

**191—37.5(514D) Policy provisions.**

**37.5(1)** Except for permitted preexisting condition clauses as described in 37.6(1)“a” and 37.7(1)“a,” no policy or certificate may be advertised, solicited or issued for delivery in this state as a Medicare supplement policy if such policy or certificate contains limitations or exclusions on coverage that are more restrictive than those of Medicare.

**37.5(2)** No Medicare supplement policy or certificate may use waivers to exclude, limit or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions.

**37.5(3)** No Medicare supplement policy or certificate in force in the state shall contain benefits which duplicate benefits provided by Medicare.

**37.5(4)** Subject to paragraphs 37.6(1)“d,” “e,” and “g” and 37.7(1)“d” and “e,” a Medicare supplement policy with benefits for outpatient prescription drugs in existence prior to January 1, 2006, shall be renewed for current policyholders who do not enroll in Medicare Part D at the option of the policyholder.

**37.5(5)** A Medicare supplement policy with benefits for outpatient prescription drugs shall not be issued after December 31, 2005.

**37.5(6)** After December 31, 2005, a Medicare supplement policy with benefits for outpatient prescription drugs may not be renewed after the policyholder enrolls in Medicare Part D unless:

*a.* The policy is modified to eliminate outpatient prescription coverage for expenses of outpatient prescription drugs incurred after the effective date of the individual’s coverage under a Medicare Part D plan; and

*b.* Premiums are adjusted to reflect the elimination of outpatient prescription drug coverage at the time of Medicare Part D enrollment, accounting for any claims paid, if applicable.