

Annual List of Rulemaking Activity
Rules Adopted January 1, 2018 to December 31, 2018
Prepared by the Secretary of State pursuant to 5 MRS §8053-A, sub-§5

Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24 MRS §2317-B; 24-A MRS §§ 212, 2413(1)(F), 4207(9), 5002-A, 5002-B, 5005, 5010-A, 5011; Resolve 2013 ch. 19
Chapter number/title: **Ch. 275**, Medicare Supplement Insurance
Filing number: **2018-274**
Effective date: 12/26/2018
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The primary purpose of the amendment is to comply with Section 401 of the federal *Medicare Access and CHIP Reauthorization Act of 2015* (MACRA). This act prohibits the sale of Medicare supplement insurance policies that cover Part B deductibles on or after January 1, 2020. Other changes proposed include updating a reference to the adjusted average age of Medicare supplement covered lives for all issuers in the Maine market based on rate filings, repeal of references to obsolete paper rate filing procedures, a clarification that for purposes of the rule “employee welfare benefit plan” includes COBRA and mini-COBRA coverage and a clarification that Medicare counts as creditable coverage only during a person’s 6-month open enrollment period.

Basis statement:

Ch. 275 has been amended pursuant to the Notice of Rulemaking issued August 22, 2018. The Bureau did not convene a public hearing, and the public comment period was open until 4:30 p.m. September 24, 2018.

The Bureau originally adopted Rule 275 in 1992 to standardize benefits of Medicare supplement policies pursuant to federal law and to establish standards for policy terms, disclosure, and rating. The rule was amended in 1993, 1996, 1999, 2000, 2003, 2005, 2009, and 2014.

The primary purpose of the current proposed amendments is to comply with Section 401 of the federal *Medicare Access and CHIP Reauthorization Act of 2015* (MACRA), Pub. L. No. 114-10 129 Stat. 87. MACRA prohibits the sale of Medicare supplement insurance policies that cover Part B deductibles to “newly eligible” Medicare beneficiaries on or after January 1, 2020.

The current proposed amendments also include these changes:

- updating a reference to the adjusted average age of Medicare supplement covered lives for all issuers in the Maine market based on rate filings,
- repealing references to obsolete paper rate filing procedures,
- clarifying that for purposes of the rule “employee welfare benefit plan” includes COBRA and mini-COBRA coverage, and
- clarifying that Medicare counts as creditable coverage only during a person’s 6-month open enrollment period.

Fiscal impact of rule:

No fiscal impact on state government.