

States Should Consider the “MACRA Bulletin” For Medigap Plan Filings

Medicare Supplement insurance helps protect more than 13 million Medicare beneficiaries from high out-of-pocket costs not covered by Medicare and provides seniors the flexibility to budget for those costs and avoid multiple complex bills from health care providers.

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) included some significant changes to Medicare Supplement plans. Specifically, MACRA eliminates coverage of the Part B deductible in Plans C and F for newly eligible individuals on or after Jan. 1, 2020.

As a result of these changes, **some insurance providers offering Medigap policies will need to submit new plan filings** for review and approval with the respective state departments of insurance.

But, in some cases, the changes being submitted will be minor. For example, the only change may be an update of the Benefit Chart of Medicare Supplement Plans in the Outline of Coverage.

The NAIC recently considered and approved a bulletin that departments of insurance would have the option to share with insurance providers. **The bulletin essentially would allow them to replace the benefit chart with an updated version without having to refile the Outline of Coverage form for reapproval.** Any additional changes would require the form to be refiled for review and approval.

NAIC’s approach makes sense. States would cut down on the number of non-substantive filings that would need to be reviewed, creating a more efficient and timely review of filings that need more attention.

An efficient review and approval of substantive filings ensures that seniors have uninterrupted access to Medicare Supplement plans.



BULLETIN

TO: All Medicare Supplement Carriers
FROM: Commissioner of Insurance
RE: Filing Requirements for Outlines of Coverage Forms updated to comply with MACRA
DATE: _____

I. Purpose

The purpose of this bulletin is to notify insurers offering Medigap policies of the filing requirements for Outlines of Coverage forms revised to comply with state adoptions of the Medicare Access and Chip Reauthorization Act (MACRA).

Specifically, this Bulletin provides guidance with respect to the one-page **Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020**.

Any insurer replacing the chart that is in its currently approved Outline of Coverage form with the chart revised to comply with MACRA, in the format below, may simply use the revised MACRA Outline of Coverage form without refiling the Outline of Coverage form for approval.

The form number of the previously approved Outline of Coverage form should remain unchanged. If any other changes to the previously approved form are made, the form must then be filed for review and approval.

II. Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available. Only applicants **first** eligible for Medicare before 2020 may purchase Plans C, F, and high deductible F.

Note: A ✓ means 100% of the benefit is paid.

Benefits	Plans Available to All Applicants								Medicare first eligible before 2020 only	
	A	B	D	G ¹	K	L	M	N	C	F ¹
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply ³	✓	✓
Blood (first three pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled nursing facility coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓
Medicare Part B deductible									✓	✓
Medicare Part B excess charges				✓						✓
Foreign travel emergency (up to plan limits)			✓	✓			✓	✓	✓	✓
Out-of-pocket limit in [2019] ²					\$[5,560] ²	\$[2,780] ²				

¹ Plans F and G also have a high deductible option, which require first paying a plan deductible of \$[2,300] before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

² Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

³ Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.