

CR 85-176

STATE OF WISCONSIN  
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JAN 31 1986

DOUGLAS LA FOLLETTE  
SECRETARY OF STATE

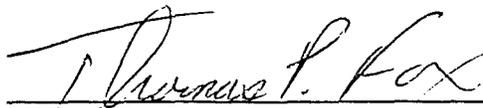
STATE OF WISCONSIN )  
 )  
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Thomas P. Fox, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order creating and amending a rule relating to procedures for disenrollment from Medicare replacement policies was issued by this office January 30, 1986.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have  
hereunto subscribed my name in the  
City of Madison, State of Wisconsin,  
this 31st day of January, 1986.

  
\_\_\_\_\_  
Thomas P. Fox  
Commissioner of Insurance

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*4:00 pm*  
Revisor of Statutes  
Bureau

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Revisor of Statutes  
Bureau

DOUGLAS LA FOLLETTE  
SECRETARY OF STATE

ORDER OF THE COMMISSIONER OF INSURANCE  
CREATING AND AMENDING RULES

To amend Ins 3.13 (2)(j) and to create Ins 3.13 (2)(jm) relating to  
procedures for disenrollment from Medicare replacement policies.

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ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

The purpose of this amendment is to exempt Medicare replacement policies as defined in s. 600.03 (28p), Stats., as created by 1985 Wisconsin Act 29, from the right of return provisions of s. 632.73 (2m), Stats., as amended by 1985 Wisconsin Act 29, and to create a procedure for permitting enrollees in Medicare replacement policies to disenroll at any time and receive a pro rata return of unused premium.

As of January 1, 1986, several health maintenance organizations in Wisconsin will begin to offer Medicare replacement policies to Wisconsin residents. Medicare replacement policies are marketed by federally qualified HMOs or federally certified competitive medical plans which have entered into an agreement with the federal health care financing administration (HCFA) to provide Medicare and other benefits on a direct risk basis. Because of the way HCFA handles enrollment and disenrollment, it is necessary to exempt these policies from the "free look" provisions which are currently in force and to create an alternate procedure.

Applying the 10 day or 30 day "free look" provisions in s. 632.73 (2m), Stats., to these policies could result in an enrollee inadvertently losing basic Medicare coverage or in unnecessary delays in obtaining coverage. The exemption and alternate procedure must be in effect when replacement policies are first offered in Wisconsin after January 1, 1986.

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Pursuant to the authority vested in the Commissioner of Insurance by ss. 601.41 (3) and 632.73 (2m), Stats., the Commissioner of Insurance hereby creates and amends rules interpreting s. 632.73 (2m), Stats.

SECTION 1. Ins 3.13 (2) (j) (intro.) is amended to read:

Ins 3.13 (2) (j) (intro.) The Except as provided in par. (jm), the provision or notice regarding the right to return the policy required by s. 632.73, Stats., shall:

SECTION 2. Ins 3.13 (2) (jm) is created to read:

Ins 3.13 (2) (jm) Medicare replacement policies as defined in s. 600.03 (28p), Stats., are exempt from the provisions of s. 632.73 (2m), Stats., and are subject to the following:

1. Medicare replacement policies shall permit members to disenroll at any time for any reason. Premiums paid for any period of the policy beyond the date of disenrollment shall be refunded to the member on a pro rata basis. A Medicare replacement policy shall include a written provision providing for the right to disenroll which shall:

a. Be printed on or attached to the first page of the policy,

b. Have the following caption or title: "RIGHT TO DISENROLL FROM PLAN".

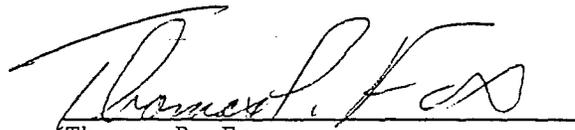
c. Include the following language or similar language approved by the commissioner:

You may disenroll from the plan at any time for any reason. However, it may take up to 60 days to return you to the regular Medicare program. Your disenrollment will become effective on the day you return to regular Medicare. You will be notified by the plan of the date on which your disenrollment becomes effective. The plan will return any unused premium to you on a pro rata basis.

2. The Medicare replacement policy may require requests for disenrollment to be in writing. Enrollees may not be required to give their reasons for disenrolling, or to consult with an agent or other representative of the insurer before disenrolling.

This rule shall take effect on the first day of the month following its publication in the administrative register as provided in s. 227.026 (1) (intro.), Stats.

Dated at Madison, Wisconsin, this 30<sup>th</sup> day of January, 1986.

  
Thomas P. Fox  
Commissioner of Insurance

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01/30/86



The State of Wisconsin  
Office of the Commissioner of Insurance

Thomas P. Fox  
Commissioner  
(608) 266-3585

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Revisor of Statutes  
Bureau

DATE: January 31, 1986  
TO: Gary Poulson  
FROM: M. E. Van Cleave  
Assistant Deputy Commissioner of Insurance  
SUBJECT: Ins 3.13, Clearinghouse No. 85-176

A handwritten signature in dark ink, appearing to be "M. E. Van Cleave", written over the typed name in the "FROM:" field.

Enclosed are two copies of an Order of the Commissioner of Insurance creating and amending Ins 3.13, Clearinghouse No. 85-176 relating to procedures for disenrollment from Medicare replacement policies.

MEV:LH:imk  
Enclosure  
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