

THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT (EXCERPT)
Act 350 of 1980

550.1493 Rider, endorsement, or certificate form.

Sec. 493. (1) Except for riders or endorsements by which the health care corporation effectuates a request made in writing by the subscriber, exercises a specifically reserved right under a medicare supplement certificate, or as required to reduce or eliminate benefits to avoid duplication of medicare benefits, all riders or endorsements added to a medicare supplement certificate after date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the certificate shall require signed acceptance by the subscriber. After the date of certificate issue, any rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the certificate term shall be agreed to in writing and signed by the subscriber, unless the benefits are required minimum standards for medicare supplement certificates or if the increase in benefits or coverage is required by law. If a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charged shall be set forth in the certificate.

(2) A medicare supplement certificate shall not provide for the payment of benefits based on standards described as "usual and customary", "reasonable and customary", or words of similar import.

(3) If a medicare supplement certificate contains any limitations with respect to preexisting conditions, the limitations shall appear as a separate paragraph of the certificate and shall be labeled as "preexisting condition limitations".

(4) The term "medicare supplement", "medigap", "medicare wrap-around", or words of similar import shall not be used unless the certificate is issued in compliance with this part.

(5) A medicare supplement certificate shall have a notice prominently printed on the first page or attached thereto stating that a member shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded if, after examination of the certificate, the member is not satisfied for any reason.

(6) As soon as practicable but prior to the effective date of any changes in medicare benefits, every health care corporation offering medicare supplement coverage in this state shall file with the commissioner any appropriate riders, endorsements, or certificate forms needed to accomplish the medicare supplement modifications necessary to eliminate benefits under the certificate that duplicate benefits provided by medicare. The riders, endorsements, and certificate forms shall provide a clear description of the medicare supplement benefits provided by the certificate.

(7) Upon satisfying the filing and approval requirements, a health care corporation providing medicare supplement certificates delivered or issued for delivery in this state shall provide to each covered certificate holder any rider, endorsement, or certificate form necessary to eliminate benefits under the certificate that duplicate benefits provided by medicare.

(8) As soon as practicable but no later than 30 days before the annual effective date of any medicare benefit changes, every health care corporation delivering or issuing for delivery in this state medicare supplement certificates shall notify each covered certificate holder of modifications made to its medicare supplement certificates in a format acceptable to the commissioner. The notice shall be in outline form, contain clear and simple language, shall not contain or be accompanied by any solicitation, and shall include both of the following:

(a) A description of revisions to the medicare program and of each modification made to the coverage provided under the medicare supplement certificate.

(b) Whether a premium adjustment is due to changes in medicare.

History: Add. 1994, Act 40, Imd. Eff. Mar. 14, 1994.

Popular name: Blue Cross-Blue Shield

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