

## Medicare Supplement Underwriting Guidelines

McLaren Health Plan (MHP) Community provides Medicare Supplement *Underwriting Guidelines* as a reference for the sale and renewals of Medicare Supplement healthcare plans. These guidelines do not replace any state or federal regulatory requirements. These guidelines are subject to change as required by law or sound underwriting principles. Any requests outside of the Guidelines require Underwriting review and approval.

A Medicare supplement policy is designed to help pay for the costs that are not paid by Medicare for covered health care costs (i.e. deductibles and coinsurance amounts). Medicare supplement policies are often referred to as “Medigap” policies. The applicant should consider purchasing a Medicare supplement policy if they do not have employer or retiree health care coverage and can afford to pay a monthly Medicare supplement premium.

### Plans

McLaren Health Plan currently offers eight (8) Medigap (Medicare Supplement Insurance) plans: Plan A, C, D, F, HD-F, G, HD-G and N.

Effective 1/1/2020, plans C, F and HD-F will no longer be available to those newly eligible. If a member was eligible for Medicare before January 1, 2020, they may be able to enroll in Medicare Supplement Plan F or Plan C. Members currently enrolled in plans C, F or HD-F prior to 1/1/2020 will be allowed to remain in these plans.

Further description and coverage details prior to member enrollment may be found in the Outline of Coverage for McLaren Medicare Supplement Plans.

Additionally, Medigap plans do not cover the Medicare Part D, drug benefit.

### Eligibility

To be considered for an MHP Medicare Supplement policy, the following criteria must be met:

1. Applicant must be enrolled in Medicare Parts A and B.
2. Applicant cannot be enrolled in Medicare Supplement plan and a Medicare Advantage health plan at the same time.
3. Applicant cannot be covered by a state Medicaid program or receiving public assistance.
4. Applicant must be a permanent resident of Michigan and physically reside in Michigan for at least six months of every year to be eligible for coverage.
  - Once enrolled, if the member permanently moves outside of Michigan or reside(s) in Michigan for fewer than six months of every year, their premium will change to Rating Area 2.

- If the member moves outside of the United States or its territories, their McLaren Medicare Supplement plan will be terminated.

## 5. Age Criteria

### a. Age 65 and Older

- The applicant must be 65 by the last day of the month of the requested effective date

### b. Under Age 65

- If the applicant is under age 65 and enrolled in Medicare Part B due to a disability, they may have a “special enrollment period” and be eligible to enroll in plans A or D
  - The applicant must be insured with an insurer with major medical coverage and no longer be insured because they became eligible for Medicare
  - Coverage must be requested within 90 days before or 90 days after the month they become eligible for Medicare

**OR**

  - If they lose coverage under a group policy after becoming eligible for Medicare\*
  - Coverage must be requested within 180 days after losing coverage under a group policy

*\*A copy of the termination notice/loss of coverage is required with the application*

## Open Enrollment

Unlike a Medicare Advantage plan, Medicare Supplement Medigap policies do not have a specific yearly open enrollment timeframe.

Open enrollment is the period when an applicant may not be denied coverage and is guaranteed that coverage will be issued regardless of health history. The six-month open enrollment period begins on the first day of the month in which the applicant turns 65 and enrolled in Medicare Part B. Open enrollment periods cannot be changed or repeated. Upon the following criteria is met, each Medicare member is allotted one (1) “Open Enrollment” period per lifetime:

- The applicant turns age 65 or older and is first becoming enrolled in Medicare Part B.
- Applicant is already enrolled in Medicare Part B (usually due to disability) and is turning age 65.

## Special Open Enrollment Period

- Applicants that have qualified due to disability for Medicare Part B under the age of 65 maybe entitled to a “Special Open Enrollment” period with enrollment in Plans A or C.
- Once a member reaches the age of 65, they are also entitled to their six month “Open Enrollment” period. At this time, they are permitted to re-apply for coverage under any eligible plan.

## Guaranteed Issue

Federal law provides that certain individuals applying for Medicare Supplement coverage who are outside their normal open enrollment period and who may not otherwise medically qualify for coverage may, under certain situations, be eligible for guaranteed issue coverage without pre-existing limitations. To qualify for Guaranteed Issue, documentation of the reason for eligibility is required. Applicant must provide the official notice of loss of coverage or evidence of a move out of service area from the previous carrier or employer.

The applicant has 63 days to apply for new coverage with guarantee issue rights for standardized McLaren Health Plan Medicare supplement plans A, F and High Deductible Plan F, if they have any of the circumstances listed below:

- The applicant is enrolled under an employer plan that provides health benefits that supplement the benefits under Medicare and the plan terminates or the plan ceases to provide all those supplemental health benefits to the individual.
- The applicant is enrolled with a Medicare Advantage plan or a PACE program and any of the following circumstances apply:
  - The certification of the organization or plan has been terminated.
  - The organization has terminated or otherwise discontinued providing the plan in the area in which they live.
  - The applicant is no longer eligible to elect the plan because of a change in their place of residence
  - The applicant can show that the organization offering the plan substantially violated a material provision of the organization's contract including the failure to provide on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide covered care in accordance with applicable quality standards, or the organization, or agent or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual.
- The applicant is insured under a Medicare supplement policy and the coverage ends because of any of the following:
  - The insolvency of the health carrier
  - The health carrier substantially violated a material provision of the policy.
  - The health carrier, or an agent or other entity acting on the health carrier's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual.
- They were covered under a Medicare supplement policy and they cancel the coverage and subsequently enroll, for the first time, with any Medicare Advantage plan and the subsequent enrollment is terminated by them during any period within the first 12 months.
- When the applicant first became eligible for benefits under part A of Medicare at age 65, they enrolled in a Medicare Advantage plan and disenrolled from that plan not later than 12 months after the effective date of enrollment.

**\*A copy of the termination notice/loss of coverage is required with the application**

## Trial Right

If the applicant joins a Medicare Advantage Plan for the first time, and aren't happy with the plan, they'll have special rights under federal law to buy a Medigap policy.

The following "trial rights" may apply if a member returns to Original Medicare within 12 months of joining:

- If they joined a Medicare Advantage Plan or when they were first eligible for Medicare Part A at 65, and within the first year of joining, and decided they want to switch to Original Medicare. The applicant may apply for any Medigap policy that MHP currently offers.
- If they dropped an MHP Medigap policy to join a Medicare Advantage Plan (or to switch to a Medicare SELECT policy) for the first time; and have been in the plan less than a year, and they want to switch back.
  - They may reapply for the same MHP Medigap plan originally were enrolled in.
  - If their former MHP Medigap policy isn't available, they can buy Medigap Plan A, C, or F with MHP
  - If their former Medigap policy isn't available with the original carrier, they can buy MHP Medigap Plan A, C, or F

**\*A copy of the termination notice/loss of coverage is required with the application**

## Underwriting

Unless an applicant qualifies for their "Open Enrollment" or "Guaranteed Issue" period, they are subject to underwriting. All questions in the "Your Health Information" section of the application is required to be answered. If no conditions apply, "None of these apply" must be checked for each questioning segment otherwise the application will be returned without approval. If the questions require a written response are found non-applicable, either the "No" box or a N/A must be written in. When listing the "prescriptions, you have taken in the last 12 months for chronic conditions", the applicable chronic condition needs to be checked. In the event a related chronic condition is not checked to the provided prescription, the application will be returned without approval.

## Family Household Discount

If an applicant or someone residing with an applicant both have a McLaren Medicare Supplement plan, they may be eligible for a discount on their monthly premium. The discount saves the member 12% on their monthly premium.

A household is defined as a single-family home, condo or apartment unit. Assisted living facilities, group homes, adult day care facilities, nursing homes or another other health residential facilities are not considered households.

This discount is available for new members as well as current members.

- **Current Members**
  - Complete the Application for Medicare Supplement Household Discount

- **New Members**

- If qualified household member is applying at the same time as the other applicant, the following information is needed:
  - Qualified Member First and Last Name
  - Qualified Member Social Security Number
- If qualified household member is currently enrolled in a McLaren Medicare Supplement plan, they'll need their:
  - First and Last name
  - Member ID

### How to Apply

Applications may be submitted on behalf of an agent or the applicant.

Send requests by:

- Fax: (810) 600-7931
- Mail: Attn: Sales  
McLaren Health Plan  
G-3245 Beecher Road  
Flint, MI 48532
- All applicable criteria and signatures must be completed. Missing information will result in the application being returned from Underwriting and a delay may impact the requested effective date of the policy.
- Failure to include all material medical information on an application may result in future claims denial and termination of the member's policy.
- Once an application decision is made, if applicable, a decision email will be sent to the agent. All applicants and agents will receive a decision letter by mail.
- A separate mailing will consist of the ID Card and plan documents.

### Subsidy

McLaren Health Plan participates with the Michigan Medigap Subsidy program. The Michigan Medigap Subsidy is a program administered by the Michigan Health Endowment Fund that will help pay for Medigap coverage. If the program finds the applicant eligible, the program will pay a subsidy directly to McLaren Health Plan. This subsidy is subtracted from the amount of premium the applicant owes, thus lowering their monthly premium. To apply or learn more, visit: [www.MichiganMedigapSubsidy.com](http://www.MichiganMedigapSubsidy.com) or call 866-824-9772.

### Plan Changes

1. Current members can request a plan change.
2. A new application and applicable documents are required.

3. "Open Enrollment" and "Guaranteed Issue" periods are not automatically carried over. A member must still be in the appropriate timeframes otherwise, the application is subject to medical underwriting.
4. All plan changes will go in effect the first of the requested month subject to underwriting approval.
5. The members ID number will stay the same however, rates and renewal dates are subject to change.

### **Guaranteed Renewability**

1. Coverage may be renewed annually unless the applicant fails to pay required Premiums on a timely basis, make material misrepresentations to us, or are no longer eligible for Coverage.
2. Premiums may change on any Certificate once each year and 30-day prior written notice will be provided.

### **Termination Guidelines**

1. A member may cancel within the first 30 days of issue.
2. A member can terminate the Certificate at the end of a month by giving us at least 30 days written notice of termination.
3. If a member sends the policy back within 30 days after received, McLaren Health Plan will treat it as if it had never been issued and return all premium payments.
4. If a termination is in result of obtaining coverage elsewhere, a member must submit a copy of the new policy confirmation letter along with the termination request. Termination request up to 30 days prior will be considered on an Individual basis dependent on the documentation provided.

### **Re-enrollment Requirements**

In the event a former member would like to re-enroll in a MHP Medicare Supplement plan, a new application must be completed. Circumstances on the previous dis-enrollment may or may not impact eligibility for a new policy. A six-month grace period must have lapsed between the termination date of the previous policy and requested effective date of the new application.