

Rule Summary and Fiscal Analysis (Part A)**Department of Insurance**

Agency Name

Division

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3901-8-08

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Medicare supplement.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **3901.041, 3923.33, 3923.331 to 3923.339**

5. Statute(s) the rule, as filed, amplifies or implements: **3923.33, 3923.331 to 3923.339**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

Five year rule review under R.C. 119.032.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE,

then summarize the content of the rule:

The rule includes the standards in the National Association of Insurance Commissioners' Model Regulation for Medicare supplement insurance, which tracks the federal Social Security Act requirements for what constitutes an acceptable supplemental product for the federal Medicare program. It includes marketing requirements as well.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

The rule refers to the Guide to Health insurance for People with Medicare in Paragraphs (S)(1)(f) and (S)(5)(a). This document is generally available at the website for the Centers for Medicare and Medicaid Services: <http://www.medicare.gov/Publications/Pubs/pdf/02110.pdf>. It is currently entitled "2012 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare."

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

Not applicable.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so. If applicable, indicate each specific paragraph of the rule that has been modified:

Not Applicable.

12. 119.032 Rule Review Date: 1/8/2014

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

0.00

Not applicable.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

Not applicable.

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

Issuers may need to refile their Medicare supplement product(s) for approval.
Forms cost \$50 pursuant to OAC 3901-1-57(C)(11).

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **Yes**

Issuers must file Medicare supplement policy forms and rates with the Department of Insurance for approval prior to issuing or delivering that policy or certificate to, or using that rate concerning, a resident of Ohio. [OAC 3901-8-08(Q)(1), (2), (3)]

B.) Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? **No**

Underlying statutes, including ORC 3923.338, provide remedies for violations of the Medicare supplement statutes and related rules.

C.) Does this rule require specific expenditures or the report of information as a condition of compliance? **Yes**

Issuers of Medicare supplement policies or certificates in Ohio must: report by March 31 annually to the superintendent on their grievance procedure if they issue Medicare select policies in Ohio (restricted network) - number of grievances filed, subject, nature, resolution [OAC 3901-8-08(L)(11)(f)]; standards for claims payment on experience reporting form annually to HHS [OAC 3901-8-08(O)(1),(2)]; report to the superintendent annually by May 31 statewide by type of refund or credit calculation for a standard Medicare supplement benefit plan [OAC 3901-8-08(P)(2) - Appendix A]; report [to the superintendent] annually by March 1 for every individual resident of Ohio that have more than one of the issuer's Medicare supplement policies - policy and certificate number, date of issuance, grouped by individual policyholder [OAC 3901-8-08(X)(1),(2),(3) - Appendix B].