

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3901-8-08

**Rule Type:** Amendment

**Rule Title/Tagline:** Medicare supplement.

**Agency Name:** Department of Insurance

**Division:**

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#### I. Rule Summary

1. Is this a five year rule review? Yes
  - A. What is the rule's five year review date? 2/14/2023
2. Is this rule the result of recent legislation? No
3. What statute is this rule being promulgated under? 119.03
4. What statute(s) grant rule writing authority? 3901.041, 3923.33, 3923.331 to 3923.339
5. What statute(s) does the rule implement or amplify? 3923.33, 3923.331 to 3923.339
6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No
  - A. If so, what is the citation to the federal law or rule? Not Applicable
7. What are the reasons for proposing the rule?

Rule 3901-8-08 is being reviewed as part of the agency five-year rule review. The proposed amendment will expand the definition of eligible persons to include individuals who have lost state Medicaid benefits as a result of plan termination. This

will establish a guaranteed issue opportunity for those individuals whose Medicaid plan terminates when the federal public health emergency ends.

**8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The purpose of this rule is to provide for the standardization of coverage of Medicare Supplement policies. A Medicare Supplement (Med Supp) policy helps pay some of the health care costs that original Medicare doesn't cover such as co-payments, coinsurance and deductibles. Medicare Supplement policies are standardized according to federal law. Each state then implements the federal standards. Following passage of the applicable federal law, the National Association of Insurance Commissioners (NAIC) works with various states and interested parties to update the "Medicare Supplement NAIC model law." States then adopt the NAIC model law to maintain compliance with the federal requirements and uniformity among the states. This rule, 3901-8-08 Medicare Supplement, is based on the most current NAIC model.

The proposed amendment found in paragraph (O)(2)(a) will expand the definition of eligible persons to include individuals who have lost state Medicaid benefits as a result of plan termination and will establish a guarantee issue opportunity for individuals that lose Medicaid benefits when the federal public health emergency ends.

**9. Does the rule incorporate material by reference? No**

**10. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

*Not Applicable*

**11. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

*Not Applicable*

## **II. Fiscal Analysis**

**12. Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

0.00

Not applicable.

- 13. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not applicable.

- 14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

- 15. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

- 16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not applicable.

### **III. Common Sense Initiative (CSI) Questions**

- 17. Was this rule filed with the Common Sense Initiative Office? Yes**

- 18. Does this rule have an adverse impact on business? Yes**

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

This rule applies to licensed health insurance companies engaging in the sale of Med Supp policies.

- 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**

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

Paragraph (M)(11) of this rule: A medicare select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. Paragraph (M)(11)(f) of this rule: The issuer shall report no later

than each March thirty-first to the superintendent regarding its grievance procedure.

Paragraph (Q)(2) of this rule: Refund or credit calculation. Paragraph (Q)(2)(a) of this rule: An issuer shall collect and file with the superintendent by May thirty-first of each year the data contained in the applicable reporting form contained in appendix A to this rule for each type in a standard medicare supplement benefit plan.

Paragraph (Y) of this rule: Reporting of multiple policies. Paragraph (Y)(1) of this rule: On or before March first of each year, an issuer shall report the following information for every individual resident of this state for which the issuer has in force more than one medicare supplement policy or certificate. Policy and certificate number, and date of issuance.

- D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

**IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).**

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes

- A. How many new regulatory restrictions do you propose adding to this rule? 0

- B. How many existing regulatory restrictions do you propose removing from this rule? 6

(C)(1) shall

(C)(2) shall

(D)(6)(b) shall

(T)(4)(b) require

(AA)(3) require

(AA)(4) shall

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**
- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable