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Guaranteed Issue of Medicare Supplement Policies for Dually Eligible Persons Losing Medical Benefits under MaineCare

The Maine Bureau of Insurance has been advised that on March 1, 2013, approximately 4,700 dually eligible Medicare/MaineCare beneficiaries will be losing MaineCare eligibility for medical benefits and Medicare Part B premium assistance. Some of these beneficiaries will be losing eligibility for assistance with Medicare copayments, coinsurance, and deductibles through the Qualified Medicare Beneficiary (QMB) program. Others will be losing eligibility for Medicare Part B premium assistance through the Qualified Individual (QI) program.

Bureau of Insurance Rule 275, Section 12 requires Medicare supplement carriers to issue Medicare supplement policies on a guaranteed issue basis to eligible individuals who apply within 90 days of losing prior coverage. Paragraph 12(B)(8) provides that an individual is eligible for guaranteed issue if: *The individual is eligible for Medicare Part B and is enrolled in Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of immunization benefits under Section 1928, and enrollment in Medicaid ceases because the individual is no longer eligible.* The purpose of this Bulletin is to remind Medicare supplement carriers and Medicare beneficiaries of the Bureau's long-standing interpretation of this provision.

MaineCare, governed by both state and federal law, provides a variety of benefits to eligible persons. Under certain circumstances, a person eligible for Medicare may qualify for benefits under programs that cover medical expenses such as Medicare co-payments, coinsurance, and deductibles. If he or she loses eligibility for MaineCare coverage for medical expenses, Rule 275, § 12(B)(8) requires guaranteed issue of any Medicare supplement policy. The individual has a 90-day period after losing MaineCare coverage in which to apply for any benefit level Medicare supplement policy even if he or she never had a previous Medicare supplement policy. The carrier cannot subject benefits to a pre-existing condition exclusion.

Medicare beneficiaries not eligible for coverage of medical expenses under MaineCare may still be eligible for programs that provide premium assistance (such as the QI program which provides assistance with Medicare Part B premiums). Unlike coverage of copayments, coinsurance, and deductibles, Medicare Part B premium assistance by itself is not considered medical coverage. Accordingly, Rule 275, § 12(B)(8) does not require carriers to issue Medicare supplement policies to persons who lose eligibility only for Medicare Part B premium assistance.

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NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Bureau of Insurance if additional information is needed.