

State of Rhode Island and Providence Plantations
OFFICE OF THE HEALTH INSURANCE COMMISSIONER
1511 Pontiac Avenue Building 69-1
Cranston, Rhode Island 02920

FINAL CONCISE EXPLANATORY STATEMENT FOR AMENDMENTS TO
230-RICR-30-20-7 – MEDICARE SUPPLEMENT MINIMUM STANDARDS
(formerly OHIC Regulation 8)

- A. Introduction. Pursuant to R.I. Gen. Laws § 42-35-2.6, the Office of the Health Insurance Commissioner (“Office”) is hereby providing a final Concise Explanatory Statement for amendments to 230-RICR-30-20-7 – Medicare Supplement Minimum Standards (formerly OHIC Regulation 8)
- B. Statement of Purpose of the Amendments.

This regulatory action was taken in order to:

- 1. Add a new section 7.12 entitled “Standard Medicare Supplement Benefit Plans for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery to Individuals Newly Eligible for Medicare on or after January 1, 2020.” This section adds language to the existing regulation that complies with The Medicare Access and CHIP Reauthorization Act of 2015 (“MACRA”). Section 401 of MACRA makes changes to Medicare Supplement policies that cover the Part B deductibles for “newly eligible” Medicare Beneficiaries on or after January 1, 2020.
 - 2. Given the new addition of this section, the subsequent sections were renumbered along with any corresponding internal cross-references.
 - 3. Add an explanatory sentence was also added to § 7.11(F)(7).
- C. Summary of the Regulatory Analysis. Section 401 of MACRA does not close the previous blocks of business. MACRA states that for ‘newly eligible’ only C or F shall be deemed, as of January 1, 2020, to be a reference to a Medicare Supplement policy which has a benefit package classified as D or G respectively. MACRA does not state that all plans have a new effective date as of January 1, 2020. Therefore, except for C and F for “newly eligible” only, all other blocks of plans will remain in the same status as before January 1, 2020. The basis for the elimination of Plan F and C as described is to address higher utilization for this population of beneficiaries. Centers for Medicare and Medicaid Services (CMS) and Congress believes that there is a higher than necessary use of services because there is little to no out of pocket spend for Plan F and C beneficiaries driving up the cost of care. The higher cost of care for these populations ultimately drives up premiums across not only plans F and C, but other Medicare Supplement plans as well. States that choose to retain regulatory authority over Medicare Supplement products offered in their state must implement these federal laws impacting Medicare Supplement policies.

This prohibition applies in all states including waiver states, and failure to adopt the current laws could result in a state losing regulatory authority over these products. Authority to

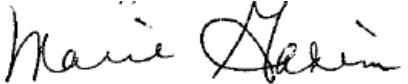
regulate these products would revert back to the Federal Government. Requests for the full regulatory analysis may be emailed to alyssa.metivier@ohic.ri.gov.

- D. Summary of Post-Comment Changes: There are four differences between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted. All four changes come from one public comment, which accurately pointed out technical and formatting errors. Two of those corrections are in-text citations appearing in sections 7.12(B)(5) and 7.12(D). Additionally, section 7.12(E) was removed, as it was correctly pointed out that Rhode Island is not a waivered state, thus this information is not necessary to add into the regulation.

The fourth change is a correction to the heading for section 7.12. Commentary was received suggesting that the title should read “Standard Medicare Supplement Benefit Plans for 2020” rather than Standard Medicare Supplement Benefit Plans for 2010. This change was incorporated into the regulation.

- E. Summary of Comments Not Resulting in Regulatory Language Changes. There were no public comments received not resulting in regulatory language change

Commissioner's Approval



Marie L. Ganim, PhD
Commissioner

10/29/2018
Date