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Bulletin 98-14

To: Issuers Offering Medicare Supplement Insurance
HMOs Offering Evidences of Coverage Issued Pursuant to a Risk or Cost Contract

From: Commissioner Linda Ruthardt

Re: Required Open Enrollment Period To Be Held Pursuant to M.G.L. c. 176K for Medicare Supplement plans between October 1, 1998 and November 30, 1998 and for Medicare HMO plans between October 1, 1998 and November 16, 1998

Date: September 23, 1998

The purpose of this bulletin is to inform all issuers offering Medicare Supplement insurance policies and HMOs offering evidences of coverage issued pursuant to a risk or cost contract that are subject to the provisions of M.G.L. c. 176K that such carriers must participate in a required open enrollment period pursuant to M.G.L. c. 176K, sections (2)(b) and 3(g), as well as 211 CMR 71.10(6). This required open enrollment period will be for carriers marketing Medicare Supplement plans and Medicare HMO products within the Medicare-approved service areas for the Health Care Prepayment Plan contract with Blue Cross and Blue Shield of Massachusetts, Inc. (BCBSMA), cost contract of Harvard Pilgrim Health Care of New England, Inc. (HPHCNE) and the risk contract of Aetna U.S. Healthcare Inc. The special open enrollment will be held during the dates noted above for Medicare Supplement and Medicare HMO plans.

The Division has scheduled this open enrollment period because it has been notified by the federal Health Care Financing Administration (HCFA) that HCFA's Health Care Prepayment Plan contract with BCBSMA, HCFA's cost contract with HPHCNE and that HCFA's risk contract with Aetna U.S. Healthcare Inc. will no longer be in effect as of January 1, 1999. The BCBSMA Health Care Prepayment Plan product has been marketed under the name *HMO Blue for Seniors* and BCBSMA ceased new sales of its *HMO Blue for Seniors* product as of January 1, 1996. HPHCNE's cost contract product has been marketed under the name *CarePlus* and new sales of this *CarePlus* product will be stopped as of September 30, 1998. Aetna U.S. Healthcare Inc.'s risk contract products have been marketed under the names *Medicare Premier, Medicare V* and *Medicare X* and new sales of these products were stopped as of September 1, 1998.

This special open enrollment period is available to persons who are covered under BCBSMA's Health Care Prepayment Plan contract, HPHCNE's cost contract or Aetna U.S. Healthcare Inc.'s risk contract as of September 30, 1998 and meet the definition of Eligible Person found in 211 CMR 71.03. Carriers must make available to these individuals all Medicare Supplement policies or Evidences of Coverage currently available from the carrier. Coverage must be effective on January 1, 1999; provided, however, that if a carrier can accommodate an earlier effective date and the applicant chooses to have coverage with that carrier start before January 1, 1999, an effective date prior to January 1, 1999 is acceptable.

Any questions regarding this bulletin should be directed Kevin Beagan, Director of the Health Unit of the State Rating Bureau at the Division of Insurance, at (617) 521-7347.