



## INFORMATIONAL MEMORANDUM

OIR-15-06M

ISSUED

July 28, 2015

Florida Office of Insurance Regulation

Kevin M. McCarty, Commissioner

### MEDICARE SUPPLEMENT POLICIES IN FLORIDA

***The purpose of this memorandum is to notify insurers of the requirements and options available to them under Florida law. This memorandum applies to Medicare supplement products and to products labeled as something other than Medicare supplement insurance including, but not limited to, "Senior Supplement Policies," "Senior Medical Insurance Plans," "Group Retiree Insurance Plans," "Group Limited Benefit Medical Expense Plans," or any other policy which fits under the definition of Section 627.672, Florida Statutes. However, this memorandum does not apply to Medicare Advantage policies as defined by federal law.***

#### Definition of Medicare Supplement Policies

According to Section 627.672, Florida Statutes, a "Medicare supplement policy" is a health insurance policy or other health benefit plan offered by a private entity to individuals who are entitled to have payments for health care costs made under Medicare, Title XVIII of the Social Security Act ("Medicare"), as presently constituted and as may later be amended, which provides reimbursement for expenses incurred for services and items for which payment may be made under Medicare but which expenses are not reimbursable by reason of the applicability of deductibles, coinsurance amounts, or other limitations imposed by Medicare.

This is a broad definition and a policy need not be titled "Medicare supplement policy" for this Section to apply. If the policy coordinates with Medicare and otherwise falls under this Section, it must comply with Part VIII of Chapter 627, Florida Statutes.

#### Filing Requirements

All Medicare supplement policies or certificates delivered or issued for delivery in Florida must be filed with the Office for approval. This includes any out-of-state group policy providing Medicare supplement insurance benefits to a resident of this state pursuant to Section 627.6736, Florida Statutes. The out-of-state group exemption contained in Section 627.6515, Florida Statutes, does not apply to Medicare supplement insurance.

It has come to the attention of the Office that insurers may be selling Medicare supplement products that may be labeled as something other than Medicare supplement. A Medicare supplement policy must

be filed with and approved by the Office prior to use in Florida. Failure to do so violates the Florida Insurance Code and the insurer may be subject to one or more of the administrative remedies available under the Florida Insurance Code or other applicable law.

### Minimum Standards

Medicare supplement policies must meet the minimum standards as defined by Part VIII of Chapter 627, Florida Statutes, and Rule 69O-156, Florida Administrative Code. Except as expressly allowed in statute or rule, no Medicare supplement policy or certificate may contain limitations or exclusions on coverage that are more restrictive than those of Medicare.

### New or Innovative Benefits in Addition to Minimum Standards

According to Section 627.674, Florida Statutes, a Medicare supplement policy must meet minimum standards under Florida law, but a policy may include other provisions or benefits which are not inconsistent with the minimum standards. Additionally, according to Rule 69O-156.0085(6), Florida Administrative Code, an issuer may offer policies with new or innovative benefits in addition to the standardized benefits, so long as the innovative benefits do not adversely impact the goal of Medicare supplement simplification. New or innovative benefits may not be used to change or reduce standardized benefits, including a change of any cost-sharing provision, in any standardized plan. Within these parameters, insurers may develop multiple innovative or customized benefits, all or any of which may be applied to any standardized plan.

### Medicare Supplement Worksheets

Worksheets for Medicare supplement policies, applications, and outlines of coverage are available on the Office's website at <http://www.floir.com/Sections/LandH/Medicare/MedicareForms.aspx>. The worksheets are designed to assist an insurer with Medicare supplement requirements and standards contained in Florida Statutes and the Florida Administrative Code. While not mandatory, a completed worksheet may be submitted with a Medicare supplement filing and inclusion of the worksheet will help expedite review of the filing.

### Use of Unapproved Forms or Rates

An insurer may not advertise, solicit, or issue for delivery in this state a Medicare supplement policy unless it has been filed with and approved by the Office. An insurer using unapproved Medicare supplement forms or rates will be subject to one or more administrative remedies available under the Florida Insurance Code or other applicable law.

An insurer should immediately stop use of an unapproved form or rate and make the required filing with the Office.

**Questions concerning this memorandum may be directed to:**

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