



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Joseph Baker, Director

MEMORANDUM

TO: Loretta Medved, Ohio Department of Insurance

FROM: Michael Bender, Business Advocate

DATE: February 8, 2023

RE: **CSI Review – Medicare Supplement (OAC 3901-8-08)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Department as provided for in ORC 107.54.

Analysis

This rule package consists of one amended rule proposed by the Ohio Department of Insurance (ODI). This rule package was submitted to the CSI Office on December 27, 2022, and the public comment period was held open through January 11, 2023. A supplemental comment period was held from January 13, 2023, through January 20, 2023. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on January 13, 2023.

Ohio Administrative Code (OAC) 3901-8-08 provides for the standardization of Medicare Supplement policies. The rule is amended to update language and to expand eligibility for a guaranteed issue opportunity to include individuals who due to plan termination or cessation of benefits have lost state Medicaid benefits that supplement Medicare benefits, with the goal of making this option available for individuals who will lose coverage when the federal COVID-19 public health emergency ends. According to ODI, the National Association of Insurance Commissioners (NAIC) works with various states and interested parties to update its Medicare Supplement model law that complies with federal requirements as they change. This rule is based on the most current NAIC model.

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During early stakeholder outreach, ODI sent an email on November 18, 2022, requesting comments on the proposed rule to industry stakeholders, which included companies offering Medicare Supplement plans, consumer groups, the Ohio Association of Health Plans, the Ohio Insurance Agents Association, the National Association of Insurance and Financial Advisors, and the Ohio Insurance Underwriters Association. ODI sent a follow up email on December 1, 2022. No comments were received in response to either email request. During the initial CSI public comment period, ODI received one comment from an individual in support of the rule. ODI subsequently made technical revisions to the rule. No comments were received during the supplemental comment period.

The business community impacted by the rule includes all health plan issuers that engage in the sale of Medicare Supplement policies in Ohio. The adverse impacts created by the rule include limitations on what can be offered in Medicare Supplement policies, maintaining proper IT systems and publications, and the time necessary to prepare filings and train staff. ODI states that the adverse impacts to business are justified to implement federal standards, promote consistency and accountability in the sale of Medicare Supplement policies, facilitate consumer understanding and comparison of Medicare Supplement policies, and provide the option to purchase a Medicare Supplement plan for individuals who have lost Medicaid coverage due to termination.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that ODI should proceed in filing the proposed rule with the Joint Committee on Agency Rule Review.