

New or Innovative Benefits language:

Language from Medigap Model Regulation – Model 651

Section 9.1 Standard Medicare Supplement Benefit Plans for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery on or After June 1, 2010

- F. 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 standardized benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits shall include only benefits that are appropriate to Medicare supplement insurance, are new or innovative, are not otherwise available, and are cost-effective. Approval of new or innovative benefits must not adversely impact the goal of Medicare supplement simplification. New or innovative benefits shall not include an outpatient prescription drug benefit. New or innovative benefits shall not be used to change or reduce benefits, including a change of any cost-sharing provision, in any standardized plan.

Drafting Note: Recognizing the challenge in maintaining standardization while ensuring availability of new or innovative benefits, the drafters have included additional guidance to states in the NAIC Medicare Supplement Insurance Model Regulation Compliance Manual.. This guidance includes a recommendation that states consider making publicly available all approved new or innovative benefits, and requests states to report the approval of all new or innovative benefits to the NAIC Senior Issues Task Force, who will maintain a record of these benefits for use by regulators and others. The Senior Issues Task Force will periodically review state approved benefits and consider whether to recommend that they be made part of standard benefit plan designs in this regulation.

Language from Medigap Compliance Manual:

SECTION II: ISSUES AND COMMENTS

INNOVATIVE BENEFIT ISSUES

Availability of new or innovative benefits in the marketplace

In order to maintain standardization and simplification in the Medicare supplement marketplace, States who approve new or innovative benefits should report each such approval to the NAIC Senior Issues (B) Task force. The NAIC Senior Issues (B) Task Force will maintain a record of all new or innovative benefits approved throughout the country. States and insurers will have access to these records in order to evaluate their possible use in their market. The Task Force will periodically review the new or innovative benefits approved in the states and will determine, in collaboration with CMS and other interested parties, whether any of the new or innovative benefits approved for use in the states should be made part of the standard benefit designs and benefit plan designs contained in the Medicare Supplement Model Regulation.

In addition, each state should consider publishing all the new or innovative benefits it has approved in order for the benefits to be available to all insurers in the marketplace. An expeditious review and approval process might be considered for those Medicare supplement carriers that wish to provide already approved new or innovative benefits and that certify the benefit they are filing for approval is exactly as a previously approved new or innovative benefit.
