SENATE BILL No. 749

October 18, 2001, Introduced by Senator BULLARD and referred to the Committee on Financial Services.

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 480 and 480a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 451. As used in this part:

(a) "Applicant" means:

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

(*ii*) For a group medicare supplement certificate, the proposed certificate holder.

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

SENATE BILL No. 749

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

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

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

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

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

(*i*) A GROUP HEALTH PLAN.

(*ii*) HEALTH INSURANCE COVERAGE.

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

(*iv*) MEDICAID OTHER THAN COVERAGE CONSISTING SOLELY OF BENEFITS UNDER SECTION 1928 OF MEDICAID, 42 U.S.C. 1396s.

(*v*) CHAPTER 55 OF TITLE 10 OF THE UNITED STATES CODE, 10 U.S.C. 1071 TO 1109.

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

(*vii*) A STATE HEALTH BENEFITS RISK POOL.

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

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

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

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

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

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

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

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

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

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

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

(*i*) COORDINATED CARE PLANS THAT PROVIDE HEALTH CARE SERVICES, INCLUDING, BUT NOT LIMITED TO, HEALTH MAINTENANCE ORGANIZATION PLANS WITH OR WITHOUT A POINT-OF-SERVICE OPTION, PLANS OFFERED BY PROVIDER-SPONSORED ORGANIZATIONS, AND PREFERRED PROVIDER ORGANIZATION PLANS.

(*ii*) MEDICAL SAVINGS ACCOUNT PLANS COUPLED WITH A CONTRIBUTION INTO A MEDICARE+CHOICE MEDICAL SAVINGS ACCOUNT.

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

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

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

a fund established by 1 or more employers or labor organizations, or both, for employees or former employees, or both, or for members or former members, or both, of the labor organizations.

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

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

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

Sec. 455. Every health care corporation issuing a medicare supplement certificate in this state shall make available a medicare supplement certificate that includes only a basic core package of benefits to each prospective member. A health care corporation issuing a medicare supplement certificate in this state may make available to prospective members benefits pursuant to section 459 that are in addition to, but not instead of, the basic core package. The basic core package of benefits shall include all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

(f) Basic outpatient prescription drug benefit: coverage for 50% of outpatient prescription drug charges, after a $250.00 calendar year deductible, to a maximum of $1,250.00 in benefits received by the member per calendar year, to the extent not covered by medicare.

(g) Extended outpatient prescription drug benefit: coverage for 50% of outpatient prescription drug charges, after a $250.00 calendar year deductible, to a maximum of $3,000.00 in benefits received by the member per calendar year, to the extent not covered by medicare.

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

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

(i) Preventive medical care benefit: coverage for the following preventive health services:

(*i*) An annual clinical preventive medical history and physical examination that may include tests and services from subparagraph (*ii*) and patient education to address preventive health care measures.

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

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

~~(B) Mammogram.~~

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

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

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

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

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

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

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

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

(*i*) No more than the number of at-home recovery visits certified as necessary by the member's attending physician. The total number of at-home recovery visits shall not exceed the number of medicare approved home health care visits under a medicare approved home care plan of treatment.

(*ii*) The actual charges for each visit up to a maximum reimbursement of $40.00 per visit.

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

(*iv*) Seven visits in any 1 week.

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

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

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

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

(k) New or innovative benefits: a health care corporation may, with the prior approval of the commissioner, offer new or innovative benefits in addition to the benefits provided in a certificate that otherwise complies with the applicable standards. These benefits may include benefits that are appropriate to medicare supplement coverage, new or innovative, not otherwise available, cost-effective, and offered in a manner that is consistent with the goal of simplification of medicare supplement certificates.

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

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

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

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

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

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

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

Sec. 461. (1) A health care corporation shall make available to each prospective medicare supplement certificate holder a certificate form containing only the basic core benefits as provided in section 455.

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

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

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

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

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

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

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

(c) A standardized medicare supplement benefit plan C shall include only the following: the core benefits as defined in section 455, the medicare part A deductible, skilled nursing facility care, medicare part B deductible, and medically necessary emergency care in a foreign country as defined in section 459(1)(a), (b), (c), and (h).

(d) A standardized medicare supplement benefit plan D shall include only the following: the core benefits as defined in section 455, the medicare part A deductible, skilled nursing facility care, medically necessary emergency care in a foreign

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

(e) A standardized medicare supplement benefit plan E shall include only the following: the core benefits as defined in section 455, the medicare part A deductible, skilled nursing facility care, medically necessary emergency care in a foreign country, and preventive medical care as defined in section 459(1)(a), (b), (h), and (i).

(f) A standardized medicare supplement benefit plan F shall include only the following: the core benefits as defined in section 455, the medicare part A deductible, skilled nursing facility care, medicare part B deductible, 100% of the medicare part B excess charges, and medically necessary emergency care in a foreign country as defined in section 459(1)(a), (b), (c), (e), and (h). A STANDARDIZED MEDICARE SUPPLEMENT PLAN F HIGH DEDUCTIBLE SHALL INCLUDE ONLY THE FOLLOWING: 100% OF COVERED EXPENSES FOLLOWING THE PAYMENT OF THE ANNUAL HIGH DEDUCTIBLE PLAN F DEDUCTIBLE. THE COVERED EXPENSES INCLUDE THE CORE BENEFITS AS DEFINED IN SECTION 455, PLUS THE MEDICARE PART A DEDUCTIBLE, SKILLED NURSING FACILITY CARE, THE MEDICARE PART B DEDUCTIBLE, 100% OF THE MEDICARE PART B EXCESS CHARGES, AND MEDICALLY NECESSARY EMERGENCY CARE IN A FOREIGN COUNTRY AS DEFINED IN SECTION 459(1)(A), (B), (C), (E), AND (H). THE ANNUAL HIGH DEDUCTIBLE PLAN F DEDUCTIBLE SHALL CONSIST OF OUT-OF-POCKET EXPENSES, OTHER THAN PREMIUMS, FOR SERVICES COVERED BY THE MEDICARE SUPPLEMENT PLAN F CERTIFICATE, AND SHALL BE IN ADDITION TO ANY OTHER SPECIFIC BENEFIT DEDUCTIBLES. THE ANNUAL HIGH DEDUCTIBLE PLAN F

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

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

(h) A standardized medicare supplement benefit plan H shall include only the following: the core benefits as defined in section 455, the medicare part A deductible, skilled nursing facility care, basic outpatient prescription drug benefit, and medically necessary emergency care in a foreign country as defined in section 459(1)(a), (b), (f), and (h).

(i) A standardized medicare supplement benefit plan I shall include only the following: the core benefits as defined in section 455, the medicare part A deductible, skilled nursing facility care, 100% of the medicare part B excess charges, basic outpatient prescription drug benefit, medically necessary emergency care in a foreign country, and at-home recovery benefit as defined in section 459(1)(a), (b), (e), (f), (h), and (j).

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

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

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

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

(a) A cover page.

(b) Premium information.

(c) Disclosure pages.

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

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

NOTICE: READ THIS OUTLINE OF COVERAGE CAREFULLY. IT IS NOT IDENTICAL TO THE OUTLINE OF COVERAGE PROVIDED UPON APPLICATION AND THE COVERAGE ORIGINALLY APPLIED FOR HAS NOT BEEN ISSUED.

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

or immediately following the cover page and shall be prominently displayed. The premium and method of payment shall be stated for all plans that are offered to the applicant. All possible premiums for the applicant shall be illustrated. The following items shall be included in the outline of coverage in the order prescribed below and in substantially the following form, as approved by the commissioner:

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

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

BASIC BENEFITS: Included in All Plans.

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

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

Blood: First three pints of blood each year.

	A	B	C	D	E	F	G	H	I	J
Basic Benefits	x	x	x	x	x	x	x	x	x	x
Skilled Nursing Co-Insurance			x	x	x	x	x	x	x	x
Part A Deductible		x	x	x	x	x	x	x	x	x
Part B Deductible			x			x				x
Part B Excess						x 100%	x 80%		x 100%	x 100%
Foreign Travel Emergency			x	x	x	x	x	x	x	x
At-Home Recovery				x			x		x	x
Drugs								x $1,250 Limit	x $1,250 Limit	x $3,000 Limit
Preventive Care					x					x

PREMIUM INFORMATION

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

DISCLOSURES

Use this outline to compare benefits and premiums among policies, certificates, and contracts.

READ YOUR POLICY VERY CAREFULLY

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

RIGHT TO RETURN CERTIFICATE

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

CERTIFICATE REPLACEMENT

If you are replacing another health insurance policy, contract, or certificate, do not cancel it until you have actually received your new certificate and are sure you want to keep it.

NOTICE

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

[For agent issued certificates]

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

[For direct response issued certificates]

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

This outline of coverage does not give all the details of medicare coverage. Contact your local social security office or consult "the medicare handbook" for more details.

COMPLETE ANSWERS ARE VERY IMPORTANT

When you fill out the application for the new certificate, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your certificate and refuse to pay any claims if you leave out or falsify important medical information. [If the certificate is guaranteed issue, this paragraph need not appear.]

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

[Include for each plan offered by the health care corporation a chart showing the services, medicare payments, plan payments, and member payments using the same language, in the same order, and using uniform layout and format as shown in the charts that follow. A health care corporation may use additional benefit plan designations on these charts pursuant to section 461(4). Include an explanation of any innovative benefits on the cover page and in the chart, in a manner approved by the commissioner. The health care corporation issuing the

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

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.

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	$0	~~$628~~ $792 (Part A Deductible)
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	$0	Up to ~~$78.50~~ $99 a day
101st day and after	$0	$0	All costs

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

PLAN A

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 Physician's services, inpatient and outpatient medical and surgical services and supplies, 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

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$0	$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	$0

PLAN B

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 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	$0	Up to ~~$78.50~~ $99 a day
101st day and after	$0	$0	All costs

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

PLAN B

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 Physician's services, inpatient and outpatient medical and surgical services and supplies, 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

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$0	$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	$0

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 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

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

PLAN C

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	$100 (Part B Deductible)	$0
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	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80%	20%	$0
CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80%	20%	$0

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

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.

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 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

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

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 Physician's services, inpatient and outpatient medical and surgical services and supplies, 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

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$0	$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	$0
AT-HOME RECOVERY SERVICES--NOT COVERED BY MEDICARE			
Home care certified by your doctor, for personal care during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan			
--Benefit for each visit	$0	Actual Charges to $40 a visit	Balance
--Number of visits covered (must be received within 8 weeks of last Medicare Approved visit)	$0	Up to the number of Medicare Approved visits, not to exceed 7 each week	
--Calendar year maximum	$0	$1,600	

(continued)

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

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 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

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

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

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$0	$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	$0

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of Charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum
PREVENTIVE MEDICAL CARE BENEFIT--NOT COVERED BY MEDICARE Annual physical and preventive tests and services such as: fecal occult blood test, digital rectal exam, mammogram, hearing screening, dipstick urinalysis, diabetes screening, thyroid function test, influenza shot, tetanus and diphtheria booster and education,			

administered or ordered		
by your doctor when not		
covered by Medicare		
First $120 each		
calendar year	$0	$120	$0
Additional charges	$0	$0	All Costs

PLAN F OR HIGH DEDUCTIBLE PLAN F

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.

**THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS PLAN F AFTER YOU HAVE PAID A CALENDAR YEAR ($1,580) DEDUCTIBLE. BENEFITS FROM THE HIGH DEDUCTIBLE PLAN F WILL NOT BEGIN UNTIL OUT-OF-POCKET EXPENSES ARE $1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE 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
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 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
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

PLAN F

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.

**THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS PLAN F AFTER YOU HAVE PAID A CALENDAR YEAR ($1,580) DEDUCTIBLE. BENEFITS FROM THE HIGH DEDUCTIBLE PLAN F WILL NOT BEGIN UNTIL OUT-OF-POCKET EXPENSES ARE $1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE 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
MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment,			
First $100 of Medicare Approved Amounts*	$0	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80% (Generally)	20% (Generally)	$0
Part B Excess Charges (Above Medicare Approved Amounts)	$0	100%	$0
BLOOD			
First 3 pints	$0	All Costs	$0
Next $100 of Medicare Approved Amounts*	$0	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80%	20%	$0

CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80%	20%	$0

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

PLAN G

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 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

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

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	80% (Generally)	20% (Generally)	$0
Part B Excess Charges (Above Medicare Approved Amounts)	$0	80%	20%
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

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$0	$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	$0
AT-HOME RECOVERY SERVICES--NOT COVERED BY MEDICARE			
Home care certified by your doctor, for personal care during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan			
--Benefit for each visit	$0	Actual Charges to $40 a visit	Balance
--Number of visits covered (must be received within 8 weeks of last Medicare Approved visit)	$0	Up to the number of Medicare Approved visits, not to exceed 7 each week	
--Calendar year maximum	$0	$1,600	

(continued)

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

PLAN H

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 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

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

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

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$0	$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	$0

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of Charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum
BASIC OUTPATIENT PRESCRIPTION DRUGS--NOT COVERED BY MEDICARE			
First $250 each calendar year	$0	$0	$250
Next $2,500 each calendar year	$0	50%--$1,250 calendar year maximum benefit	50%
Over $2,500 each calendar year	$0	$0	All Costs

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 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

BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

PLAN I

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 Physician's services, inpatient and outpatient medical and surgical services and supplies, 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	100%	$0
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

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$0	$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	$0
AT-HOME RECOVERY SERVICES--NOT COVERED BY MEDICARE			
Home care certified by your doctor, for personal care during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan			Balance
--Benefit for each visit	$0	Actual Charges to $40 a visit	
--Number of visits covered (must be received within 8 weeks of last Medicare Approved visit)	$0	Up to the number of Medicare Approved visits, not to exceed 7 each week	
--Calendar year maximum	$0	$1,600	

(continued)

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of Charges*	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum
BASIC OUTPATIENT PRESCRIPTION DRUGS--NOT COVERED BY MEDICARE			
First $250 each calendar year	$0	$0	$250
Next $2,500 each calendar year	$0	50%--$1,250 calendar year maximum benefit	50%
Over $2,500 each calendar year	$0	$0	All Costs

PLAN J OR HIGH DEDUCTIBLE PLAN J
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.

**THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS PLAN J AFTER YOU HAVE PAID A CALENDAR YEAR ($1,580) DEDUCTIBLE. BENEFITS FROM THE HIGH DEDUCTIBLE PLAN J WILL NOT BEGIN UNTIL OUT-OF-POCKET EXPENSES ARE $1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE 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
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 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
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	$0	Balance

PLAN J

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.

**THIS HIGH DEDUCTIBLE PLAN PAYS THE SAME OR OFFERS THE SAME BENEFITS AS PLAN J AFTER YOU HAVE PAID A CALENDAR YEAR ($1,580) DEDUCTIBLE. BENEFITS FROM THE HIGH DEDUCTIBLE PLAN J WILL NOT BEGIN UNTIL OUT-OF-POCKET EXPENSES ARE $1,580. OUT-OF-POCKET EXPENSES FOR THIS DEDUCTIBLE ARE EXPENSES THAT WOULD ORDINARILY BE PAID BY THE CERTIFICATE. THIS INCLUDES MEDICARE DEDUCTIBLES FOR PART A AND PART B, BUT DOES NOT INCLUDE THE 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
MEDICAL EXPENSES-- IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment,			
First $100 of Medicare Approved Amounts*	$0	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80% (Generally)	20% (Generally)	$0
Part B Excess Charges (Above Medicare Approved Amounts)	$0	100%	$0
BLOOD			
First 3 pints	$0	All Costs	$0
Next $100 of Medicare Approved Amounts*	$0	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80%	20%	$0

CLINICAL LABORATORY SERVICES--BLOOD TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

(continued)

PARTS A & B

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
--Medically necessary skilled care services and medical supplies	100%	$0	$0
--Durable medical equipment			
First $100 of Medicare Approved Amounts*	$0	$100 (Part B Deductible)	$0
Remainder of Medicare Approved Amounts	80%	20%	$0
AT-HOME RECOVERY SERVICES--NOT COVERED BY MEDICARE			
Home care certified by your doctor, for personal care beginning during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan			
--Benefit for each visit	$0	Actual Charges to $40 a visit	Balance
--Number of visits covered (must be received within 8 weeks of last Medicare Approved visit)	$0	Up to the number of Medicare Approved visits, not to exceed 7 each week	
--Calendar year maximum	$0	$1,600	

(continued)

OTHER BENEFITS--NOT COVERED BY MEDICARE

FOREIGN TRAVEL--NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of Charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum
EXTENDED OUTPATIENT PRESCRIPTION DRUGS--NOT COVERED BY MEDICARE			
First $250 each calendar year	$0	$0	$250
Next $6,000 each calendar year	$0	50%--$3,000 calendar year maximum benefit	50%
Over $6,000 each calendar year	$0	$0	All Costs
PREVENTIVE MEDICAL CARE BENEFIT--NOT COVERED BY MEDICARE Annual physical and preventive tests and services such as: fecal occult blood test, digital rectal exam, mammogram, hearing screening, dipstick urinalysis, diabetes screening, thyroid function test, influenza shot, tetanus and diphtheria booster and education, administered or ordered by your doctor when not covered by Medicare			
First $120 each calendar year	$0	$120	$0
Additional charges	$0	$0	All costs

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

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

(a) A medicare supplement certificate shall not deny a claim for losses incurred more than 6 months from the effective date of coverage because it involved a preexisting condition. The certificate shall not define a preexisting condition more restrictively than to mean a condition for which medical advice was given or treatment was recommended by or received from a physician within 6 months before the effective date of coverage.

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

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

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

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

(f) A medicare supplement certificate shall not provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the member, other than the nonpayment of premium.

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

within 90 days after the date of the loss and pays the premium attributable to the period effective as of the date of termination of the assistance. EACH MEDICARE SUPPLEMENT CERTIFICATE SHALL PROVIDE THAT BENEFITS AND PREMIUMS UNDER THE CERTIFICATE SHALL BE SUSPENDED AT THE REQUEST OF THE MEMBER IF THE MEMBER IS ENTITLED TO BENEFITS UNDER SECTION 226(B) OF TITLE II OF THE SOCIAL SECURITY ACT, AND IS COVERED UNDER A GROUP HEALTH PLAN AS DEFINED IN SECTION 1862(B)(1)(A)(*v*) OF THE SOCIAL SECURITY ACT. IF SUSPENSION OCCURS AND IF THE MEMBER LOSES COVERAGE UNDER THE GROUP HEALTH PLAN, THE CERTIFICATE SHALL BE AUTOMATICALLY REINSTITUTED EFFECTIVE AS OF THE DATE OF LOSS OF COVERAGE IF THE MEMBER PROVIDES NOTICE OF LOSS OF COVERAGE WITHIN 90 DAYS AFTER THE DATE OF THE LOSS AND PAYS THE PREMIUM ATTRIBUTABLE TO THE PERIOD, EFFECTIVE AS OF THE DATE OF TERMINATION OF ENROLLMENT IN THE GROUP HEALTH PLAN. All of the following apply to the reinstitution of a medicare supplement certificate under this subsection:

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

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

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

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

certificate available for sale in this state, or discriminate in the pricing of such a certificate, because of the health status, claims experience, receipt of health care, or medical condition of an applicant if an application for the certificate is submitted during the 6-month period beginning with the first month in which an individual who is 65 years of age or older first enrolled for benefits under medicare part B. Each medicare supplement certificate currently available from a health care corporation shall be made available to all applicants who qualify under this section without regard to age.

(2) IF AN APPLICANT QUALIFIES UNDER SUBSECTION (1), SUBMITS AN APPLICATION DURING THE TIME PERIOD PROVIDED IN SUBSECTION (1), AND AS OF THE DATE OF APPLICATION HAS HAD A CONTINUOUS PERIOD OF CREDITABLE COVERAGE OF NOT LESS THAN 6 MONTHS, THE HEALTH CARE CORPORATION SHALL NOT EXCLUDE BENEFITS BASED ON A PREEXISTING CONDITION. IF THE APPLICANT QUALIFIES UNDER SUBSECTION (1), SUBMITS AN APPLICATION DURING THE TIME PERIOD IN SUBSECTION (1), AND AS OF THE DATE OF APPLICATION HAS HAD A CONTINUOUS PERIOD OF CREDITABLE COVERAGE THAT IS LESS THAN 6 MONTHS, THE HEALTH CARE CORPORATION SHALL REDUCE THE PERIOD OF ANY PREEXISTING CONDITION EXCLUSION BY THE AGGREGATE OF THE PERIOD OF CREDITABLE COVERAGE APPLICABLE TO THE APPLICANT AS OF THE ENROLLMENT DATE. THE SECRETARY SHALL SPECIFY THE MANNER OF THE REDUCTION UNDER THIS SUBSECTION.

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

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

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

(A) ONE OR MORE OF THE FOLLOWING:

(*i*) COVERAGE ONLY FOR ACCIDENT OR DISABILITY INCOME INSURANCE, OR ANY COMBINATION OF ACCIDENT OR DISABILITY INCOME INSURANCE.

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

(*iii*) LIABILITY INSURANCE, INCLUDING GENERAL LIABILITY INSURANCE AND AUTOMOBILE LIABILITY INSURANCE.

(*iv*) WORKERS' COMPENSATION OR SIMILAR INSURANCE.

(*v*) AUTOMOBILE MEDICAL PAYMENT INSURANCE.

(*vi*) CREDIT-ONLY INSURANCE.

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

(*viii*) OTHER SIMILAR INSURANCE COVERAGE, SPECIFIED IN FEDERAL REGULATIONS, UNDER WHICH BENEFITS FOR MEDICAL CARE ARE SECONDARY OR INCIDENTAL TO OTHER INSURANCE BENEFITS.

(B) THE FOLLOWING BENEFITS IF THEY ARE PROVIDED UNDER A SEPARATE POLICY, CERTIFICATE, OR CONTRACT OF INSURANCE OR ARE OTHERWISE NOT AN INTEGRAL PART OF THE PLAN:

(*i*) LIMITED SCOPE DENTAL OR VISION BENEFITS.

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

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

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

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

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

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

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

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

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

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

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

THE MEDICARE SUPPLEMENT CERTIFICATE BECAUSE OF HEALTH STATUS, CLAIMS EXPERIENCE, RECEIPT OF HEALTH CARE, OR MEDICAL CONDITION, AND SHALL NOT IMPOSE AN EXCLUSION OF BENEFITS BASED ON A PREEXISTING CONDITION UNDER THE MEDICARE SUPPLEMENT CERTIFICATE.

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

(A) IS ENROLLED UNDER AN EMPLOYEE WELFARE BENEFIT PLAN THAT PROVIDES HEALTH BENEFITS THAT SUPPLEMENT THE BENEFITS UNDER MEDICARE AND THE PLAN TERMINATES OR THE PLAN CEASES TO PROVIDE ALL THOSE SUPPLEMENTAL HEALTH BENEFITS TO THE INDIVIDUAL.

(B) IS ENROLLED WITH A MEDICARE+CHOICE ORGANIZATION UNDER A MEDICARE+CHOICE PLAN UNDER PART C OF MEDICARE, AND ANY OF THE FOLLOWING CIRCUMSTANCES APPLY, OR THE INDIVIDUAL IS 65 YEARS OF AGE OR OLDER AND IS ENROLLED WITH A PACE PROVIDER UNDER SECTION 1894 OF THE SOCIAL SECURITY ACT, AND THERE ARE CIRCUMSTANCES SIMILAR TO THOSE DESCRIBED BELOW THAT WOULD PERMIT DISCONTINUANCE OF THE INDIVIDUAL'S ENROLLMENT WITH THE PROVIDER IF THE INDIVIDUAL WERE ENROLLED IN A MEDICARE+CHOICE PLAN:

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

(*ii*) THE ORGANIZATION HAS TERMINATED OR OTHERWISE DISCONTINUED PROVIDING THE PLAN IN THE AREA IN WHICH THE INDIVIDUAL RESIDES.

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

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

(*iv*) THE INDIVIDUAL DEMONSTRATES, IN ACCORDANCE WITH GUIDELINES ESTABLISHED BY THE SECRETARY, THAT THE ORGANIZATION OFFERING THE PLAN SUBSTANTIALLY VIOLATED A MATERIAL PROVISION OF THE ORGANIZATION'S CONTRACT IN RELATION TO THE INDIVIDUAL, INCLUDING THE FAILURE TO PROVIDE AN ENROLLEE ON A TIMELY BASIS MEDICALLY NECESSARY CARE FOR WHICH BENEFITS ARE AVAILABLE UNDER THE PLAN OR THE FAILURE TO PROVIDE COVERED CARE IN ACCORDANCE WITH APPLICABLE QUALITY STANDARDS, OR THE ORGANIZATION, OR AGENT OR OTHER ENTITY ACTING ON THE ORGANIZATION'S BEHALF, MATERIALLY MISREPRESENTED THE PLAN'S PROVISIONS IN MARKETING THE PLAN TO THE INDIVIDUAL.

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

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

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

(*i*) THE INSOLVENCY OF THE INSURER OR HEALTH CARE CORPORATION OR BANKRUPTCY OF THE NONINSURER ORGANIZATION OR OF OTHER INVOLUNTARY TERMINATION OF COVERAGE OR ENROLLMENT UNDER THE POLICY OR CERTIFICATE.

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

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

(E) WAS ENROLLED UNDER A MEDICARE SUPPLEMENT POLICY OR CERTIFICATE AND TERMINATES ENROLLMENT AND SUBSEQUENTLY ENROLLS, FOR THE FIRST TIME, WITH ANY MEDICARE+CHOICE ORGANIZATION UNDER A MEDICARE+CHOICE PLAN UNDER PART C OF MEDICARE, ANY ELIGIBLE ORGANIZATION UNDER A CONTRACT UNDER SECTION 1876 OF THE SOCIAL SECURITY ACT, MEDICARE COST, ANY SIMILAR ORGANIZATION OPERATING UNDER DEMONSTRATION PROJECT AUTHORITY, ANY PACE PROVIDER UNDER SECTION 1894 OF THE SOCIAL SECURITY ACT, OR A MEDICARE SELECT POLICY OR CERTIFICATE; AND THE SUBSEQUENT ENROLLMENT IS TERMINATED BY THE INDIVIDUAL DURING ANY PERIOD WITHIN THE FIRST 12 MONTHS OF THE SUBSEQUENT ENROLLMENT DURING WHICH THE INDIVIDUAL IS PERMITTED TO TERMINATE THE SUBSEQUENT ENROLLMENT UNDER SECTION 1851(E) OF THE SOCIAL SECURITY ACT.

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

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

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

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

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

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

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

(4) FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2)(E) WHOSE ENROLLMENT WITH AN ORGANIZATION OR PROVIDER DESCRIBED IN SUBSECTION (2)(E) IS INVOLUNTARILY TERMINATED WITHIN THE FIRST 12 MONTHS OF ENROLLMENT, AND WHO, WITHOUT AN INTERVENING ENROLLMENT, ENROLLS WITH ANOTHER SUCH ORGANIZATION OR PROVIDER, THE SUBSEQUENT ENROLLMENT SHALL BE CONSIDERED AN INITIAL ENROLLMENT DESCRIBED IN SUBSECTION (2)(E). FOR AN INDIVIDUAL DESCRIBED IN SUBSECTION (2)(F) WHOSE ENROLLMENT WITHIN A PLAN OR IN A PROGRAM DESCRIBED IN SUBSECTION (2)(F) IS INVOLUNTARILY TERMINATED WITHIN THE FIRST 12 MONTHS OF ENROLLMENT, AND WHO, WITHOUT AN INTERVENING ENROLLMENT, ENROLLS IN ANOTHER SUCH PLAN OR PROGRAM, THE SUBSEQUENT ENROLLMENT SHALL BE CONSIDERED AN INITIAL ENROLLMENT DESCRIBED IN SUBSECTION (2)(F). FOR PURPOSES OF SUBSECTIONS (2)(E) AND (F), AN ENROLLMENT OF AN INDIVIDUAL WITH AN ORGANIZATION OR PROVIDER DESCRIBED IN SUBSECTION (2)(E), OR WITH A PLAN OR PROVIDER DESCRIBED IN SUBSECTION (2)(F), SHALL NOT BE CONSIDERED TO BE AN INITIAL ENROLLMENT AFTER THE 2-YEAR PERIOD

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

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

(6) THE MEDICARE SUPPLEMENT CERTIFICATE TO WHICH AN ELIGIBLE PERSON IS ENTITLED UNDER SUBSECTION (2)(E) IS THE SAME MEDICARE SUPPLEMENT CERTIFICATE IN WHICH THE INDIVIDUAL WAS MOST RECENTLY PREVIOUSLY ENROLLED, IF AVAILABLE FROM THE SAME HEALTH CARE CORPORATION, OR, IF NOT SO AVAILABLE, A CERTIFICATE DESCRIBED IN SUBSECTION (5).

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

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

BE COMMUNICATED CONTEMPORANEOUSLY WITH THE NOTIFICATION OF TERMINATION.

(2) AT THE TIME OF AN EVENT DESCRIBED IN SECTION 480(2) BECAUSE OF WHICH AN INDIVIDUAL CEASES ENROLLMENT UNDER A CONTRACT OR AGREEMENT, POLICY, CERTIFICATE, OR PLAN, THE ORGANIZATION THAT OFFERS THE CONTRACT OR AGREEMENT, REGARDLESS OF THE BASIS FOR THE CESSATION OF ENROLLMENT, THE INSURER OFFERING THE POLICY, THE HEALTH CARE CORPORATION OFFERING THE CERTIFICATE, OR THE ADMINISTRATOR OF THE PLAN, RESPECTIVELY, SHALL NOTIFY THE INDIVIDUAL OF HIS OR HER RIGHTS UNDER SECTION 480 AND OF THE OBLIGATIONS OF HEALTH CARE CORPORATIONS PROVIDING MEDICARE SUPPLEMENT CERTIFICATES UNDER SECTION 480(1). THE NOTICE SHALL BE COMMUNICATED WITHIN 10 WORKING DAYS OF THE HEALTH CARE CORPORATION RECEIVING NOTIFICATION OF DISENROLLMENT.