

REPRINT
SUBSTITUTE FOR
SENATE BILL NO. 749

(As passed the Senate, March 12, 2002)
(As amended by the House, May 28, 2002)
(As amended by the Senate, July 9, 2002)

[A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
by amending sections 451, 455, 459, 461, 465, 469, and 479
(MCL 550.1451, 550.1455, 550.1459, 550.1461, 550.1465, 550.1469,
and 550.1479), as added by 1994 PA 40, and by adding sections 218, 480,
and 480a; and to repeal acts and parts of acts.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

[SEC. 218. A HEALTH CARE CORPORATION SHALL NOT DO ANY OF THE
FOLLOWING:

(A) TAKE ANY ACTION TO CHANGE ITS NONPROFIT STATUS.

(B) DISSOLVE. MERGE. CONSOLIDATE. MUTUALIZE. OR TAKE ANY OTHER
ACTION THAT RESULTS IN A CHANGE IN DIRECT OR INDIRECT CONTROL OF THE
HEALTH CARE CORPORATION OR SELL. TRANSFER. LEASE. EXCHANGE. OPTION,
OR CONVEY ASSETS THAT RESULTS IN A CHANGE IN DIRECT OR INDIRECT
CONTROL OF THE HEALTH CARE CORPORATION.]

1 Sec. 451. As used in this part:

2 (a) "Applicant" means:

3 (i) For a nongroup medicare supplement certificate, the
4 person who seeks to contract for benefits.

5 (ii) For a group medicare supplement certificate, the pro-
6 posed certificate holder.

7 (B) "BANKRUPTCY" MEANS WHEN A MEDICARE+CHOICE ORGANIZATION
8 THAT IS NOT AN INSURER HAS FILED, OR HAS HAD FILED AGAINST IT, A

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1 PETITION FOR DECLARATION OF BANKRUPTCY AND HAS CEASED DOING
2 BUSINESS IN THIS STATE.

3 (C) ~~(b)~~ "Certificate" means any certificate delivered or
4 issued for delivery in this state under a medicare supplement
5 certificate.

6 (D) ~~(c)~~ "Certificate form" means the form on which the
7 certificate is delivered or issued for delivery.

8 (E) "CONTINUOUS PERIOD OF CREDITABLE COVERAGE" MEANS THE
9 PERIOD DURING WHICH AN INDIVIDUAL WAS COVERED BY CREDITABLE COV-
10 ERAGE, IF DURING THE PERIOD OF THE COVERAGE THE INDIVIDUAL HAD NO
11 BREAKS IN COVERAGE GREATER THAN 63 DAYS.

12 (F) "CREDITABLE COVERAGE" MEANS COVERAGE OF AN INDIVIDUAL
13 PROVIDED UNDER ANY OF THE FOLLOWING:

14 (i) A GROUP HEALTH PLAN.

15 (ii) HEALTH INSURANCE COVERAGE.

16 (iii) PART A OR PART B OF MEDICARE.

17 (iv) MEDICAID OTHER THAN COVERAGE CONSISTING SOLELY OF BENE-
18 FITS UNDER SECTION 1928 OF MEDICAID, 42 U.S.C. 1396s.

19 (v) CHAPTER 55 OF TITLE 10 OF THE UNITED STATES CODE, 10
20 U.S.C. 1071 TO [1110].

21 (vi) A MEDICAL CARE PROGRAM OF THE INDIAN HEALTH SERVICE OR
22 OF A TRIBAL ORGANIZATION.

23 (vii) A STATE HEALTH BENEFITS RISK POOL.

24 (viii) A HEALTH PLAN OFFERED UNDER CHAPTER 89 OF TITLE 5 OF
25 THE UNITED STATES CODE, 5 U.S.C. 8901 TO 8914.

26 (ix) A PUBLIC HEALTH PLAN AS DEFINED IN FEDERAL REGULATION.

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1 (x) HEALTH CARE UNDER SECTION 5(e) OF TITLE I OF THE PEACE
2 CORPS ACT, PUBLIC LAW 87-293, 22 U.S.C. 2504.

3 (G) ~~(d)~~ "Direct response solicitation" means solicitation
4 in which a health care corporation representative does not con-
5 tact the applicant in person and explain the coverage available,
6 such as, but not limited to, solicitation through direct mail or
7 through advertisements in periodicals and other media.

8 (H) "EMPLOYEE WELFARE BENEFIT PLAN" MEANS A PLAN, FUND, OR
9 PROGRAM OF EMPLOYEE BENEFITS AS DEFINED IN SECTION 3 OF SUBTITLE
10 A OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF
11 1974, PUBLIC LAW 93-406, 29 U.S.C. 1002.

12 (I) "INSOLVENCY" MEANS WHEN AN INSURER LICENSED TO TRANSACT
13 THE BUSINESS OF INSURANCE IN THIS STATE HAS HAD A FINAL ORDER OF
14 LIQUIDATION ENTERED AGAINST IT WITH A FINDING OF INSOLVENCY BY A
15 COURT OF COMPETENT JURISDICTION IN THE INSURER'S STATE OF
16 DOMICILE.

17 (J) "INSURER" INCLUDES ANY ENTITY, INCLUDING A HEALTH CARE
18 CORPORATION, DELIVERING OR ISSUING FOR DELIVERY IN THIS STATE
19 MEDICARE SUPPLEMENT POLICIES.

20 (K) ~~(e)~~ "Medicaid" means title XIX of the social security
21 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to ~~1396f~~, and
22 ~~1396i to 1396u~~ 1396r-6 AND 1396r-8 TO 1396v.

23 (l) ~~(f)~~ "Medicare" means title XVIII of the social secur-
24 ity act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b,
25 1395b-2, ~~1395c to 1395i, 1395i-2 to 1395i-4, 1395j to 1395t,~~
26 ~~1395u to 1395w-2, and 1395w-4 to 1395ccc~~ 1395b-6 TO 1395b-7,
27 1395c TO 1395i, 1395i-2 TO 1395i-5, 1395j TO 1395t, 1395u TO

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1 1395w, 1395w-2 TO 1395w-4, 1395w-21 TO 1395w-28, 1395x TO 1395yy,
2 AND 1395bbb TO 1395ggg.

3 (M) "MEDICARE+CHOICE PLAN" MEANS A PLAN OF COVERAGE FOR
4 HEALTH BENEFITS UNDER MEDICARE PART C AS DEFINED IN SECTION 1859
5 OF PART C OF MEDICARE, 42 U.S.C. 1395w-28, AND INCLUDES ANY OF
6 THE FOLLOWING:

7 (i) COORDINATED CARE PLANS THAT PROVIDE HEALTH CARE SERV-
8 ICES, INCLUDING, BUT NOT LIMITED TO, HEALTH MAINTENANCE ORGANIZA-
9 TION PLANS WITH OR WITHOUT A POINT-OF-SERVICE OPTION, PLANS
10 OFFERED BY PROVIDER-SPONSORED ORGANIZATIONS, AND PREFERRED PRO-
11 VIDER ORGANIZATION PLANS.

12 (ii) MEDICAL SAVINGS ACCOUNT PLANS COUPLED WITH A CONTRIBU-
13 TION INTO A MEDICARE+CHOICE MEDICAL SAVINGS ACCOUNT.

14 (iii) MEDICARE+CHOICE PRIVATE FEE-FOR-SERVICE PLANS.

15 (N) ~~(g)~~ "Medicare supplement buyer's guide" means the doc-
16 ument entitled, "guide to health insurance for people with
17 medicare", developed by the national association of insurance
18 commissioners and the United States department of health and
19 human services or a substantially similar document as approved by
20 the commissioner.

21 (O) ~~(h)~~ "Medicare supplement certificate" means a nongroup
22 or group certificate that is advertised, marketed, or designed
23 primarily as a supplement to reimbursements under medicare for
24 the hospital, medical, or surgical expenses of persons eligible
25 for medicare and medicare select certificates under section 467.
26 Medicare supplement certificate does not include a certificate of
27 1 or more employers or labor organizations, or of the trustees of

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1 a fund established by 1 or more employers or labor organizations,
2 or both, for employees or former employees, or both, or for mem-
3 bers or former members, or both, of the labor organizations.

4 (P) "PACE" MEANS A PROGRAM OF ALL-INCLUSIVE CARE FOR THE
5 ELDERLY AS DESCRIBED IN THE SOCIAL SECURITY ACT.

6 (q) "Secretary" means the secretary of the United States
7 department of health and human services.

8 (r) "Social security act" means the social security act,
9 chapter 531, 49 Stat. 620.

10 Sec. 455. Every health care corporation issuing a medicare
11 supplement certificate in this state shall make available a medi-
12 care supplement certificate that includes only a basic core pack-
13 age of benefits to each prospective member. A health care corpo-
14 ration issuing a medicare supplement certificate in this state
15 may make available to prospective members benefits pursuant to
16 section 459 that are in addition to, but not instead of, the
17 basic core package. The basic core package of benefits shall
18 include all of the following:

19 (a) Coverage of part A medicare eligible expenses for hospi-
20 talization to the extent not covered by medicare from the 61st
21 day through the 90th day in any medicare benefit period.

22 (b) Coverage of part A medicare eligible expenses incurred
23 for hospitalization to the extent not covered by medicare for
24 each medicare lifetime inpatient reserve day used.

25 (c) Upon exhaustion of the medicare hospital inpatient cov-
26 erage including the lifetime reserve days, coverage of the
27 medicare part A eligible expenses for hospitalization paid at the

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1 diagnostic related group day outlier per diem or other
2 appropriate standard of payment, subject to a lifetime maximum
3 benefit of an additional 365 days.

4 (d) Coverage under medicare parts A and B for the reasonable
5 cost of the first 3 pints of blood or equivalent quantities of
6 packed red blood cells, as defined under federal regulations
7 unless replaced in accordance with federal regulations.

8 (e) Coverage for the coinsurance amount, OR THE COPAYMENT
9 AMOUNT PAID FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES UNDER A
10 PROSPECTIVE PAYMENT SYSTEM, of medicare eligible expenses under
11 part B regardless of hospital confinement, subject to the medi-
12 care part B deductible.

13 Sec. 459. (1) In addition to the basic core package of ben-
14 efits required under section 455, the following benefits may be
15 included in a medicare supplement certificate and if included
16 shall conform to section 461(5)(b) to (j):

17 (a) Medicare part A deductible: coverage for all of the
18 medicare part A inpatient hospital deductible amount per benefit
19 period.

20 (b) Skilled nursing facility care: coverage for the actual
21 billed charges up to the coinsurance amount from the 21st day
22 through the 100th day in a medicare benefit period for posthospi-
23 tal skilled nursing facility care eligible under medicare part
24 A.

25 (c) Medicare part B deductible: coverage for all of the
26 medicare part B deductible amount per calendar year regardless of
27 hospital confinement.

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1 (d) Eighty percent of the medicare part B excess charges:
2 coverage for 80% of the difference between the actual medicare
3 part B charge as billed, not to exceed any charge limitation
4 established by medicare or state law, and the medicare-approved
5 part B charge.

6 (e) One hundred percent of the medicare part B excess
7 charges: coverage for all of the difference between the actual
8 medicare part B charge as billed, not to exceed any charge limi-
9 tation established by medicare or state law, and the
10 medicare-approved part B charge.

11 (f) Basic outpatient prescription drug benefit: coverage
12 for 50% of outpatient prescription drug charges, after a \$250.00
13 calendar year deductible, to a maximum of \$1,250.00 in benefits
14 received by the member per calendar year, to the extent not cov-
15 ered by medicare.

16 (g) Extended outpatient prescription drug benefit: coverage
17 for 50% of outpatient prescription drug charges, after a \$250.00
18 calendar year deductible, to a maximum of \$3,000.00 in benefits
19 received by the member per calendar year, to the extent not cov-
20 ered by medicare.

21 (h) Medically necessary emergency care in a foreign
22 country: coverage to the extent not covered by medicare for 80%
23 of the billed charges for medicare-eligible expenses for medi-
24 cally necessary emergency hospital, physician, and medical care
25 received in a foreign country, which care would have been covered
26 by medicare if provided in the United States and which care began
27 during the first 60 consecutive days of each trip outside the

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1 United States, subject to a calendar year deductible of \$250.00,
2 and a lifetime maximum benefit of \$50,000.00. For purposes of
3 this benefit, "emergency care" means care needed immediately
4 because of an injury or an illness of sudden and unexpected
5 onset.

6 (i) Preventive medical care benefit: coverage for the fol-
7 lowing preventive health services:

8 (i) An annual clinical preventive medical history and physi-
9 cal examination that may include tests and services from
10 subparagraph (ii) and patient education to address preventive
11 health care measures.

12 (ii) Any 1 or a combination of the following preventive
13 screening tests or preventive services, the frequency of which is
14 considered medically appropriate:

15 (A) ~~Fecal occult blood test and digital~~ DIGITAL rectal
16 examination.

17 ~~(B) Mammogram.~~

18 (B) ~~(C)~~ Dipstick urinalysis for hematuria, bacteriuria,
19 and proteinuria.

20 (C) ~~(D)~~ Pure tone, air only, hearing screening test,
21 administered or ordered by a physician.

22 (D) ~~(E)~~ Serum cholesterol screening every 5 years.

23 (E) ~~(F)~~ Thyroid function test.

24 (F) ~~(G)~~ Diabetes screening.

25 (G) ~~(H) Influenza vaccine administered at any appropriate~~
26 ~~time during the year and tetanus~~ TETANUS and diphtheria booster
27 every 10 years.

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1 (H) ~~(I)~~ Any other tests or preventive measures determined
2 appropriate by the attending physician.

3 (j) At-home recovery benefit: coverage for services to pro-
4 vide short term, at-home assistance with activities of daily
5 living for those recovering from an illness, injury, or surgery.
6 At-home recovery services provided shall be primarily services
7 that assist in activities of daily living. The member's attend-
8 ing physician shall certify that the specific type and frequency
9 of at-home recovery services are necessary because of a condition
10 for which a home care plan of treatment was approved by
11 medicare. Coverage is excluded for home care visits paid for by
12 medicare or other government programs and care provided by family
13 members, unpaid volunteers, or providers who are not care
14 providers. Coverage is limited to:

15 (i) No more than the number of at-home recovery visits cer-
16 tified as necessary by the member's attending physician. The
17 total number of at-home recovery visits shall not exceed the
18 number of medicare approved home health care visits under a medi-
19 care approved home care plan of treatment.

20 (ii) The actual charges for each visit up to a maximum reim-
21 bursement of \$40.00 per visit.

22 (iii) One thousand six hundred dollars per calendar year.

23 (iv) Seven visits in any 1 week.

24 (v) Care furnished on a visiting basis in the member's
25 home.

26 (vi) Services provided by a care provider as defined in this
27 section.

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1 (vii) At-home recovery visits while the member is covered
2 under the certificate and not otherwise excluded.

3 (viii) At-home recovery visits received during the period
4 the member is receiving medicare approved home care services or
5 no more than 8 weeks after the service date of the last medicare
6 approved home health care visit.

7 (k) New or innovative benefits: a health care corporation
8 may, with the prior approval of the commissioner, offer new or
9 innovative benefits in addition to the benefits provided in a
10 certificate that otherwise complies with the applicable
11 standards. These benefits may include benefits that are appro-
12 priate to medicare supplement coverage, new or innovative, not
13 otherwise available, cost-effective, and offered in a manner that
14 is consistent with the goal of simplification of medicare supple-
15 ment certificates.

16 (2) Reimbursement for the preventive screening tests and
17 services under subsection (1)(i)(ii) shall be for the actual
18 charges up to 100% of the medicare-approved amount for each test
19 or service, as if medicare were to cover the test or service as
20 identified in the American medical association current procedural
21 terminology codes, to a maximum of \$120.00 annually under this
22 benefit. This benefit shall not include payment for any proce-
23 dure covered by medicare.

24 (3) As used in subsection (1)(j):

25 (a) "Activities of daily living" include, but are not
26 limited to, bathing, dressing, personal hygiene, transferring,

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1 eating, ambulating, assistance with drugs that are normally
2 self-administered, and changing bandages or other dressings.

3 (b) "Care provider" means a duly qualified or licensed home
4 health aide/homemaker, personal care aide, or nurse provided
5 through a licensed home health care agency or referred by a
6 licensed referral agency or licensed nurses registry.

7 (c) "Home" means any place used by the member as a place of
8 residence, provided that it qualifies as a residence for home
9 health care services covered by medicare. A hospital or skilled
10 nursing facility shall not be considered the member's home.

11 (d) "At-home recovery visit" means the period of a visit
12 required to provide at home recovery care, without limit on the
13 duration of the visit, except each consecutive 4 hours in a
14 24-hour period of services provided by a care provider is 1
15 visit.

16 Sec. 461. (1) A health care corporation shall make avail-
17 able to each prospective medicare supplement certificate holder a
18 certificate form containing only the basic core benefits as pro-
19 vided in section 455.

20 (2) Groups, packages, or combinations of medicare supplement
21 benefits other than those listed in this section shall not be
22 offered for sale in this state except as may be permitted in sec-
23 tion 459(1)(k).

24 (3) Benefit plans shall contain the appropriate a through j
25 designations, shall be uniform in structure, language, and format
26 to the standard benefit plans in subsection (5), and shall
27 conform to the definitions in this part. Each benefit shall be

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1 structured in accordance with sections 455 and 459 and list the
2 benefits in the order shown in subsection (5). For purposes of
3 this section, "structure, language, and format" means style,
4 arrangement, and overall content of a benefit.

5 (4) In addition to the benefit plan designations a through j
6 as provided under subsection (5), a health care corporation may
7 use other designations to the extent permitted by law.

8 (5) A medicare supplement benefit plan shall conform to 1 of
9 the following:

10 (a) A standardized medicare supplement benefit plan A shall
11 be limited to the basic core benefits common to all benefit plans
12 as defined in section 455.

13 (b) A standardized medicare supplement benefit plan B shall
14 include only the following: the core benefits as defined in sec-
15 tion 455 and the medicare part A deductible as defined in section
16 459(1)(a).

17 (c) A standardized medicare supplement benefit plan C shall
18 include only the following: the core benefits as defined in sec-
19 tion 455, the medicare part A deductible, skilled nursing facil-
20 ity care, medicare part B deductible, and medically necessary
21 emergency care in a foreign country as defined in section
22 459(1)(a), (b), (c), and (h).

23 (d) A standardized medicare supplement benefit plan D shall
24 include only the following: the core benefits as defined in sec-
25 tion 455, the medicare part A deductible, skilled nursing facil-
26 ity care, medically necessary emergency care in a foreign

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1 country, and the at-home recovery benefit as defined in section
2 459(1)(a), (b), (h), and (j).

3 (e) A standardized medicare supplement benefit plan E shall
4 include only the following: the core benefits as defined in sec-
5 tion 455, the medicare part A deductible, skilled nursing facil-
6 ity care, medically necessary emergency care in a foreign coun-
7 try, and preventive medical care as defined in section 459(1)(a),
8 (b), (h), and (i).

9 (f) A standardized medicare supplement benefit plan F shall
10 include only the following: the core benefits as defined in sec-
11 tion 455, the medicare part A deductible, skilled nursing facil-
12 ity care, medicare part B deductible, 100% of the medicare part B
13 excess charges, and medically necessary emergency care in a for-
14 eign country as defined in section 459(1)(a), (b), (c), (e), and
15 (h). A STANDARDIZED MEDICARE SUPPLEMENT PLAN F HIGH DEDUCTIBLE
16 SHALL INCLUDE ONLY THE FOLLOWING: 100% OF COVERED EXPENSES FOL-
17 LOWING THE PAYMENT OF THE ANNUAL HIGH DEDUCTIBLE PLAN F
18 DEDUCTIBLE. THE COVERED EXPENSES INCLUDE THE CORE BENEFITS AS
19 DEFINED IN SECTION 455, PLUS THE MEDICARE PART A DEDUCTIBLE,
20 SKILLED NURSING FACILITY CARE, THE MEDICARE PART B DEDUCTIBLE,
21 100% OF THE MEDICARE PART B EXCESS CHARGES, AND MEDICALLY NECES-
22 SARY EMERGENCY CARE IN A FOREIGN COUNTRY AS DEFINED IN SECTION
23 459(1)(A), (B), (C), (E), AND (H). THE ANNUAL HIGH DEDUCTIBLE
24 PLAN F DEDUCTIBLE SHALL CONSIST OF OUT-OF-POCKET EXPENSES, OTHER
25 THAN PREMIUMS, FOR SERVICES COVERED BY THE MEDICARE SUPPLEMENT
26 PLAN F CERTIFICATE, AND SHALL BE IN ADDITION TO ANY OTHER
27 SPECIFIC BENEFIT DEDUCTIBLES. THE ANNUAL HIGH DEDUCTIBLE PLAN F

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1 DEDUCTIBLE IS \$1,580.00 FOR CALENDAR YEAR 2001, AND THE SECRETARY
2 SHALL ADJUST IT ANNUALLY THEREAFTER TO REFLECT THE CHANGE IN THE
3 CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE 12-MONTH
4 PERIOD ENDING WITH AUGUST OF THE PRECEDING YEAR, ROUNDED TO THE
5 NEAREST MULTIPLE OF \$10.00.

6 (g) A standardized medicare supplement benefit plan G shall
7 include only the following: the core benefits as defined in sec-
8 tion 455, the medicare part A deductible, skilled nursing facil-
9 ity care, 80% of the medicare part B excess charges, medically
10 necessary emergency care in a foreign country, and the at-home
11 recovery benefit as defined in section 459(1)(a), (b), (d), (h),
12 and (j).

13 (h) A standardized medicare supplement benefit plan H shall
14 include only the following: the core benefits as defined in sec-
15 tion 455, the medicare part A deductible, skilled nursing facil-
16 ity care, basic outpatient prescription drug benefit, and medi-
17 cally necessary emergency care in a foreign country as defined in
18 section 459(1)(a), (b), (f), and (h).

19 (i) A standardized medicare supplement benefit plan I shall
20 include only the following: the core benefits as defined in sec-
21 tion 455, the medicare part A deductible, skilled nursing facil-
22 ity care, 100% of the medicare part B excess charges, basic out-
23 patient prescription drug benefit, medically necessary emergency
24 care in a foreign country, and at-home recovery benefit as
25 defined in section 459(1)(a), (b), (e), (f), (h), and (j).

26 (j) A standardized medicare supplement benefit plan J shall
27 include only the following: the core benefits as defined in

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1 section 455, the medicare part A deductible, skilled nursing
2 facility care, medicare part B deductible, 100% of the medicare
3 part B excess charges, extended outpatient prescription drug ben-
4 efit, medically necessary emergency care in a foreign country,
5 preventive medical care, and at-home recovery benefit as defined
6 in section 459(1)(a), (b), (c), (e), (g), (h), (i), and (j). A
7 STANDARDIZED MEDICARE SUPPLEMENT BENEFIT PLAN J HIGH DEDUCTIBLE
8 PLAN SHALL CONSIST OF ONLY THE FOLLOWING: 100% OF COVERED
9 EXPENSES FOLLOWING THE PAYMENT OF THE ANNUAL HIGH DEDUCTIBLE PLAN
10 J DEDUCTIBLE. THE COVERED EXPENSES INCLUDE THE CORE BENEFITS AS
11 DEFINED IN SECTION 455, PLUS THE MEDICARE PART A DEDUCTIBLE,
12 SKILLED NURSING FACILITY CARE, MEDICARE PART B DEDUCTIBLE, 100%
13 OF THE MEDICARE PART B EXCESS CHARGES, EXTENDED OUTPATIENT PRE-
14 SCRIPTIION DRUG BENEFIT, MEDICALLY NECESSARY EMERGENCY CARE IN A
15 FOREIGN COUNTRY, PREVENTIVE MEDICAL CARE BENEFIT AND AT-HOME
16 RECOVERY BENEFIT AS DEFINED IN SECTION 459(1)(A), (B), (C), (E),
17 (G), (H), (I), AND (J). THE ANNUAL HIGH DEDUCTIBLE PLAN J
18 DEDUCTIBLE SHALL CONSIST OF OUT-OF-POCKET EXPENSES, OTHER THAN
19 PREMIUMS, FOR SERVICES COVERED BY THE MEDICARE SUPPLEMENT PLAN J
20 CERTIFICATE, AND SHALL BE IN ADDITION TO ANY OTHER SPECIFIC BENE-
21 FIT DEDUCTIBLES. THE ANNUAL DEDUCTIBLE SHALL BE \$1,580.00 FOR
22 CALENDAR YEAR 2001, AND THE SECRETARY SHALL ADJUST IT ANNUALLY
23 THEREAFTER TO REFLECT THE CHANGE IN THE CONSUMER PRICE INDEX FOR
24 ALL URBAN CONSUMERS FOR THE 12-MONTH PERIOD ENDING WITH AUGUST OF
25 THE PRECEDING YEAR, ROUNDED TO THE NEAREST MULTIPLE OF \$10.00.

26 Sec. 465. (1) A health care corporation that offers a
27 medicare supplement certificate shall provide an outline of

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1 coverage to the applicant at the time of application and, except
2 for direct response solicitation certificates, shall obtain an
3 acknowledgment of receipt of the outline of coverage from the
4 applicant. The outline of coverage provided to applicants pursu-
5 ant to this section shall consist of the following 4 parts:

6 (a) A cover page.

7 (b) Premium information.

8 (c) Disclosure pages.

9 (d) Charts displaying the features of each benefit plan
10 offered by the health care corporation.

11 (2) If an outline of coverage is provided at the time of
12 application and the medicare supplement certificate is issued on
13 a basis that would require revision of the outline, a substitute
14 outline of coverage properly describing the certificate shall be
15 delivered with the certificate and contain the following state-
16 ment, in no less than 12-point type, immediately above the com-
17 pany name:

18 **NOTICE: READ THIS OUTLINE OF COVERAGE CAREFULLY. IT IS NOT**
19 **IDENTICAL TO THE OUTLINE OF COVERAGE PROVIDED UPON APPLICA-**
20 **TION AND THE COVERAGE ORIGINALLY APPLIED FOR HAS NOT BEEN**
21 **ISSUED.**

22 (3) An outline of coverage under subsection (1) ~~or (2)~~
23 shall be in the language and format prescribed in this section
24 and in not less than 12-point type. The A through J letter des-
25 ignation of the plan shall be shown on the cover page and the
26 plans offered by the health care corporation shall be prominently
27 identified. Premium information shall be shown on the cover page

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1 or immediately following the cover page and shall be prominently
2 displayed. The premium and method of payment shall be stated for
3 all plans that are offered to the applicant. All possible premi-
4 ums for the applicant shall be illustrated. The following items
5 shall be included in the outline of coverage in the order pre-
6 scribed below and in substantially the following form, as
7 approved by the commissioner:

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1 (Health Care Corporation Name)
 2 Medicare Supplement Coverage
 3 Outline of Medicare Supplement Coverage-Cover Page:
 4 Benefit Plan(s) _____ [insert letter(s) of plan(s) being offered]

5 Medicare supplement coverage can be sold in only 10 standard plans PLUS 2 HIGH DEDUCTIBLE
 6 PLANS. This chart shows the benefits included in each plan. Every health care corpora-
 7 tion shall make available Plan "A". Some plans may not be available in your state.

8 **BASIC BENEFITS:** Included in All Plans.

9 Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare
 10 benefits end.

11 Medical Expenses: Part B coinsurance (20% of Medicare-approved expenses) OR, FOR HOSPITAL
 12 OUTPATIENT DEPARTMENT SERVICES UNDER A PROSPECTIVE PAYMENT SYSTEM, APPLICABLE COPAYMENTS.

13 Blood: First three pints of blood each year.

	A	B	C	D	E	F	G	H	I	J
15 Basic Benefits	x	x	x	x	x	x	x	x	x	x
19 Skilled Nursing 20 Co-Insurance			x	x	x	x	x	x	x	x
22 Part A Deductible		x	x	x	x	x	x	x	x	x
24 Part B Deductible			x			x				x
26 Part B Excess						x 100%	x 80%		x 100%	x 100%
29 Foreign Travel 30 Emergency			x	x	x	x	x	x	x	x
32 At-Home Recovery				x			x		x	x
35 Drugs								x \$1,250 Limit	x \$1,250 Limit	x \$3,000 Limit
38 Preventive Care					x					x

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1 PREMIUM INFORMATION

2 We (insert health care corporation's name) can only raise
3 your premium if we raise the premium for all certificates like
4 yours in this state. (If the premium is based on the increasing
5 age of the member, include information specifying when premiums
6 will change).

7 DISCLOSURES

8 Use this outline to compare benefits and premiums among pol-
9 icies, certificates, and contracts.

10 READ YOUR POLICY VERY CAREFULLY

11 This is only an outline describing your certificate's most
12 important features. The certificate is your contract. You must
13 read the certificate itself to understand all of the rights and
14 duties of both you and your health care corporation.

15 RIGHT TO RETURN CERTIFICATE

16 If you find that you are not satisfied with your certifi-
17 cate, you may return it to (insert health care corporation's
18 address). If you send the certificate back to us within 30 days
19 after you receive it, we will treat the certificate as if it had
20 never been issued and return all of your payments.

21 CERTIFICATE REPLACEMENT

22 If you are replacing another health insurance policy, con-
23 tract, or certificate, do not cancel it until you have actually
24 received your new certificate and are sure you want to keep it.

25 NOTICE

26 This certificate may not fully cover all of your medical
27 costs.

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1 [For agent issued certificates]

2 Neither (insert health care corporation's name) nor its
3 agents are connected with medicare.

4 [For direct response issued certificates]

5 (Insert health care corporation's name) is not connected
6 with medicare.

7 This outline of coverage does not give all the details of medi-
8 care coverage. Contact your local social security office or con-
9 sult "the medicare handbook" for more details.

10 COMPLETE ANSWERS ARE VERY IMPORTANT

11 When you fill out the application for the new certificate,
12 be sure to answer truthfully and completely all questions about
13 your medical and health history. The company may cancel your
14 certificate and refuse to pay any claims if you leave out or fal-
15 sify important medical information. [If the certificate is guar-
16 anteed issue, this paragraph need not appear.]

17 Review the application carefully before you sign it. Be
18 Certain that all information has been properly recorded.

19 [Include for each plan offered by the health care corpora-
20 tion a chart showing the services, medicare payments, plan pay-
21 ments, and member payments using the same language, in the same
22 order, and using uniform layout and format as shown in the charts
23 that follow. A health care corporation may use additional bene-
24 fit plan designations on these charts pursuant to
25 section 461(4). Include an explanation of any innovative bene-
26 fits on the cover page and in the chart, in a manner approved by
27 the commissioner. The health care corporation issuing the

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- 1 certificate shall change the dollar amounts each year to reflect
- 2 current figures. No more than 4 plans may be shown on 1 chart.]
- 3 Charts for each plan are as follows:

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SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
PLAN A			
MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD			
*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.			
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but -\$628- \$792	\$0	-\$628- \$792 (Part A Deductible)
61st thru 90th day	All but -\$157- \$198	-\$157- \$198	\$0
91st day and after:			
--While using 60 lifetime reserve days	All but -\$314- \$396	-\$314- \$396	\$0
--Once lifetime reserve days are used:			
--Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0
--Beyond the Additional 365 days	\$0	\$0	All Costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but -\$78.50- \$99 a day	\$0	Up to -\$78.50- \$99 a day
101st day and after	\$0	\$0	All costs

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23

1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respite care		
14				

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24

1
 2 PLAN A
 3 MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR
 4 *Once you have been billed \$100 of Medicare-Approved amounts for covered
 5 services (which are noted with an asterisk), your Part B Deductible will
 6 have been met for the calendar year.

7 8 9	SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	\$0 80% (Generally) \$0	\$0 20% (Generally) \$0	\$100 (Part B Deductible) \$0 All Costs
30 31 32 33 34 35 36 37 38	BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All Costs \$0 20%	\$0 \$100 (Part B Deductible) \$0
39 40 41 42 43	CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$0	\$100 (Part B
14				Deductible)
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17				

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SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<p>1 PLAN B</p> <p>2 MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD</p> <p>3 *A benefit period begins on the first day you receive service as an inpa-</p> <p>4 tient in a hospital and ends after you have been out of the hospital and</p> <p>5 have not received skilled care in any other facility for 60 days in a</p> <p>6 row.</p>			
<p>12 HOSPITALIZATION*</p> <p>13 Semiprivate room and board,</p> <p>14 general nursing and mis-</p> <p>15 cellaneous services and</p> <p>16 supplies</p>	<p>17 All but -\$628- \$792</p>	<p>17 -\$628- \$792</p> <p>18 (Part A</p> <p>19 Deductible)</p>	<p>17 \$0</p>
<p>20 61st thru 90th day</p>	<p>20 All but -\$157- \$198</p>	<p>20 -\$157- \$198</p>	<p>20 \$0</p>
<p>21 91st day and after</p> <p>22 --While using 60 lifetime</p> <p>23 reserve days</p>	<p>24 All but -\$314- \$396</p>	<p>24 -\$314- \$396</p>	<p>24 \$0</p>
<p>26 --Once lifetime reserve</p> <p>27 days are used:</p> <p>28 --Additional 365 days</p>	<p>28 \$0</p>	<p>28 100% of</p> <p>29 Medicare</p> <p>30 Eligible</p> <p>31 Expenses</p>	<p>28 \$0</p>
<p>32 --Beyond the</p> <p>33 Additional 365 days</p>	<p>33 \$0</p>	<p>33 \$0</p>	<p>33 All Costs</p>
<p>36 SKILLED NURSING FACILITY</p> <p>37 CARE*</p> <p>38 You must meet Medicare's</p> <p>39 requirements, including</p> <p>40 having been in a hospital</p> <p>41 for at least 3 days and</p> <p>42 entered a Medicare-approved</p> <p>43 facility within 30 days</p> <p>44 after leaving the hospital</p>	<p>45 All approved</p> <p>46 amounts</p>	<p>46 \$0</p>	<p>46 \$0</p>
<p>47 21st thru 100th day</p>	<p>47 All but -\$78.50-</p> <p>48 \$99 a day</p>	<p>47 \$0</p>	<p>47 Up to</p> <p>48 -\$78.50- \$99</p> <p>49 a day</p>
<p>50 101st day and after</p>	<p>50 \$0</p>	<p>50 \$0</p>	<p>50 All costs</p>

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1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respite care		
14				

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1
 2 PLAN B
 3 MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR
 4 *Once you have been billed \$100 of Medicare-Approved amounts for covered
 5 services (which are noted with an asterisk), your Part B Deductible will
 6 have been met for the calendar year.

7 8 9	SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	\$0 80% (Generally) \$0	\$0 20% (Generally) \$0	\$100 (Part B Deductible) \$0 All Costs
30 31 32 33 34 35 36 37 38	BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All Costs \$0 20%	\$0 \$100 (Part B Deductible) \$0
39 40 41 42 43	CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$0	\$100 (Part B
14				Deductible)
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17				

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PLAN C

MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but -\$628- \$792	-\$628- \$792 (Part A Deductible)	\$0
61st thru 90th day	All but -\$157- \$198	-\$157- \$198 a day	\$0
91st day and after --While using 60 lifetime reserve days	All but -\$314- \$396	-\$314- \$396 a day	\$0
--Once lifetime reserve days are used: --Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0
--Beyond the Additional 365 days	\$0	\$0	All Costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but -\$78.50- \$99 a day	Up to -\$78.50- \$99 a day	\$0
101st day and after	\$0	\$0	All costs

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31

1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respite care		
14				

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1
 2 PLAN C
 3 MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR
 4 *Once you have been billed \$100 of Medicare-Approved amounts for covered
 5 services (which are noted with an asterisk), your Part B Deductible will
 6 have been met for the calendar year.

7 8 9	SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	\$0 80% (Generally) \$0	\$100 (Part B Deductible) 20% (Generally) \$0	\$0 \$0 All Costs
30 31 32 33 34 35 36 37 38	BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All Costs \$100 (Part B Deductible) 20%	\$0 \$0 \$0
39 40 41 42 43	CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$100 (Part B	\$0
14			Deductible)	
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17				
18				
19	OTHER BENEFITS--NOT COVERED BY MEDICARE			
20				
21				
22	FOREIGN TRAVEL--NOT			
23	COVERED BY MEDICARE			
24	Medically necessary emer-			
25	gency care services begin-			
26	ning during the first 60			
27	days of each trip			
28	outside the USA			
29	First \$250 each			
30	calendar year	\$0	\$0	\$250
31	Remainder of charges	\$0	80% to a life-	20% and
32			time maximum	amounts over
33			benefit of	the \$50,000
34			\$50,000	lifetime
35				maximum
36				

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SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
PLAN D			
MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD			
*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.			
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but -\$628- \$792	-\$628- \$792 (Part A Deductible)	\$0
61st thru 90th day	All but -\$157- \$198	-\$157- \$198 a day	\$0
91st day and after			
--While using 60 lifetime reserve days	All but -\$314- \$396	-\$314- \$396 a day	\$0
--Once lifetime reserve days are used:			
--Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0
--Beyond the Additional 365 days	\$0	\$0	All Costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but -\$78.50- \$99 a day	Up to -\$78.50- \$99 a day	\$0
101st day and after	\$0	\$0	All costs

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35

1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respite care		
14				

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PLAN D

MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80% (Generally)	20% (Generally)	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD First 3 pints	\$0	All Costs	\$0
Next \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$0	\$100 (Part B
14				Deductible)
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17	AT-HOME RECOVERY SERV-			
18	VICES--NOT COVERED BY			
19	MEDICARE			
20	Home care certi-			
21	fied by your doctor, for			
22	personal care during			
23	recovery from an injury			
24	or sickness for which			
25	Medicare approved a Home			
26	Care Treatment Plan			
27	--Benefit for each visit	\$0	Actual Charges	Balance
28			to \$40 a visit	
29	--Number of visits			
30	covered (must be			
31	received within 8			
32	weeks of last Medi-			
33	care Approved visit)	\$0	Up to the num-	
34			ber of Medicare	
35			Approved	
36			visits, not to	
37			exceed 7 each	
38			week	
39	--Calendar year maximum	\$0	\$1,600	
40				

41

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OTHER BENEFITS--NOT COVERED BY MEDICARE			
1			
2			
3			
4	FOREIGN TRAVEL--NOT		
5	COVERED BY MEDICARE		
6	Medically necessary emer-		
7	gency care services		
8	beginning during the		
9	first 60 days of each		
10	trip outside the USA		
11	First \$250 each		
12	calendar year	\$0	\$0
13	Remainder of charges	\$0	\$250
14			80% to a life-
15			time maximum
16			benefit of
17			\$50,000
18			20% and amounts over the \$50,000 lifetime maximum

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PLAN E

MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but -\$628- \$792	-\$628- \$792 (Part A Deductible)	\$0
61st thru 90th day	All but -\$157- \$198	-\$157- \$198 a day	\$0
91st day and after --While using 60 lifetime reserve days	All but -\$314- \$396	-\$314- \$396 a day	\$0
--Once lifetime reserve days are used: --Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0
--Beyond the Additional 365 days	\$0	\$0	All Costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but -\$78.50- \$99 a day	Up to -\$78.50- \$99 a day	\$0
101st day and after	\$0	\$0	All costs

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40

1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respite care		
14				

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PLAN E

MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80% (Generally)	20% (Generally)	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD First 3 pints	\$0	All Costs	\$0
Next \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$0	\$100 (Part B
14				Deductible)
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17				
18				
19				
20	OTHER BENEFITS--NOT COVERED BY MEDICARE			
21				
22				
23	FOREIGN TRAVEL--			
24	NOT COVERED BY MEDICARE			
25	Medically necessary emer-			
26	gency care services			
27	beginning during the first			
28	60 days of each trip			
29	outside the USA			
30	First \$250 each			
31	calendar year	\$0	\$0	\$250
32	Remainder of Charges	\$0	80% to a life-	20% and
33			time maximum	amounts over
34			benefit of	the \$50,000
35			\$50,000	lifetime
36				maximum
37				
38				
39	PREVENTIVE MEDICAL CARE			
40	BENEFIT--NOT COVERED			
41	BY MEDICARE			
42	Annual physical and preven-			
43	tive tests and services			
44	such as: fecal occult			
45	blood test, digital			
46	rectal exam, mammogram,			
47	hearing screening, dipstick			
48	urinalysis, diabetes			
49	screening, thyroid func-			
50	tion test, influenza shot,			
51	tetanus and diphtheria			
52	booster and education,			

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1	administered or ordered			
2	by your doctor when not			
3	covered by Medicare			
4	First \$120 each			
5	calendar year	\$0	\$120	\$0
6	Additional charges	\$0	\$0	All Costs
7				

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1 PLAN F OR HIGH DEDUCTIBLE PLAN F
 2 MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD
 3 *A benefit period begins on the first day you receive service as an inpa-
 4 tient in a hospital and ends after you have been out of the hospital and
 5 have not received skilled care in any other facility for 60 days in a
 6 row.
 7 **THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS
 8 PLAN F AFTER YOU HAVE PAID A CALENDAR YEAR (\$1,580) DEDUCTIBLE. BENEFITS
 9 FROM THE HIGH DEDUCTIBLE PLAN F WILL NOT BEGIN UNTIL OUT-OF-POCKET
 10 EXPENSES ARE \$1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE
 11 EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES
 12 MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE
 13 PLAN'S SEPARATE FOREIGN TRAVEL EMERGENCY DEDUCTIBLE.

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1,580 DEDUCTIBLE**, PLAN PAYS	IN ADDITION TO \$1,580 DEDUCTIBLE**, YOU PAY
22 HOSPITALIZATION*			
23 Semiprivate room and board, 24 general nursing and mis- 25 cellaneous services and 26 supplies			
27 First 60 days	All but -\$628- \$792	-\$628- \$792 (Part A Deductible)	\$0
30 61st thru 90th day	All but -\$157- \$198 a day	-\$157- \$198 a day	\$0
32 91st day and after 33 --While using 60 lifetime 34 reserve days	All but -\$314- \$396 a day	-\$314- \$396 a day	\$0
36 --Once lifetime reserve 37 days are used:			
38 --Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0
42 --Beyond the 43 Additional 365 days	\$0	\$0	All Costs
46 SKILLED NURSING FACILITY 47 CARE*			
48 You must meet Medicare's 49 requirements, including 50 having been in a hospital 51 for at least 3 days and 52 entered a Medicare-approved			

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1	facility within 30 days			
2	after leaving the hospital			
3	First 20 days	All approved	\$0	\$0
4		amounts		
5	21st thru 100th day	All but	Up to	\$0
6		\$78.50 \$99	\$78.50	
7		a day	\$99 a day	
8	101st day and after	\$0	\$0	All costs
9				
10				
11	BLOOD			
12	First 3 pints	\$0	3 pints	\$0
13	Additional amounts	100%	\$0	\$0
14				
15				
16	HOSPICE CARE			
17	Available as long as your	All but very	\$0	Balance
18	doctor certifies you are	limited coinsurance		
19	terminally ill and you	for outpatient		
20	elect to receive these	drugs and inpatient		
21	services	respite care		
22				

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1 PLAN F
 2 MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR
 3 *Once you have been billed \$100 of Medicare-Approved amounts for covered
 4 services (which are noted with an asterisk), your Part B Deductible will
 5 have been met for the calendar year.
 6 **THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS
 7 PLAN F AFTER YOU HAVE PAID A CALENDAR YEAR (\$1,580) DEDUCTIBLE. BENEFITS
 8 FROM THE HIGH DEDUCTIBLE PLAN F WILL NOT BEGIN UNTIL OUT-OF-POCKET
 9 EXPENSES ARE \$1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE
 10 EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES
 11 MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE
 12 PLAN'S SEPARATE FOREIGN TRAVEL EMERGENCY DEDUCTIBLE.
 13

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1,580 DEDUCTIBLE**, PLAN PAYS	IN ADDITION TO \$1,580 DEDUCTIBLE**, YOU PAY
21 MEDICAL EXPENSES-- 22 IN OR OUT OF THE HOSPITAL 23 AND OUTPATIENT HOSPITAL 24 TREATMENT, such as Physi- 25 cian's services, inpatient 26 and outpatient medical and 27 surgical services and sup- 28 plies, physical and speech 29 therapy, diagnostic tests, 30 durable medical equipment, 31 First \$100 of Medicare 32 Approved Amounts* 33 34 Remainder of Medicare 35 Approved Amounts 36 Part B Excess Charges 37 (Above Medicare 38 Approved Amounts) 39	\$0 80% (Generally) \$0	\$100 (Part B Deductible) 20% (Generally) 100%	\$0 \$0 \$0
40 BLOOD 41 First 3 pints 42 Next \$100 of Medicare 43 Approved Amounts* 44 45 Remainder of Medicare 46 Approved Amounts 47	\$0 \$0 80%	All Costs \$100 (Part B Deductible) 20%	\$0 \$0 \$0

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1	_____		
2			
3	CLINICAL LABORATORY		
4	SERVICES--BLOOD TESTS	100%	\$0
5	FOR DIAGNOSTIC SERVICES		\$0
6	_____		

7 (continued)

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$100 (Part B	\$0
14			Deductible)	
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17				
18				
19	OTHER BENEFITS--NOT COVERED BY MEDICARE			
20				
21				
22	FOREIGN TRAVEL--NOT			
23	COVERED BY MEDICARE			
24	Medically necessary emer-			
25	gency care services begin-			
26	ning during the first 60			
27	days of each trip			
28	outside the USA			
29	First \$250 each			
30	calendar year	\$0	\$0	\$250
31	Remainder of charges	\$0	80% to a life-	20% and
32			time maximum	amounts over
33			benefit of	the \$50,000
34			\$50,000	lifetime
35				maximum
36				

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1
 2 PLAN G
 3 MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD
 4 *A benefit period begins on the first day you receive service as an inpa-
 5 tient in a hospital and ends after you have been out of the hospital and
 6 have not received skilled care in any other facility for 60 days in a
 7 row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
12 HOSPITALIZATION* 13 Semiprivate room and board, 14 general nursing and mis- 15 cellaneous services and 16 supplies 17 First 60 days 18 19 61st thru 90th day 20 21 91st day and after 22 --While using 60 lifetime 23 reserve days 24 25 --Once lifetime reserve 26 days are used: 27 --Additional 365 days 28 29 30 31 32 --Beyond the 33 Additional 365 days 34	All but -\$628 \$792 All but -\$157 \$198 a day All but -\$314 \$396 a day \$0 \$0	-\$628 \$792 (Part A Deductible) -\$157 \$198 a day -\$314 \$396 a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 \$0 All Costs
35 SKILLED NURSING FACILITY 36 CARE* 37 You must meet Medicare's 38 requirements, including 39 having been in a hospital 40 for at least 3 days and 41 entered a Medicare-approved 42 facility within 30 days 43 after leaving the hospital 44 45 First 20 days 46 47 21st thru 100th day 48 49 101st day and after 50	All approved amounts All but -\$78.50 \$99 a day \$0	\$0 Up to -\$78.50 \$99 a day \$0	\$0 \$0 All costs

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1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respite care		
14				

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PLAN G

MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	80% (Generally)	20% (Generally)	\$0
	\$0	80%	20%
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts*	\$0	All Costs	\$0
Remainder of Medicare Approved Amounts	\$0	\$0	\$100 (Part B Deductible)
	80%	20%	\$0
CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$0	\$100 (Part B
14				Deductible)
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17	AT-HOME RECOVERY SERV-			
18	VICES--NOT COVERED BY			
19	MEDICARE			
20	Home care certi-			
21	fied by your doctor, for			
22	personal care during			
23	recovery from an injury			
24	or sickness for which			
25	Medicare approved a Home			
26	Care Treatment Plan			
27	--Benefit for each visit	\$0	Actual Charges	
28			to \$40 a visit	Balance
29	--Number of visits			
30	covered (must be			
31	received within 8			
32	weeks of last Medi-			
33	care Approved visit)	\$0	Up to the num-	
34			ber of Medicare	
35			Approved	
36			visits, not to	
37			exceed 7 each	
38			week	
39	--Calendar year maximum	\$0	\$1,600	
40				

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OTHER BENEFITS--NOT COVERED BY MEDICARE			
1			
2			
3			
4	FOREIGN TRAVEL--NOT		
5	COVERED BY MEDICARE		
6	Medically necessary emer-		
7	gency care services		
8	beginning during the		
9	first 60 days of each		
10	trip outside the USA		
11	First \$250 each		
12	calendar year	\$0	\$0
13	Remainder of charges	\$0	\$250
14			20% and
15			amounts over
16			the \$50,000
17			lifetime
18			maximum

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1
2 PLAN H
3 MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD
4 *A benefit period begins on the first day you receive service as an inpa-
5 tient in a hospital and ends after you have been out of the hospital and
6 have not received skilled care in any other facility for 60 days in a
7 row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and mis- cellaneous services and supplies			
First 60 days	All but -\$628- \$792	-\$628- \$792 (Part A Deductible)	\$0
61st thru 90th day	All but -\$157- \$198 a day	-\$157- \$198 a day	\$0
91st day and after --While using 60 lifetime reserve days	All but -\$314- \$396 a day	-\$314- \$396 a day	\$0
--Once lifetime reserve days are used: --Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0
--Beyond the Additional 365 days	\$0	\$0	All Costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but -\$78.50- \$99 a day	Up to -\$78.50- \$99 a day	\$0
101st day and after	\$0	\$0	All costs

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1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respice care		
14				

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PLAN H
 MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80% (Generally)	20% (Generally)	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD First 3 pints	\$0	All Costs	\$0
Next \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$0	\$100 (Part B
14				Deductible)
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17				
18				
19				
20	OTHER BENEFITS--NOT COVERED BY MEDICARE			
21				
22				
23	FOREIGN TRAVEL--			
24	NOT COVERED BY MEDICARE			
25	Medically necessary emer-			
26	gency care services			
27	beginning during the first			
28	60 days of each trip			
29	outside the USA			
30	First \$250 each			
31	calendar year	\$0	\$0	\$250
32	Remainder of Charges	\$0	80% to a life-	20% and
33			time maximum	amounts over
34			benefit of	the \$50,000
35			\$50,000	lifetime
36				maximum
37				
38				
39	BASIC OUTPATIENT PRE-			
40	SCRIPTION DRUGS--NOT			
41	COVERED BY MEDICARE			
42	First \$250 each			
43	calendar year	\$0	\$0	\$250
44	Next \$2,500 each			
45	calendar year	\$0	50--\$1,250	50%
46			calendar year	
47			maximum benefit	
48	Over \$2,500 each			
49	calendar year	\$0	\$0	All Costs
50				

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PLAN I

MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but -\$628- \$792	-\$628- \$792 (Part A Deductible)	\$0
61st thru 90th day	All but -\$157- \$198	-\$157- \$198 a day	\$0
91st day and after			
--While using 60 lifetime reserve days	All but -\$314- \$396	-\$314- \$396 a day	\$0
--Once lifetime reserve days are used:			
--Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0
--Beyond the Additional 365 days	\$0	\$0	All Costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but -\$78.50- \$99 a day	Up to -\$78.50- \$99 a day	\$0
101st day and after	\$0	\$0	All costs

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1				
2				
3	BLOOD			
4	First 3 pints	\$0	3 pints	\$0
5	Additional amounts	100%	\$0	\$0
6				
7				
8	HOSPICE CARE			
9	Available as long as your	All but very	\$0	Balance
10	doctor certifies you are	limited coinsurance		
11	terminally ill and you	for outpatient		
12	elect to receive these	drugs and inpatient		
13	services	respite care		
14				

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1
 2 PLAN I
 3 MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR
 4 *Once you have been billed \$100 of Medicare-Approved amounts for covered
 5 services (which are noted with an asterisk), your Part B Deductible will
 6 have been met for the calendar year.

7 8 9	SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physi- cian's services, inpatient and outpatient medical and surgical services and sup- plies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	\$0 80% (Generally) \$0	\$0 20% (Generally) 100%	\$100 (Part B Deductible) \$0 \$0
30 31 32 33 34 35 36 37 38	BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All Costs \$0 20%	\$0 \$100 (Part B Deductible) \$0
39 40 41 42 43	CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$0	\$100 (Part B
14				Deductible)
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17	AT-HOME RECOVERY			
18	SERVICES--NOT COVERED			
19	BY MEDICARE			
20	Home care certified by			
21	your doctor, for personal			
22	care during recovery from			
23	an injury or sickness			
24	for which Medicare approved			
25	a Home Care Treatment Plan			Balance
26	--Benefit for each visit	\$0	Actual Charges	
27			to \$40 a visit	
28	--Number of visits cov-	\$0	Up to the num-	
29	ered (must be received		ber of Medicare	
30	within 8 weeks of last		Approved	
31	Medicare Approved		visits, not to	
32	visit)		exceed 7 each	
33			week	
34	--Calendar year maximum	\$0	\$1,600	
35				

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OTHER BENEFITS--NOT COVERED BY MEDICARE			
1 2 3			
4 FOREIGN TRAVEL--NOT 5 COVERED BY MEDICARE 6 Medically necessary emer- 7 gency care services begin- 8 ning during the first 60 9 days of each trip outside 10 the USA			
11 First \$250 each calen- 12 dar year	\$0	\$0	\$250
13 Remainder of Charges*	\$0	80% to a life- 14 time maximum 15 benefit of 16 \$50,000	20% and 17 amounts over 18 the \$50,000 19 lifetime 20 maximum
21 BASIC OUTPATIENT PRE- 22 SCRIPTON DRUGS--NOT 23 COVERED BY MEDICARE			
24 First \$250 each calendar 25 year	\$0	\$0	\$250
26 Next \$2,500 each calendar 27 year	\$0	50%--\$1,250 28 calendar year 29 maximum 30 benefit	50%
31 Over \$2,500 each calendar year	\$0	\$0	All Costs

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1 PLAN J OR HIGH DEDUCTIBLE PLAN J
 2 MEDICARE (PART A)--HOSPITAL SERVICES--PER BENEFIT PERIOD
 3 *A benefit period begins on the first day you receive service as an inpa-
 4 tient in a hospital and ends after you have been out of the hospital and
 5 have not received skilled care in any other facility for 60 days in a
 6 row.
 7 **THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS
 8 PLAN J AFTER YOU HAVE PAID A CALENDAR YEAR (\$1,580) DEDUCTIBLE. BENEFITS
 9 FROM THE HIGH DEDUCTIBLE PLAN J WILL NOT BEGIN UNTIL OUT-OF-POCKET
 10 EXPENSES ARE \$1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE
 11 EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES
 12 MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE
 13 PLAN'S SEPARATE FOREIGN TRAVEL EMERGENCY DEDUCTIBLE.

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1,580 DEDUCTIBLE**, PLAN PAYS	IN ADDITION TO \$1,580 DEDUCTIBLE**, YOU PAY
22 HOSPITALIZATION* 23 Semiprivate room and board, 24 general nursing and mis- 25 cellaneous services and 26 supplies 27 First 60 days 28 29 61st thru 90th day 30 31 91st day and after 32 --While using 60 lifetime 33 reserve days 34 35 --Once lifetime reserve 36 days are used: 37 --Additional 365 days 38 39 40 41 42 --Beyond the 43 Additional 365 days 44	All but -\$628- \$792 All but -\$157- \$198 a day All but -\$314- \$396 a day \$0 \$0	-\$628- \$792 (Part A Deductible) -\$157- \$198 a day -\$314- \$396 a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 \$0 All Costs
45 SKILLED NURSING FACILITY 46 CARE* 47 You must meet Medicare's 48 requirements, including 49 having been in a hospital 50 for at least 3 days and 51 entered a Medicare-approved 52			

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1	facility within 30 days			
2	after leaving the hospital			
3	First 20 days	All approved amounts	\$0	\$0
4				
5	21st thru 100th day	All but	Up to	\$0
6		\$78.50 \$99	\$78.50	
7		a day	\$99 a day	
8	101st day and after	\$0	\$0	All costs
9				
10				
11	BLOOD			
12	First 3 pints	\$0	3 pints	\$0
13	Additional amounts	100%	\$0	\$0
14				
15				
16	HOSPICE CARE			
17	Available as long as your	All but very	\$0	Balance
18	doctor certifies you are	limited coinsurance		
19	terminally ill and you	for outpatient		
20	elect to receive these	drugs and inpatient		
21	services	respite care		
22				

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1 PLAN J
 2 MEDICARE (PART B)--MEDICAL SERVICES--PER CALENDAR YEAR
 3 *Once you have been billed \$100 of Medicare-Approved amounts for covered
 4 services (which are noted with an asterisk), your Part B Deductible will
 5 have been met for the calendar year.
 6 **THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS
 7 PLAN J AFTER YOU HAVE PAID A CALENDAR YEAR (\$1,580) DEDUCTIBLE. BENEFITS
 8 FROM THE HIGH DEDUCTIBLE PLAN J WILL NOT BEGIN UNTIL OUT-OF-POCKET
 9 EXPENSES ARE \$1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE
 10 EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES
 11 MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE
 12 PLAN'S SEPARATE FOREIGN TRAVEL EMERGENCY DEDUCTIBLE.
 13

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1,580 DEDUCTIBLE**, PLAN PAYS	IN ADDITION TO \$1,580 DEDUCTIBLE**, YOU PAY
21 MEDICAL EXPENSES-- 22 IN OR OUT OF THE HOSPITAL 23 AND OUTPATIENT HOSPITAL 24 TREATMENT, such as Physi- 25 cian's services, inpatient 26 and outpatient medical and 27 surgical services and sup- 28 plies, physical and speech 29 therapy, diagnostic tests, 30 durable medical equipment, 31 First \$100 of Medicare 32 Approved Amounts* 33 34 Remainder of Medicare 35 Approved Amounts 36 Part B Excess Charges 37 (Above Medicare 38 Approved Amounts) 39	\$0 80% (Generally) \$0	\$100 (Part B Deductible) 20% (Generally) 100%	\$0 \$0 \$0
40 BLOOD 41 First 3 pints 42 Next \$100 of Medicare 43 Approved Amounts* 44 45 Remainder of Medicare 46 Approved Amounts 47	\$0 \$0 80%	All Costs \$100 (Part B Deductible) 20%	\$0 \$0 \$0

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1	_____		
2			
3	CLINICAL LABORATORY		
4	SERVICES--BLOOD TESTS	100%	\$0
5	FOR DIAGNOSTIC SERVICES		\$0
6	_____		

7 (continued)

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PARTS A & B

1				
2				
3				
4	HOME HEALTH CARE			
5	MEDICARE APPROVED			
6	SERVICES			
7	--Medically necessary			
8	skilled care services			
9	and medical supplies	100%	\$0	\$0
10	--Durable medical equip-			
11	ment			
12	First \$100 of Medicare			
13	Approved Amounts*	\$0	\$100 (Part B	\$0
14			Deductible)	
15	Remainder of Medicare			
16	Approved Amounts	80%	20%	\$0
17	AT-HOME RECOVERY			
18	SERVICES--NOT COVERED			
19	BY MEDICARE			
20	Home care certified by			
21	your doctor, for personal			
22	care beginning during			
23	recovery from an injury or			
24	sickness for which Medicare			
25	approved a Home Care Treat-			
26	ment Plan			
27	--Benefit for each visit	\$0	Actual Charges	Balance
28			to \$40 a visit	
29	--Number of visits cov-	\$0	Up to the num-	
30	ered (must be received		ber of Medicare	
31	within 8 weeks of last		Approved	
32	Medicare Approved		visits, not to	
33	visit)		exceed 7 each	
34			week	
35	--Calendar year maximum	\$0	\$1,600	
36				

37

(continued)

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OTHER BENEFITS--NOT COVERED BY MEDICARE			
1 2 3 4 FOREIGN TRAVEL--NOT 5 COVERED BY MEDICARE 6 Medically necessary emer- 7 gency care services begin- 8 ning during the first 60 9 days of each trip outside 10 the USA 11 First \$250 each calen- 12 dar year 13 Remainder of Charges	\$0 \$0	\$0 80% to a life- time maximum benefit of \$50,000	\$250 20% and amounts over the \$50,000 lifetime maximum
19 20 EXTENDED OUTPATIENT PRE- 21 SCRIPTON DRUGS--NOT 22 COVERED BY MEDICARE 23 First \$250 each calendar 24 year 25 Next \$6,000 each calendar 26 year 27 28 29 Over \$6,000 each calendar 30 year	\$0 \$0 \$0	\$0 50%--\$3,000 calendar year maximum benefit \$0	\$250 50% All Costs
32 33 PREVENTIVE MEDICAL CARE 34 BENEFIT--NOT COVERED BY 35 MEDICARE 36 Annual physical and pre- 37 ventive tests and services 38 such as: fecal occult 39 blood test, digital rectal 40 exam, mammogram, hearing 41 screening, dipstick 42 urinalysis, diabetes 43 screening, thyroid func- 44 tion test, influenza shot, 45 tetanus and diphtheria 46 booster and education, 47 administered or ordered by 48 your doctor when not 49 covered by Medicare 50 First \$120 each calendar 51 year 52 Additional charges	\$0 \$0	\$120 \$0	\$0 All costs

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1 Sec. 469. (1) A certificate shall not be titled,
2 advertised, solicited, or issued for delivery in this state as a
3 medicare supplement certificate if the certificate does not meet
4 the minimum standards prescribed in this section. These minimum
5 standards are in addition to all other requirements of this
6 part.

7 (2) The following standards apply to medicare supplement
8 certificates:

9 (a) A medicare supplement certificate shall not deny a claim
10 for losses incurred more than 6 months from the effective date of
11 coverage because it involved a preexisting condition. The cer-
12 tificate shall not define a preexisting condition more restric-
13 tively than to mean a condition for which medical advice was
14 given or treatment was recommended by or received from a physi-
15 cian within 6 months before the effective date of coverage.

16 (b) A medicare supplement certificate shall not indemnify
17 against losses resulting from sickness on a different basis than
18 losses resulting from accidents.

19 (c) A medicare supplement certificate shall provide that
20 benefits designed to cover cost sharing amounts under medicare
21 will be changed automatically to coincide with any changes in the
22 applicable medicare deductible amount and copayment percentage
23 factors. Premiums may be modified to correspond with such
24 changes.

25 (d) A medicare supplement certificate shall be guaranteed
26 renewable. Termination shall be for nonpayment of premium or
27 material misrepresentation only.

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1 (e) Termination of a medicare supplement certificate shall
2 not reduce or limit the payment of benefits for any continuous
3 loss that commenced while the certificate was in force, but the
4 extension of benefits beyond the period during which the certifi-
5 cate was in force may be predicated upon the continuous total
6 disability of the member, limited to the duration of the certifi-
7 cate benefit period, if any, or payment of the maximum benefits.

8 (f) A medicare supplement certificate shall not provide for
9 termination of coverage of a spouse solely because of the occur-
10 rence of an event specified for termination of coverage of the
11 member, other than the nonpayment of premium.

12 (3) A medicare supplement certificate shall provide that
13 benefits and premiums under the certificate shall be suspended at
14 the request of the certificate holder for a period not to exceed
15 24 months in which the certificate holder has applied for and is
16 determined to be entitled to medical assistance under medicaid,
17 but only if the certificate holder notifies the health care cor-
18 poration of such assistance within 90 days after the date the
19 individual becomes entitled to the assistance. Upon receipt of
20 timely notice, the health care corporation shall return to the
21 certificate holder that portion of the premium attributable to
22 the period of medicaid eligibility, subject to adjustment for
23 paid claims. If a suspension occurs and if the certificate
24 holder loses entitlement to medical assistance under medicaid,
25 the certificate shall be automatically reinstated effective as
26 of the date of termination of the assistance if the certificate
27 holder provides notice of loss of medicaid medical assistance

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1 within 90 days after the date of the loss and pays the premium
2 attributable to the period effective as of the date of termina-
3 tion of the assistance. EACH MEDICARE SUPPLEMENT CERTIFICATE
4 SHALL PROVIDE THAT BENEFITS AND PREMIUMS UNDER THE CERTIFICATE
5 SHALL BE SUSPENDED AT THE REQUEST OF THE MEMBER IF THE MEMBER IS
6 ENTITLED TO BENEFITS UNDER SECTION 226(B) OF TITLE II OF THE
7 SOCIAL SECURITY ACT, AND IS COVERED UNDER A GROUP HEALTH PLAN AS
8 DEFINED IN SECTION 1862(B)(1)(A)(v) OF THE SOCIAL SECURITY ACT.
9 IF SUSPENSION OCCURS AND IF THE MEMBER LOSES COVERAGE UNDER THE
10 GROUP HEALTH PLAN, THE CERTIFICATE SHALL BE AUTOMATICALLY REIN-
11 STITUTED EFFECTIVE AS OF THE DATE OF LOSS OF COVERAGE IF THE
12 MEMBER PROVIDES NOTICE OF LOSS OF COVERAGE WITHIN 90 DAYS AFTER
13 THE DATE OF THE LOSS AND PAYS THE PREMIUM ATTRIBUTABLE TO THE
14 PERIOD, EFFECTIVE AS OF THE DATE OF TERMINATION OF ENROLLMENT IN
15 THE GROUP HEALTH PLAN. All of the following apply to the reinsti-
16 tution of a medicare supplement certificate under this
17 subsection:

18 (i) The reinstitution shall not provide for any waiting
19 period with respect to treatment of preexisting conditions.

20 (ii) Reinstituted coverage shall be substantially equivalent
21 to coverage in effect before the date of the suspension.

22 (iii) Classification of premiums for reinstituted coverage
23 shall be on terms at least as favorable to the certificate holder
24 as the premium classification terms that would have applied to
25 the certificate holder had the coverage not been suspended.

26 Sec. 479. (1) A health care corporation shall not deny or
27 condition the issuance or effectiveness of a medicare supplement

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1 certificate available for sale in this state, or discriminate in
2 the pricing of such a certificate, because of the health status,
3 claims experience, receipt of health care, or medical condition
4 of an applicant if an application for the certificate is submit-
5 ted during the 6-month period beginning with the first month in
6 which an individual who is 65 years of age or older first
7 enrolled for benefits under medicare part B. Each medicare sup-
8 plement certificate currently available from a health care corpo-
9 ration shall be made available to all applicants who qualify
10 under this section without regard to age.

11 (2) IF AN APPLICANT QUALIFIES UNDER SUBSECTION (1), SUBMITS
12 AN APPLICATION DURING THE TIME PERIOD PROVIDED IN SUBSECTION (1),
13 AND AS OF THE DATE OF APPLICATION HAS HAD A CONTINUOUS PERIOD OF
14 CREDITABLE COVERAGE OF NOT LESS THAN 6 MONTHS, THE HEALTH CARE
15 CORPORATION SHALL NOT EXCLUDE BENEFITS BASED ON A PREEEXISTING
16 CONDITION. IF THE APPLICANT QUALIFIES UNDER SUBSECTION (1), SUB-
17 MITS AN APPLICATION DURING THE TIME PERIOD IN SUBSECTION (1), AND
18 AS OF THE DATE OF APPLICATION HAS HAD A CONTINUOUS PERIOD OF
19 CREDITABLE COVERAGE THAT IS LESS THAN 6 MONTHS, THE HEALTH CARE
20 CORPORATION SHALL REDUCE THE PERIOD OF ANY PREEEXISTING CONDITION
21 EXCLUSION BY THE AGGREGATE OF THE PERIOD OF CREDITABLE COVERAGE
22 APPLICABLE TO THE APPLICANT AS OF THE ENROLLMENT DATE. THE SEC-
23 RETARY SHALL SPECIFY THE MANNER OF THE REDUCTION UNDER THIS
24 SUBSECTION.

25 (3) EXCEPT AS PROVIDED IN SUBSECTION (2) AND SECTION 483,
26 SUBSECTION (1) DOES NOT PREVENT THE EXCLUSION OF BENEFITS UNDER A
27 CERTIFICATE, DURING THE FIRST 6 MONTHS, BASED ON A PREEEXISTING

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1 CONDITION FOR WHICH THE MEMBER RECEIVED TREATMENT OR WAS
2 OTHERWISE DIAGNOSED DURING THE 6 MONTHS BEFORE THE COVERAGE
3 BECAME EFFECTIVE.

4 (4) "CREDITABLE COVERAGE" DOES NOT INCLUDE ANY OF THE
5 FOLLOWING:

6 (A) ONE OR MORE OF THE FOLLOWING:

7 (i) COVERAGE ONLY FOR ACCIDENT OR DISABILITY INCOME INSUR-
8 ANCE, OR ANY COMBINATION OF ACCIDENT OR DISABILITY INCOME
9 INSURANCE.

10 (ii) COVERAGE ISSUED AS A SUPPLEMENT TO LIABILITY
11 INSURANCE.

12 (iii) LIABILITY INSURANCE, INCLUDING GENERAL LIABILITY
13 INSURANCE AND AUTOMOBILE LIABILITY INSURANCE.

14 (iv) WORKERS' COMPENSATION OR SIMILAR INSURANCE.

15 (v) AUTOMOBILE MEDICAL PAYMENT INSURANCE.

16 (vi) CREDIT-ONLY INSURANCE.

17 (vii) COVERAGE FOR ON-SITE MEDICAL CLINICS.

18 (viii) OTHER SIMILAR INSURANCE COVERAGE, SPECIFIED IN FED-
19 ERAL REGULATIONS, UNDER WHICH BENEFITS FOR MEDICAL CARE ARE SEC-
20 ONDARY OR INCIDENTAL TO OTHER INSURANCE BENEFITS.

21 (B) THE FOLLOWING BENEFITS IF THEY ARE PROVIDED UNDER A SEP-
22 ARATE POLICY, CERTIFICATE, OR CONTRACT OF INSURANCE OR ARE OTHER-
23 WISE NOT AN INTEGRAL PART OF THE PLAN:

24 (i) LIMITED SCOPE DENTAL OR VISION BENEFITS.

25 (ii) BENEFITS FOR LONG-TERM CARE, NURSING HOME CARE, HOME
26 HEALTH CARE, COMMUNITY-BASED CARE, OR ANY COMBINATION OF

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1 LONG-TERM CARE, NURSING HOME CARE, HOME HEALTH CARE, OR
2 COMMUNITY-BASED CARE.

3 (iii) SUCH OTHER SIMILAR, LIMITED BENEFITS AS ARE SPECIFIED
4 IN FEDERAL REGULATIONS.

5 (C) THE FOLLOWING BENEFITS IF OFFERED AS INDEPENDENT, NONCO-
6 ORDINATED BENEFITS:

7 (i) COVERAGE ONLY FOR A SPECIFIED DISEASE OR ILLNESS.

8 (ii) HOSPITAL INDEMNITY OR OTHER FIXED INDEMNITY INSURANCE.

9 (D) THE FOLLOWING IF IT IS OFFERED AS A SEPARATE POLICY,
10 CERTIFICATE, OR CONTRACT OF INSURANCE:

11 (i) MEDICARE SUPPLEMENTAL POLICY AS DEFINED UNDER
12 SECTION 1882(G)(1) OF PART D OF MEDICARE, 42 U.S.C. 1395ss.

13 (ii) COVERAGE SUPPLEMENTAL TO THE COVERAGE PROVIDED UNDER
14 CHAPTER 55 OF TITLE 10 OF THE UNITED STATES CODE, 10 U.S.C. 1071
15 TO 1109.

16 (iii) SIMILAR SUPPLEMENTAL COVERAGE PROVIDED TO COVERAGE
17 UNDER A GROUP HEALTH PLAN.

18 SEC. 480. (1) AN ELIGIBLE PERSON IS AN INDIVIDUAL DESCRIBED
19 IN SUBSECTION (2) WHO APPLIES TO ENROLL UNDER A MEDICARE SUPPLE-
20 MENT CERTIFICATE DURING THE PERIOD DESCRIBED IN SUBSECTION (3),
21 AND WHO SUBMITS EVIDENCE OF THE DATE OF TERMINATION OR DISENROLL-
22 MENT WITH THE APPLICATION FOR A MEDICARE SUPPLEMENT CERTIFICATE.
23 FOR AN ELIGIBLE PERSON, A HEALTH CARE CORPORATION SHALL NOT DENY
24 OR CONDITION THE ISSUANCE OR EFFECTIVENESS OF A MEDICARE SUPPLE-
25 MENT CERTIFICATE DESCRIBED IN SUBSECTIONS (5), (6), AND (7) THAT
26 IS OFFERED AND IS AVAILABLE FOR ISSUANCE TO NEW ENROLLEES BY THE
27 HEALTH CARE CORPORATION, SHALL NOT DISCRIMINATE IN THE PRICING OF

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1 THE MEDICARE SUPPLEMENT CERTIFICATE BECAUSE OF HEALTH STATUS,
2 CLAIMS EXPERIENCE, RECEIPT OF HEALTH CARE, OR MEDICAL CONDITION,
3 AND SHALL NOT IMPOSE AN EXCLUSION OF BENEFITS BASED ON A PREEX-
4 ISTING CONDITION UNDER THE MEDICARE SUPPLEMENT CERTIFICATE.

5 (2) AN ELIGIBLE PERSON UNDER THIS SECTION IS AN INDIVIDUAL
6 THAT MEETS ANY OF THE FOLLOWING:

7 (A) IS ENROLLED UNDER AN EMPLOYEE WELFARE BENEFIT PLAN THAT
8 PROVIDES HEALTH BENEFITS THAT SUPPLEMENT THE BENEFITS UNDER MEDI-
9 CARE AND THE PLAN TERMINATES OR THE PLAN CEASES TO PROVIDE ALL
10 THOSE SUPPLEMENTAL HEALTH BENEFITS TO THE INDIVIDUAL.

11 (B) IS ENROLLED WITH A MEDICARE+CHOICE ORGANIZATION UNDER A
12 MEDICARE+CHOICE PLAN UNDER PART C OF MEDICARE, AND ANY OF THE
13 FOLLOWING CIRCUMSTANCES APPLY, OR THE INDIVIDUAL IS 65 YEARS OF
14 AGE OR OLDER AND IS ENROLLED WITH A PACE PROVIDER UNDER
15 SECTION 1894 OF THE SOCIAL SECURITY ACT, AND THERE ARE CIRCUM-
16 STANCES SIMILAR TO THOSE DESCRIBED BELOW THAT WOULD PERMIT DIS-
17 CONTINUANCE OF THE INDIVIDUAL'S ENROLLMENT WITH THE PROVIDER IF
18 THE INDIVIDUAL WERE ENROLLED IN A MEDICARE+CHOICE PLAN:

19 (i) THE CERTIFICATION OF THE ORGANIZATION OR PLAN HAS BEEN
20 TERMINATED.

21 (ii) THE ORGANIZATION HAS TERMINATED OR OTHERWISE DISCONTIN-
22 UED PROVIDING THE PLAN IN THE AREA IN WHICH THE INDIVIDUAL
23 RESIDES.

24 (iii) THE INDIVIDUAL IS NO LONGER ELIGIBLE TO ELECT THE PLAN
25 BECAUSE OF A CHANGE IN THE INDIVIDUAL'S PLACE OF RESIDENCE OR
26 OTHER CHANGE IN CIRCUMSTANCES SPECIFIED BY THE SECRETARY, BUT NOT
27 INCLUDING TERMINATION OF THE INDIVIDUAL'S ENROLLMENT ON THE BASIS

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1 DESCRIBED IN SECTION 1851(G)(3)(B) OF THE SOCIAL SECURITY ACT,
2 WHERE THE INDIVIDUAL HAS NOT PAID PREMIUMS ON A TIMELY BASIS OR
3 HAS ENGAGED IN DISRUPTIVE BEHAVIOR AS SPECIFIED IN STANDARDS
4 ESTABLISHED UNDER SECTION 1856 OF THE SOCIAL SECURITY ACT, OR THE
5 PLAN IS TERMINATED FOR ALL INDIVIDUALS WITHIN A RESIDENCE AREA.

6 (iv) THE INDIVIDUAL DEMONSTRATES, IN ACCORDANCE WITH GUIDE-
7 LINES ESTABLISHED BY THE SECRETARY, THAT THE ORGANIZATION OFFER-
8 ING THE PLAN SUBSTANTIALLY VIOLATED A MATERIAL PROVISION OF THE
9 ORGANIZATION'S CONTRACT IN RELATION TO THE INDIVIDUAL, INCLUDING
10 THE FAILURE TO PROVIDE AN ENROLLEE ON A TIMELY BASIS MEDICALLY
11 NECESSARY CARE FOR WHICH BENEFITS ARE AVAILABLE UNDER THE PLAN OR
12 THE FAILURE TO PROVIDE COVERED CARE IN ACCORDANCE WITH APPLICABLE
13 QUALITY STANDARDS, OR THE ORGANIZATION, OR AGENT OR OTHER ENTITY
14 ACTING ON THE ORGANIZATION'S BEHALF, MATERIALLY MISREPRESENTED
15 THE PLAN'S PROVISIONS IN MARKETING THE PLAN TO THE INDIVIDUAL.

16 (v) THE INDIVIDUAL MEETS OTHER EXCEPTIONAL CONDITIONS AS THE
17 SECRETARY MAY PROVIDE.

18 (C) IS ENROLLED WITH AN ELIGIBLE ORGANIZATION UNDER A CON-
19 TRACT UNDER SECTION 1876 OF THE SOCIAL SECURITY ACT, A SIMILAR
20 ORGANIZATION OPERATING UNDER DEMONSTRATION PROJECT AUTHORITY,
21 EFFECTIVE FOR PERIODS BEFORE APRIL 1, 1999, AN ORGANIZATION UNDER
22 AN AGREEMENT UNDER SECTION 1833(A)(1)(A) OF THE SOCIAL SECURITY
23 ACT, A HEALTH CARE PREPAYMENT PLAN, OR AN ORGANIZATION UNDER A
24 MEDICARE SELECT POLICY OR CERTIFICATE, AND THE ENROLLMENT CEASES
25 UNDER THE SAME CIRCUMSTANCES THAT WOULD PERMIT DISCONTINUANCE OF
26 AN INDIVIDUAL'S ELECTION OF COVERAGE UNDER SUBDIVISION (B).

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1 (D) IS ENROLLED UNDER A MEDICARE SUPPLEMENT POLICY OR
2 CERTIFICATE AND THE ENROLLMENT CEASES BECAUSE OF ANY OF THE
3 FOLLOWING:

4 (i) THE INSOLVENCY OF THE INSURER OR HEALTH CARE CORPORATION
5 OR BANKRUPTCY OF THE NONINSURER ORGANIZATION OR OF OTHER INVOLUN-
6 TARY TERMINATION OF COVERAGE OR ENROLLMENT UNDER THE POLICY OR
7 CERTIFICATE.

8 (ii) THE INSURER OR HEALTH CARE CORPORATION SUBSTANTIALLY
9 VIOLATED A MATERIAL PROVISION OF THE POLICY OR CERTIFICATE.

10 (iii) THE INSURER OR HEALTH CARE CORPORATION OR AN AGENT OR
11 OTHER ENTITY ACTING ON THE INSURER'S OR HEALTH CARE CORPORATION'S
12 BEHALF, MATERIALLY MISREPRESENTED THE POLICY'S OR CERTIFICATE'S
13 PROVISIONS IN MARKETING THE POLICY OR CERTIFICATE TO THE
14 INDIVIDUAL.

15 (E) WAS ENROLLED UNDER A MEDICARE SUPPLEMENT POLICY OR CER-
16 TIFICATE AND TERMINATES ENROLLMENT AND SUBSEQUENTLY ENROLLS, FOR
17 THE FIRST TIME, WITH ANY MEDICARE+CHOICE ORGANIZATION UNDER A
18 MEDICARE+CHOICE PLAN UNDER PART C OF MEDICARE, ANY ELIGIBLE
19 ORGANIZATION UNDER A CONTRACT UNDER SECTION 1876 OF THE SOCIAL
20 SECURITY ACT, MEDICARE COST, ANY SIMILAR ORGANIZATION OPERATING
21 UNDER DEMONSTRATION PROJECT AUTHORITY, ANY PACE PROVIDER UNDER
22 SECTION 1894 OF THE SOCIAL SECURITY ACT, OR A MEDICARE SELECT
23 POLICY OR CERTIFICATE; AND THE SUBSEQUENT ENROLLMENT IS TERMI-
24 NATED BY THE INDIVIDUAL DURING ANY PERIOD WITHIN THE FIRST 12
25 MONTHS OF THE SUBSEQUENT ENROLLMENT DURING WHICH THE INDIVIDUAL
26 IS PERMITTED TO TERMINATE THE SUBSEQUENT ENROLLMENT UNDER
27 SECTION 1851(E) OF THE SOCIAL SECURITY ACT.

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1 (F) UPON FIRST BECOMING ELIGIBLE FOR BENEFITS UNDER PART A
2 OF MEDICARE AT AGE 65, ENROLLS IN A MEDICARE+CHOICE PLAN UNDER
3 PART C OF MEDICARE, OR WITH A PACE PROVIDER UNDER SECTION 1894 OF
4 THE SOCIAL SECURITY ACT, AND DISENROLLS FROM THE PLAN OR PROGRAM
5 BY NOT LATER THAN 12 MONTHS AFTER THE EFFECTIVE DATE OF
6 ENROLLMENT.

7 (3) THE GUARANTEED ISSUE TIME PERIODS UNDER THIS SECTION ARE
8 AS FOLLOWS:

9 (A) FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2)(A), THE
10 GUARANTEED ISSUE TIME PERIOD BEGINS ON THE DATE THE INDIVIDUAL
11 RECEIVES A NOTICE OF TERMINATION OR CESSATION OF ALL SUPPLEMENTAL
12 HEALTH BENEFITS OR, IF A NOTICE IS NOT RECEIVED, NOTICE THAT A
13 CLAIM HAS BEEN DENIED BECAUSE OF A TERMINATION OR CESSATION, AND
14 ENDS 63 DAYS AFTER THE DATE OF THE APPLICABLE NOTICE.

15 (B) FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2)(B), (C),
16 (E), OR (F) WHOSE ENROLLMENT IS TERMINATED INVOLUNTARILY, THE
17 GUARANTEED ISSUE TIME PERIOD BEGINS ON THE DATE THAT THE INDIVID-
18 UAL RECEIVES A NOTICE OF TERMINATION AND ENDS 63 DAYS AFTER THE
19 DATE THE APPLICABLE COVERAGE IS TERMINATED.

20 (C) FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2)(D)(i), THE
21 GUARANTEED ISSUE TIME PERIOD BEGINS ON THE EARLIER OF THE DATE
22 THAT THE INDIVIDUAL RECEIVES A NOTICE OF TERMINATION, A NOTICE OF
23 THE ISSUER'S BANKRUPTCY OR INSOLVENCY, OR OTHER SUCH SIMILAR
24 NOTICE, IF ANY, OR THE DATE THAT THE APPLICABLE COVERAGE IS TER-
25 MINATED, AND ENDS ON THE DATE THAT IS 63 DAYS AFTER THE DATE THE
26 COVERAGE IS TERMINATED.

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1 (D) FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2)(B),
2 (D)(ii), (D)(iii), (E), OR (F) WHO DISENROLLS VOLUNTARILY, THE
3 GUARANTEED ISSUE TIME PERIOD BEGINS ON THE DATE THAT IS 60 DAYS
4 BEFORE THE EFFECTIVE DATE OF THE DISENROLLMENT AND ENDS ON THE
5 DATE THAT IS 63 DAYS AFTER THE EFFECTIVE DATE.

6 (E) FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2) BUT NOT
7 DESCRIBED IN SUBDIVISIONS (A) TO (D), THE GUARANTEED ISSUE TIME
8 PERIOD BEGINS ON THE EFFECTIVE DATE OF DISENROLLMENT AND ENDS ON
9 THE DATE THAT IS 63 DAYS AFTER THE EFFECTIVE DATE.

10 (4) FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2)(E) WHOSE
11 ENROLLMENT WITH AN ORGANIZATION OR PROVIDER DESCRIBED IN SUBSEC-
12 TION (2)(E) IS INVOLUNTARILY TERMINATED WITHIN THE FIRST 12
13 MONTHS OF ENROLLMENT, AND WHO, WITHOUT AN INTERVENING ENROLLMENT,
14 ENROLLS WITH ANOTHER SUCH ORGANIZATION OR PROVIDER, THE SUBSE-
15 QUENT ENROLLMENT SHALL BE CONSIDERED AN INITIAL ENROLLMENT
16 DESCRIBED IN SUBSECTION (2)(E). FOR AN INDIVIDUAL DESCRIBED IN
17 SUBSECTION (2)(F) WHOSE ENROLLMENT WITHIN A PLAN OR IN A PROGRAM
18 DESCRIBED IN SUBSECTION (2)(F) IS INVOLUNTARILY TERMINATED WITHIN
19 THE FIRST 12 MONTHS OF ENROLLMENT, AND WHO, WITHOUT AN INTERVEN-
20 ING ENROLLMENT, ENROLLS IN ANOTHER SUCH PLAN OR PROGRAM, THE SUB-
21 SEQUENT ENROLLMENT SHALL BE CONSIDERED AN INITIAL ENROLLMENT
22 DESCRIBED IN SUBSECTION (2)(F). FOR PURPOSES OF SUBSECTIONS
23 (2)(E) AND (F), AN ENROLLMENT OF AN INDIVIDUAL WITH AN ORGANIZA-
24 TION OR PROVIDER DESCRIBED IN SUBSECTION (2)(E), OR WITH A PLAN
25 OR PROVIDER DESCRIBED IN SUBSECTION (2)(F), SHALL NOT BE CONSID-
26 ERED TO BE AN INITIAL ENROLLMENT AFTER THE 2-YEAR PERIOD

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1 BEGINNING ON THE DATE ON WHICH THE INDIVIDUAL FIRST ENROLLED WITH
2 SUCH AN ORGANIZATION, PROVIDER, OR PLAN.

3 (5) THE MEDICARE SUPPLEMENT CERTIFICATE TO WHICH AN ELIGIBLE
4 PERSON IS ENTITLED UNDER SUBSECTION (2)(A), (B), (C), AND (D) IS
5 A MEDICARE SUPPLEMENT CERTIFICATE THAT HAS A BENEFIT PACKAGE
6 CLASSIFIED AS PLAN A, B, C, OR F OFFERED BY ANY HEALTH CARE
7 CORPORATION.

8 (6) THE MEDICARE SUPPLEMENT CERTIFICATE TO WHICH AN ELIGIBLE
9 PERSON IS ENTITLED UNDER SUBSECTION (2)(E) IS THE SAME MEDICARE
10 SUPPLEMENT CERTIFICATE IN WHICH THE INDIVIDUAL WAS MOST RECENTLY
11 PREVIOUSLY ENROLLED, IF AVAILABLE FROM THE SAME HEALTH CARE COR-
12 PORATION, OR, IF NOT SO AVAILABLE, A CERTIFICATE DESCRIBED IN
13 SUBSECTION (5).

14 (7) THE MEDICARE SUPPLEMENT CERTIFICATE TO WHICH AN ELIGIBLE
15 PERSON IS ENTITLED UNDER SUBSECTION (2)(F) SHALL INCLUDE ANY
16 MEDICARE SUPPLEMENT CERTIFICATE OFFERED BY ANY HEALTH CARE
17 CORPORATION.

18 SEC. 480A. (1) AT THE TIME OF AN EVENT DESCRIBED IN
19 SECTION 480(2) BECAUSE OF WHICH AN INDIVIDUAL LOSES COVERAGE OR
20 BENEFITS DUE TO THE TERMINATION OF A CONTRACT OR AGREEMENT,
21 POLICY, CERTIFICATE, OR PLAN, THE ORGANIZATION THAT TERMINATES
22 THE CONTRACT OR AGREEMENT, THE INSURER TERMINATING THE POLICY,
23 THE HEALTH CARE CORPORATION TERMINATING THE CERTIFICATE, OR THE
24 ADMINISTRATOR OF THE PLAN BEING TERMINATED, RESPECTIVELY, SHALL
25 NOTIFY THE INDIVIDUAL OF HIS OR HER RIGHTS UNDER SECTION 480 AND
26 OF THE OBLIGATIONS OF HEALTH CARE CORPORATIONS OF MEDICARE
27 SUPPLEMENT CERTIFICATES UNDER SECTION 480(1). THE NOTICE SHALL

SB 749, As Passed Senate, July 9, 2002

Senate Bill No. 749 as amended by the House May 28, 2002

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1 BE COMMUNICATED CONTEMPORANEOUSLY WITH THE NOTIFICATION OF
2 TERMINATION.

3 (2) AT THE TIME OF AN EVENT DESCRIBED IN SECTION 480(2)
4 BECAUSE OF WHICH AN INDIVIDUAL CEASES ENROLLMENT UNDER A CONTRACT
5 OR AGREEMENT, POLICY, CERTIFICATE, OR PLAN, THE ORGANIZATION THAT
6 OFFERS THE CONTRACT OR AGREEMENT, REGARDLESS OF THE BASIS FOR THE
7 CESSATION OF ENROLLMENT, THE INSURER OFFERING THE POLICY, THE
8 HEALTH CARE CORPORATION OFFERING THE CERTIFICATE, OR THE ADMINIS-
9 TRATOR OF THE PLAN, RESPECTIVELY, SHALL NOTIFY THE INDIVIDUAL OF
10 HIS OR HER RIGHTS UNDER SECTION 480 AND OF THE OBLIGATIONS OF
11 HEALTH CARE CORPORATIONS PROVIDING MEDICARE SUPPLEMENT CERTIFI-
12 CATES UNDER SECTION 480(1). THE NOTICE SHALL BE COMMUNICATED
13 WITHIN 10 WORKING DAYS OF THE HEALTH CARE CORPORATION RECEIVING
14 NOTIFICATION OF DISENROLLMENT.

15 [Enacting section 1. Sections 216, 217, and 487 of the nonprofit
16 health care corporation reform act, 1980 PA 350, MCL 550.1216,
17 550.1217, and 550.1487, are repealed.]