



Center for Beneficiary Choices

TO: NAIC/State Health Contacts

FROM: Julie Walton
Technical Advisor for Medigap Policy
Employer Policy and Operations Group

DATE: July 3, 2006

RE: State Specific Open Enrollment and Guaranteed Issue Requirements

As you may know, Medicare Advantage (MA) plans contract on an annual basis with the CMS to provide services to Medicare beneficiaries. Each year, some percentage of plans notifies CMS that they will not renew their contracts or will reduce their service areas for the coming contract year. Beneficiaries in affected areas must be notified of their options for finding replacement coverage. One of these options is to switch to Original Medicare with or without a Medigap policy. Thus, the notification must explain an individual's rights to buy a Medigap policy if their option is to switch to Original Medicare.

To prepare for this annual process, we are updating our records regarding the open enrollment and guaranteed issue provisions each State has adopted for Medigap policies. We need this information to ensure that an accurate description of Medigap rights in your State is available to any MA plans that might have to notify beneficiaries of replacement coverage options following service area changes. In particular, we need to know whether a description of the Federal floor rules will suffice or whether you need a State-specific statement because your State provides broader protections in this area.

In the past we have collaborated with States on the development of State-specific Medigap language for those that exceed the Federal floor. This effort has benefited both beneficiaries by making this process as understandable as possible and the State SHIP by reducing the burden of dealing with nonrenewal activity on its staff and volunteers. We are hoping you will be able to help us this year.

To meet tight timelines, it would be most helpful if you could provide me with the following information as soon as possible by email (Julie.Walton@cms.hhs.gov with a cc to Marye.Isaacs@cms.hhs.gov) or by phone (410-786-4622 for Julie or 410-786-3276 for Marye):

- A brief indication of your State's status: Whether --

1. You are a “Federal floor” State with respect to open enrollment and guaranteed issue provisions (i.e., you have implemented no more than the minimum Federal requirements for open enrollment and/or guaranteed issue, as reflected in sections 11 and 12 of the NAIC model);
 2. You previously were a Federal floor State, but implemented broader protections last year that will now require us to work with you to develop a State-specific insert for your State;
 3. You are one of the “extra protections” States that will need to have your existing State-specific insert updated because of changes you adopted last year (We will be happy to email you the latest draft we have on hand for your review); or
 4. You are an “extra protections” State that will need to have a new State-specific insert created because your State has not had any nonrenewal activity in the past two or three years.
- The Medicare Supplement sections of your State code (especially the open enrollment and guaranteed issue provisions) or regulations. If the Medicare Supplement sections of your code or these provisions are available electronically, please email them to us. If not, please fax a copy of at least your open enrollment and guaranteed issue provisions to 410-786-6301. Our staff is already researching State laws through Lexis Nexis, but we will need to verify that what we have found incorporates your most recent MMA-related revisions.

If follow-up is required, a staff member from the Employer Policy and Operations Group will contact you directly.

Thank you in advance for your prompt assistance on this important matter. We look forward to working with you to ensure that Medicare beneficiaries receive accurate information about their Medigap rights.