

Notice of Public Hearing
LSA Document #19-257**Notice of Public Hearing**

Under [IC 4-22-2-24](#), notice is hereby given that on July 11, 2019, at 10:00 a.m., at the Department of Insurance, 311 West Washington Street, Suite 103, Indianapolis, Indiana, the Department of Insurance (IDOI) will hold a public hearing on a proposed rule to amend [760 IAC 3](#) regarding Medicare supplement insurance minimum standards. The IDOI seeks to amend this article based upon changes to federal law. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) prohibits the sale of Medicare supplement insurance policies that cover Plan B deductibles to newly eligible Medicare beneficiaries. An individual is "newly eligible" if he or she (1) has attained age 65 on or after January 1, 2020; or (2) first became eligible for Medicare due to age, disability, or end-stage renal disease, on or after January 1, 2020. For newly eligible persons, references in the law to Medicare supplement Plans C and F are deemed references to Plans D and G. Insurers selling these prohibited policies are subject to fines, imprisonment, and/or civil penalties. The proposed rule also creates a new Plan G high deductible plan for newly eligible Medicare beneficiaries.

The proposed rule will impact insurers writing Medicare supplement policies in Indiana, as well as insurance producers licensed to sell these products. The proposed rule will require insurers to update policy forms and file the forms and rates with the IDOI for review. The cost for filing each new Plan G high deductible form for review and approval with the IDOI is \$35 per policy form and \$35 per rate. These fees are required by [IC 27-1-3-15\(e\)](#). Insurers and agents will also update systems as a result of the proposed rule. This cost is expected to be minimal.

The requirements and costs imposed by the proposed rule are necessary. The proposed rule is based upon a model regulation from the National Association of Insurance Commissioners (NAIC). This model regulation provides for the reasonable standardization of coverage and simplification of terms and benefits of Medicare supplement policies. The NAIC amended the model regulation to include the changes in federal law impacting Medicare supplement policies set forth in MACRA. In order to retain regulatory authority over Medicare supplement policies in Indiana, IDOI must amend [760 IAC 3](#) to implement these changes. Failure to amend [760 IAC 3](#) to conform with federal law could result in Indiana losing regulatory authority over Medicare supplement products sold in Indiana. Authority to regulate these products would revert back to the federal government.

Copies of these rules are available on the Department of Insurance's website at:
www.in.gov/idoi/2591.htm

Copies of these rules are now on file at the Department of Insurance, 311 West Washington Street, Suite 103, Indianapolis, Indiana and are open for public inspection and copying.

Stephen W. Robertson
Commissioner
Department of Insurance

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