

**191—37.8(514D) Standard Medicare supplement benefit plans.**

**37.8(1)** An issuer shall make available to each prospective policyholder and certificate holder a policy form or certificate form containing only the basic “Core” benefits as defined in 37.7(2).

**37.8(2)** No groups, packages or combinations of Medicare supplement benefits other than those listed in this rule shall be offered for sale in this state, except as may be permitted in 37.8(7) and in 37.9(514D).

**37.8(3)** Benefit plans shall be uniform in structure, language, designation and format to the standard benefit plans “A” through “L” listed in this rule and conform to the definitions in 37.3(514D). Each benefit shall be structured in accordance with the format provided in 37.7(2), 37.7(3), 37.7(4) and 37.7(5) and list the benefits in the order shown in this rule. For purposes of this rule, “structure, language, and format” means style, arrangement and overall content of a benefit.

**37.8(4)** An issuer may use, in addition to the benefit plan designations required in 37.8(3), other designations to the extent permitted by law.

**37.8(5)** Makeup of benefit plans:

*a.* Standardized Medicare supplement benefit plan “A” shall be limited to the Basic (“Core”) Benefits Common to All Benefit Plans, as defined in 37.7(2).

*b.* Standardized Medicare supplement benefit plan “B” shall include only the following: The Core Benefit as defined in 37.7(2), plus the Medicare Part A Deductible as defined in 37.7(3) “a.”

*c.* Standardized Medicare supplement benefit plan “C” shall include only the following: The Core Benefit as defined in 37.7(2), plus the Medicare Part A Deductible, Skilled Nursing Facility Care, Medicare Part B Deductible and Medically Necessary Emergency Care in a Foreign Country as defined in 37.7(3) “a,” “b,” “c,” and “h,” respectively.

*d.* Standardized Medicare supplement benefit plan “D” shall include only the following: The Core Benefit, as defined in 37.7(2), plus the Medicare Part A Deductible, Skilled Nursing Facility Care, Medically Necessary Emergency Care in a Foreign Country and the At-Home Recovery Benefit as defined in 37.7(3) “a,” “b,” “h,” and “j,” respectively.

*e.* Standardized Medicare supplement benefit plan “E” shall include only the following: The Core Benefit, as defined in 37.7(2), plus the Medicare Part A Deductible, Skilled Nursing Facility Care, Medically Necessary Emergency Care in a Foreign Country and Preventive Medical Care as defined in 37.7(3) “a,” “b,” “h,” and “i,” respectively.

*f.* Standardized Medicare supplement benefit plan “F” shall include only the following: The Core Benefit, as defined in 37.7(2), plus the Medicare Part A Deductible, the Skilled Nursing Facility Care, the Part B Deductible, 100 Percent of the Medicare Part B Excess Charges, and Medically Necessary Emergency Care in a Foreign Country as defined in 37.7(3) “a,” “b,” “c,” “e,” and “h,” respectively.

*g.* Standardized Medicare supplement benefit plan “G” shall include only the following: The Core Benefit, as defined in 37.7(2), plus the Medicare Part A Deductible, Skilled Nursing Facility Care, 80 Percent of the Medicare Part B Excess Charges, Medically Necessary Emergency Care in a Foreign Country, and the At-Home Recovery Benefit as defined in 37.7(3) “a,” “b,” “d,” “h,” and “j,” respectively.

*h.* Standardized Medicare supplement benefit plan “H” shall consist of only the following: The Core Benefit, as defined in 37.7(2), plus the Medicare Part A Deductible, Skilled Nursing Facility Care, Basic Prescription Drug Benefit and Medically Necessary Emergency Care in a Foreign Country as defined in 37.7(3) “a,” “b,” “f,” and “h,” respectively. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

*i.* Standardized Medicare supplement benefit plan “I” shall consist of only the following: The Core Benefit, as defined in 37.7(2), plus the Medicare Part A Deductible, Skilled Nursing Facility Care, 100 Percent of the Medicare Part B Excess Charges, Basic Prescription Drug Benefit, Medically Necessary Emergency Care in a Foreign Country and At-Home Recovery Benefit as defined in 37.7(3) “a,” “b,” “e,” “f,” “h,” and “j,” respectively. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

*j.* Standardized Medicare supplement benefit plan “J” shall consist of only the following: The Core Benefit, as defined in 37.7(2), plus the Medicare Part A Deductible, Skilled Nursing Facility Care,

Medicare Part B Deductible, 100 Percent of the Medicare Part B Excess Charges, Extended Prescription Drug Benefit, Medically Necessary Emergency Care in a Foreign Country, Preventive Medical Care and At-Home Recovery Benefit as defined in 37.7(3) "a," "b," "c," "e," "g," "h," "i," and "j," respectively. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

*k.* Standardized Medicare supplement benefit high deductible plan "F" shall include only the following: 100 percent of covered expenses following the payment of the annual high deductible plan "F" deductible. The covered expenses include the Core Benefit as defined in subrule 37.7(2), plus the Medicare Part A Deductible Skilled Nursing Facility Care, the Medicare Part B Deductible, 100 percent of the Medicare Part B Excess Charges, and Medically Necessary Emergency Care in a Foreign Country as defined in 37.7(3) "a," "b," "c," "e," and "h," respectively. The annual high deductible plan "F" deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by the Medicare Supplement plan "F" policy, and shall be in addition to any other specific benefit deductibles. The annual high deductible plan "F" deductible shall be \$1500 for 1998 and 1999, and shall be based on the calendar year. It shall be adjusted annually thereafter by the Secretary to reflect the change in the consumer price index for all urban consumers for the 12-month period ending with August of the preceding year, and rounded to the nearest multiple of \$10.

*l.* Standardized Medicare supplement benefit high deductible plan "J" shall consist only of the following: 100 percent of covered expenses following the payment of the annual high deductible plan "J" deductible. The covered expenses include the Core Benefit as defined in 37.7(2), plus the Medicare Part A deductible, Skilled Nursing Facility Care, Medicare Part B deductible, 100 percent of the Medicare Part B Excess Charges, Extended Outpatient Prescription Drug Benefit, Medically Necessary Emergency Care in a Foreign Country, Preventive Medical Care Benefit and At-Home Recovery Benefit as defined in 37.7(3) "a," "b," "c," "e," "g," "h," "i," and "j," respectively. The annual high deductible plan "J" deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by the Medicare supplement plan "J" policy, and shall be in addition to any other specific benefit deductibles. The annual deductible shall be \$1,500 for 1998 and 1999, and shall be based on a calendar year. It shall be adjusted annually thereafter by the Secretary to reflect the change in the consumer price index for all urban consumers for the 12-month period ending with August of the preceding year, and rounded to the nearest multiple of \$10. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.

**37.8(6)** Standardized Medicare supplement benefit plan "K" mandated by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 shall consist of only those benefits described in subrule 37.7(4). Standardized Medicare supplement benefit plan "L" mandated by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 shall consist of only those benefits described in subrule 37.7(5).

**37.8(7)** New or Innovative Benefits: An issuer may, with the prior approval of the commissioner, offer policies or certificates with new or innovative benefits in addition to the benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits may include benefits that are appropriate to Medicare supplement insurance, new or innovative, not otherwise available, cost-effective, and offered in a manner which is consistent with the goal of simplification of Medicare supplement policies. After December 31, 2004, the innovative benefit shall not include an outpatient prescription drug benefit.