Bulletin 98-16

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 8, 1998 and December 7, 1998 and
for Medicare HMO plans between October 8, 1998 and November 20, 1998

Date: October 2, 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
Plans of Community Health Plan and Kaiser Foundation Health Plan of Massachusetts and will start on
October 8, 1998 and continue through the dates noted above.

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 contracts with
Community Health Plan (CHP) and with Kaiser Foundation Health Plan of Massachusetts (Kaiser) will no
longer be in effect as of January 1, 1999 for the purposes of individual/direct pay enrollment. The CHP
Health Care Prepayment Plan product had been marketed under the name MedicarePlus; the Kaiser
Health Care Prepayment Plan product had been marketed under the name Medicare Plus. Both CHP and
Kaiser ceased new sales of their Health Care Prepayment Plan products as of January 1, 1996.

This open enrollment period is available to all persons who are covered under either a CHP or
Kaiser Health Care Prepayment Plan as of September 30, 1998 and who 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.