



Changes to Idaho's Medicare Supplement Rules

Welcome

Plan for today -

- Overview of Medicare Supplement (aka Medigap) Basics
- Review Changes to Idaho's Medicare Supplement Rules
- Frequently Asked Questions About the Changes



About the Idaho Department of Insurance (DOI)

- The Department of Insurance is a regulatory agency created to regulate the business of insurance in Idaho.
- The mission of the Department of Insurance is to serve and protect Idahoans by equitably, effectively and efficiently administering the Idaho Insurance Code and the International Fire Code.



About SHIBA

- Senior Health Insurance Benefits Advisors (SHIBA) Program
- Free, unbiased Medicare information for Idaho.
- Call SHIBA toll free 1-800-247-4422
- Attend a Medicare Workshop Webinar to learn more about Medicare!
- Volunteer with SHIBA to help others learn about Medicare



Open Enrollment Happening Now!

- Medicare Annual Election Period (also known as Open Enrollment) for Medicare Advantage and Part D plans
October 15 - December 7
- Individual Market Open Enrollment
November 1 - December 15



Individual Market Open Enrollment

Open Enrollment for private coverage is underway at Your Health Idaho from **November 1 - December 15**

We are aware that Your Health Idaho is currently experiencing high call volumes and longer than expected hold times.

Your Health Idaho has advised that consumers should select a plan and enroll in coverage for 2022, and the tax credit will be applied automatically once approved.

For questions or concerns, please contact:
Frances Nagashima, Director of Operations at
Frances.Nagashima@YourHealthIdaho.org



New DOI Website



DEPARTMENT OF INSURANCE

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Dedicated to Serving and Protecting Idahoans

The mission of the Department of Insurance is to serve and protect Idahoans by equitably, effectively and efficiently administering the Idaho Insurance Code and the International Fire Code.

File an Insurance Complaint	Get Help with Medicare (SHIBA)	Report Insurance Fraud
Find a Licensed Agent / Company	Locate a Life Insurance Policy	Laws, Rules, Bulletins & Orders
 Medicare Supplement Changes Find answers to common questions	 Find a Career Openings in the Department of Insurance	 Idaho's Enhanced Short-Term Plans Flexibility when you need it most



Medigap Basics

Medigap Open Enrollment

- 6-Month Open Enrollment when Part B starts
- Under 65 starting Medicare has the same 6-month Open Enrollment period
- No medical underwriting (i.e., can't be denied coverage or charged more due to health status)

Changing coverage outside the Medigap Open Enrollment period

- Can change any month of the year - no specific enrollment window
- May be subject to medical underwriting if outside a guaranteed issue period (i.e. Medigap protection)
- Could be denied coverage or charged more due to health status



Medigap Basics

What is a Medigap guaranteed issue?

Guaranteed issue rights are your rights to buy certain Medigap policies in certain situations outside of your Medigap Open Enrollment Period. Certain special circumstances trigger these rights. In these situations, an insurance company must:

- Sell you a Medigap policy
- Cover all your pre-existing health conditions
- Not charge you more for a Medigap policy due to past or present health problems

Medigap Basics

When does a Medigap guaranteed issue apply?

In most cases, you have a guaranteed issue right when you have other health coverage that changes in some way, like when you lose the other health coverage due to retirement.

In other cases, you have a “trial right” to try a Medicare Advantage Plan and still buy a Medigap policy if you change your mind.

See SHIBA's Shopper's Guide for more information about guaranteed issue and trial rights in Idaho.



Medigap Basics

How do insurance companies set prices/premiums for Medigaps?

Issue Age Rating - premiums are based on your age when purchased. Premiums will not increase due to an increase in age; however, premiums may increase for other reasons, such as increases in cost of medical services. Current rating method in Idaho.

Attained Age Rating - premiums are based on the increasing age of the insured. Not permitted in Idaho.

Community Rating - premiums are based on a single rate for all ages and classes of individuals in the group, regardless of risk factors such as age or health. Idaho does permit rating based on smoker status - often referred to as standard and preferred. Only method permitted going forward in Idaho.



Changes to Idaho's Medigap Rules

Why are the rules changing?

- Senate Bill 1143 signed by Governor Little on 4/22/2021, revised key provisions of Medicare Supplement policy rating and eligibility.
- The Department of Insurance engaged in negotiated rulemaking to implement the changes to Rule 18.04.10 Medicare Supplement Insurance Standards, as required by the Bill.



Changes to Idaho's Medigap Rules

Community Rating Required

- Any plans issued/sold after February 28, 2022, will be community-rated.
- New issue-age rated plans will not be sold as of March 1, 2022.
- Any individual enrolling in a new policy after 2/28/2022 may only be sold/issued a community-rated plan.



Changes to Idaho's Medigap Rules

Annual Guaranteed Issue Opportunity

- Known as a “birthday rule”
- May change to a same or “lesser than” plan annually on birthday
- Have 63-day guarantee issue to change plan and/or company
- This is a state-specific guaranteed issue right - in addition to the federal guaranteed issue rights



Changes to Idaho's Medigap Rules

Guaranteed Issue Opportunity

- Medicare-eligible due to disability can be charged up to 150% of the premium for those eligible for Medicare due to age.
- Current policy holders of issue-age rated plans will keep this rating **UNLESS** they switch plans after 2/28/2022 (the policy they switch to will be community-rated)

Changes to Idaho's Medigap Rules

Additional Changes

The new rules prohibit -

- Application fees
- Discounting based on method or frequency of payment (i.e., direct payment withdrawal or paying annually)

Frequently Asked Questions

Q: I don't have a Medicare Supplement policy. Can I get one on my birthday?

A: It depends. While the birthday rule only applies to people with Medicare Supplement policies, there may be other guaranteed issue rights available for someone to purchase a policy without underwriting.

Q: I have a Medicare Advantage plan. How do these changes affect me?

A: These changes do not affect people with Medicare Advantage plans.

Frequently Asked Questions

Q: I have a Medicare Prescription Drug Plan (PDP), also known as Part D. How do these changes affect me?

A: These changes do not affect beneficiaries with Prescription Drug Plans, unless they also have a Medicare Supplement policy. If you have a Medicare Supplement policy you do have the opportunity to review your coverage and purchase a new, community-rated plan without underwriting as part of the new guaranteed issue or “Birthday Rule.”

Frequently Asked Questions

Q: I have a Medicare Supplement policy and I heard my rates are going to increase. Is that true?

A: Not because of this law change. Medicare Supplement policy premiums typically change annually due to the increasing cost of medical care, and that is expected to continue.

Frequently Asked Questions

Q: I have a Medicare Supplement policy. How do these changes affect me?

A: These changes do not affect current policyholders. Your policy is guaranteed renewable. Even if the plan is issue-age rated (most common rating in Idaho), you do not need to change plans and companies cannot force you to move to a community-rated policy. You do have the opportunity to review your coverage and purchase a new, community-rated plan without underwriting as part of the new guaranteed issue or “Birthday Rule.”

Questions?

For Medicare questions and information contact SHIBA 1-800-247-4422

Other inquiries -

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DOI Website

<https://doi.idaho.gov/>

NOTE: The information in this presentation is based on the temporary rule, as published November 3, 2021.



