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LINDA RUTHARDT
COMMISSIONER OF INSURANCE

Bulletin 2001-18

To: **Issuers Offering Medicare Supplemental Insurance**
Health Maintenance Organizations (HMOs) Offering Medicare Managed Care Plans

From: Commissioner Linda Ruthardt

Re: **Federally Required Medicare Supplement Open Enrollment Period**

Date: December 7, 2001

The purpose of this bulletin is to make sure all issuers offering Medicare Supplement insurance policies and HMOs offering Medicare managed care plans are aware that the federal Secretary of Health and Human Services has declared that the month of December 2001 is to be a Special Enrollment Period based on exceptional circumstances and carriers subject to M.G.L. c. 176K are required to participate in a required open enrollment period pursuant to 211 CMR 71.10(13)(b)2.v.

Carriers participating in the Medicare Supplement market are required to offer all enrollees in Medicare+Choice plans the right to purchase a Medicare Supplement Core or Medicare Supplement 1 policy - the Massachusetts plans equivalent to the Medigap A, B, C or F plans described in the federal notice - provided that the Medicare+Choice enrollees leave the heath plan they are currently enrolled in no later than December 31, 2001. Such Special Enrollment Period will exist for such individuals through March 4, 2002 - the 63rd day after December 31, 2001.

Please note that according to the provisions of the federal Balanced Budget Refinement Act of 1999 and Benefits Improvement and Protection Act of 2000, carriers must ensure that applicants who apply during this Special Enrollment Period are given the opportunity to make their coverage effective as of January 1, 2002 coincident with the date that the applicant has disenrolled from his or her Medicare HMO plan and returned to traditional Medicare coverage. Carriers should prepare their systems to ensure that there is a seamless transition to Medicare Supplement coverage regardless of when applications are processed. The attached document from the federal Department of Health and Human Services describes issuer obligations under this Special Enrollment Period.

Carriers are reminded that mandatory participation in this Special Enrollment Period is in addition to compliance with all other required enrollment rights afforded to individuals pursuant to the provisions of M.G.L. c. 176K, the federal Balanced Budget Act of 1997 and other federal laws. Any questions regarding this bulletin should be directed to Kevin Beagan, Director of the Health Unit of the State Rating Bureau at the Division of Insurance, at (617) 521-7347, or faxed to (617) 521-7773.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Public Affairs Office

FOR IMMEDIATE RELEASE
December 4, 2001

CONTACT: CMS Public Affairs Office
(202) 690-6145

DECEMBER MEDICARE+CHOICE SPECIAL ENROLLMENT PERIOD MEANS MORE OPTIONS FOR PEOPLE WITH MEDICARE

Individuals who are currently enrolled in Medicare+Choice plans have an additional month to make a choice about how they wish to receive their health care coverage in 2002. During the month of December, Medicare beneficiaries may choose to leave their Medicare+Choice organization and purchase certain Medigap policies without any pre-existing condition exclusions.

Earlier this year, HHS Secretary Tommy G. Thompson declared the month of December a Special Election Period for the Medicare+Choice program to give Medicare beneficiaries more time to decide what type of health plan option they wish to have in 2002. The Secretary's action for beneficiaries coincided with his extension of the deadline for health plans to notify the Centers for Medicare & Medicaid Services if they wished to remain in the Medicare+Choice program in 2002.

"People who are covered by Medicare now have one more month in which to decide whether they want to stay in a Medicare+Choice plan or return to original fee-for-service Medicare," said CMS Administrator Tom Scully. "And because this December is a Special Enrollment Period, they can buy a Medigap policy without worrying about their medical history."

Medicare+Choice was created in the Balanced Budget Act of 1997 to provide people who are covered by Medicare with additional health plan choices. Medigap, or Medicare supplemental policies, are individual health insurance policies that people who in the original fee-for-service program purchase to help pay for costs or services not covered under Medicare.

Under Medigap law, if the HHS Secretary declares a Special Enrollment Period based on exceptional circumstances, all enrollees in the Medicare+Choice plans have what is known as guaranteed issue rights to Medigap plans A, B, C or F. The only requirement this year is that the beneficiary must leave the health plan they are currently enrolled in no later than December 31. If a beneficiary chooses to purchase a Medigap policy, the policy must be bought by March 4, 2002, 63 days after their coverage in the Medicare+Choice plan ends.

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