifying the Rule

The proposed rule will not significantly impact the private sector. Insurers offering Medicare supplement policies (Medicare supplement, Medicare cost, and Medicare select policies) may incur costs associated with developing new Medicare supplement policies and marketing materials, mailing riders and explanatory materials to existing policyholders. However, these costs are offset by the insurers' ability to continue offering Medicare supplement policies to Wisconsin consumers. Further, removing the Part B medical deductible rider as an optional purchase will not adversely impact consumers, agents or insurers since the typical premium for Part B medical deductible rider closely approximates the actual deductible amount that for 2019 will be \$185.00.

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14. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No

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15. Long Range Implications of Repealing or Modifying the Rule

Wisconsin will retain the ability to regulate the Medicare supplement market and provide consumer protection.

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16. Compare With Approaches Being Used by Federal Government

Wisconsin is a waived state regarding the regulation of Medicare supplemental products. This rule will bring Wisconsin into compliance with federal requirements that will be implemented beginning January 1, 2020, for Medicare supplemental products. Wisconsin's Medicare supplement product structure is comprised of a base insurance product with seven riders. This is advantageous to both the insurer and the consumers as this system permits consumers to compare products on an equal basis to determine the best product to meet their insurance needs. Insurers are able to rely upon a consistent regulatory scheme that is stable with few changes since 1990.

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17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

All states are required to comply with the federal changes to Medicare supplement. The main difference for Wisconsin as compared to neighboring states is how Wisconsin has historically structured the supplemental products sold to Wisconsin consumers using a base product with riders.

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