

KANSAS INSURANCE DEPARTMENT
Notice of Hearing on Proposed
Administrative Regulations

A public hearing will be conducted at 1:30 p.m., May 11, 2015, in the third floor conference room, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, to consider the adoption of a proposed rule and regulation.

The 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to Diane Minear, Kansas Insurance Department, 420 S.W. 9th, Topeka, Kansas, 66612-1678, via facsimile at 785-291-3190, or via email at dminear@ksinsurance.org. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing.

A summary of the proposed regulation and its economic impact follows.

K.A.R. 40-4-29a. Same; renewability of individual hospital, medical, or surgical expense policy. This regulation would update the notice required to be sent to individuals turning 65 or becoming Medicare eligible. The new notice would be available to insurance companies on department website.

Because current practice is consistent with this amendment, there is no economic impact on health insurers.

Similarly, there will be no economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request any proposed regulation and the economic impact statement in an accessible format. Requests for accommodation to participate in the hearing should be made at least 5 working days in advance by contacting Diane Minear at (785) 296-2676 or via email at dminear@ksinsurance.org. Any individual desiring a copy of any regulation and/or the policy and procedure that is being adopted by reference, if applicable, may obtain a copy from our website, www.ksinsurance.org, under the Legal Issues link or by contacting Diane Minear by phone at (785) 296-2676 or via email at dminear@ksinsurance.org. The charge for copies is fifty cents per page.

K.A.R. 40-4-29a. Same; renewability of individual hospital, medical, or surgical expense policy. (a) Except as specifically authorized by K.S.A. 40-2257(b) and amendments thereto, an insurer shall not terminate an individual hospital, medical, or surgical expense policy for any insured who is eligible for medicare if the insured wishes to continue the individual's coverage.

(b) Each insurer shall mail to its current individual medical policyholders approaching the age of 65 or medicare eligibility a notice provided by the Kansas insurance department explaining, in detail, the options available to them. ~~The following notice shall be provided:~~

~~**“IMPORTANT CONSUMER NOTICE**~~

~~**From Sandy Praeger, Commissioner of**~~

~~**Insurance, State of Kansas**~~

~~Dear Fellow Kansan,~~

~~Under the Federal Health Insurance Portability and Accountability Act and Kansas Statutes Annotated §40-2257, persons covered under an individual hospital, medical, or surgical expense policy may continue to renew this coverage even when they become eligible for Medicare. This means you may either:~~

- ~~continue your current individual coverage into the future as long as you continue to pay premiums, or~~
- ~~purchase a policy specifically designed to complement Medicare benefits, known as a Medicare supplement policy, once you are eligible for Medicare, or~~
- ~~continue your current individual coverage and purchase a Medicare supplement policy.~~

~~The reason I am providing you with this information is to stress the importance of the decision you need to make. Each person who becomes enrolled for benefits in Medicare Part B receives a six (6) month open enrollment period. During this six-month period, a person who applies for a Medicare supplement policy cannot be turned down and a policy will be issued to the applicant (subject to pre-existing condition limitations for some companies) without medical underwriting.~~

~~However, if you choose to maintain your current individual hospital, medical, or surgical policy after becoming enrolled in Medicare Part B, your six-month open enrollment period still begins to run. In general, this means that if you decide to apply for a Medicare supplement policy after the six-month period has passed, an insurance company may legally require you to meet its medical underwriting standards before issuing you such a policy.~~

~~You should also know that if you maintain your current individual policy and/or purchase a Medicare supplement policy, your premiums may increase as you get older. Neither policy will provide benefits that duplicate those provided by Medicare. In addition, although your current individual hospital, medical, or surgical expense policy may provide greater benefits than those offered through a Medicare supplement policy, you will likely be charged a greater premium rate and, in the long run, probably pay more for an individual hospital, medical, or surgical expense policy than a Medicare supplement policy. This is an important point to note and you should carefully compare and consider the cost of your current coverage and the benefits it provides, to the cost of a Medicare supplement policy and the benefits it provides.~~

~~Under the Federal Health Insurance Portability and Accountability Act and Kansas Statutes Annotated 40-2257, persons covered under an individual hospital, medical, or surgical expense policy may continue to renew this coverage, even when they become eligible for Medicare, except under very limited circumstances, such as when an insurer provides advance notice it is altogether ceasing to offer individual policies.~~

~~If you have any questions about your current coverage or purchasing a Medicare supplement policy, you may contact the Consumer Assistance Division of the Kansas Insurance Department at 1-800-432-2484 and one of our representatives will be glad to assist you.~~

Sandy Praeger
Commissioner of
Insurance”

(Authorized by K.S.A. 40-103 and 40-2257(i); implementing K.S.A. 40-2257;
effective Jan. 12, 2007; amended P-_____.)

ECONOMIC IMPACT STATEMENT

Proposed Kansas Administrative Regulation 40-4-29a.

Pursuant to the requirement of K.S.A. 77-416(b) the Kansas Insurance Department submits the following description of the economic impact of the above referenced proposed amendment to K.A.R. 40-4-29a

1. This regulation would update the notice required to be sent to individuals turning 65 or becoming Medicare eligible. The new notice would be available to insurance companies on department website.
2. Because current practice is consistent with this amendment, there is no economic impact on health insurers.
3. Similarly, there will be no economic impact on the Kansas Insurance Department, consumers, small businesses, or other governmental agencies.