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DEPARTMENT OF INSURANCE

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BULLETIN NO. 21-04

DATE: September 10, 2021
TO: Insurers Writing Individual or Group Medicare Supplement Policies in Idaho
FROM: Dean L. Cameron, Director
SUBJECT: Guidance to Insurers Concerning Proposed Changes to Medicare Supplement Rule

This bulletin to insurers issuing Medicare Supplement policies provides guidance from the Idaho Department of Insurance (“the Department”) concerning rating, marketing and eligibility for Medicare Supplement policies in Idaho, until the publication of a temporary rule or the adoption of the rule by the Idaho legislature.

[Senate Bill 1143](#), signed by Governor Little on April 22, 2021, revised key provisions of Medicare Supplement policy eligibility and rating. The Department has engaged in negotiated rulemaking regarding IDAPA 18.04.10 to implement the changes in the bill. The proposed rule, published September 1 in the Administrative Bulletin [Volume 21-9](#), includes two major changes from the bill:

1. After February 28, 2022, Medicare Supplement policyholders may change plans annually on a guaranteed issue basis during a sixty-three day enrollment period beginning on the policyholder’s birthday; and
2. Issue age rating is not permitted for policies issued after February 28, 2022, with premiums for individuals eligible for Medicare Part B due to disability not exceeding 150% of the premium for individuals eligible for Medicare Part B due to age.

The proposed rule includes other changes such as reorganizing the standardized benefit plan requirements for improved readability and clarity, disallowing application fees or varying premium rates based on payment terms, and prohibiting varying commissions based on factors such as age.

Given that individuals have a six-month open enrollment period beginning with the first day of the month in which an individual is eligible for Medicare Supplement coverage, in order for issuers to “continuously [make] available for purchase any policy form” (*see* IDAPA 18.04.10.056.04), issuers need to file with the Department their community rated premium rates for policies that will start coverage after February 28, 2022.

Until a temporary rule is published or the adoption of the rule by the Idaho legislature, the Department advises issuers to rely on the language of the proposed rule to inform their community rated filings. The Department expects issuers to submit a community rated filing no later than October 15, 2021, to provide sufficient time for departmental review and full issuer implementation prior to December 1, 2021.

If there are any changes made to the proposed rule language or any temporary rule subsequently issued, the Department will permit issuers to update their guaranteed issue rate filings accordingly. However, issuers should not expect to make other adjustments to closed rate filings.

Advertising and marketing of Medicare Supplement policies which include information on rates must clearly indicate that rates based on issue age are valid only for enrollments with coverage starting before March 1, 2022.

This Bulletin is not new law but is an agency interpretation of existing law, except as authorized by law or as incorporated into a contract. Requests for additional information or other inquiries regarding this Bulletin can be directed to Shannon Hohl at 208-334-4315 or Shannon.Hohl@doi.idaho.gov.