Title 16—RETIREMENT SYSTEMS
Division 20—Missouri Local Government Employees’ Retirement System (LAGERS)
Chapter 1—General Organization

PROPOSED AMENDMENT

16 CSR 20-1.010 General Organization. The Retirement System is amending section (2) to update the rule to more accurately reflect the structure of the Retirement System organization as it currently functions.

PURPOSE: The proposed amendment updates the rule to reflect LAGERS’ organizational structure, authority of the LAGERS Board of Trustees to contract with service providers and non-substantive clean-up language and updates.

(2) The general administration and the responsibility for the proper operation of the system is vested in a board of trustees consisting of seven (7) persons. Three (3) trustees are elected by the employees who participate in the system, three (3) trustees are elected by the members of the governing bodies of those political subdivisions which participate in the system, and one (1) trustee is appointed by the governor. The board of trustees employs an executive secretary, who may also be referred to as the executive director, not one (1) of their number, who shall be the executive officer of the board and a chief investment officer, not one (1) of their number, who shall report directly to the board on all system investment activity. The board also may employ/s or contract/s for the services of jan/ actuary/les, legal advisors, investment counselors, medical advisors, and/or certified public accountants, and such other service providers as the board shall deem necessary.

AUTHORITY: section 70.605.21, RSMo

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Any interested person or entity may submit written comments in support of or in opposition to the proposed amendment. Comments should be directed to the Missouri Local Government Employees Retirement System (LAGERS), Attn: Jason A. Paulsmeyer, Chief Counsel, PO Box 1665, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 16—RETIREMENT SYSTEMS
Division 20—Missouri—Local Government Employees’ Retirement System (LAGERS)
Chapter 2—Administrative Rules

PROPOSED AMENDMENT

16 CSR 20-2.045 Application for Retirement. The Retirement System is amending sections (1) and (2) to update the guidelines regarding applications for retirement and reflect current practices including the use of electronic applications.

PURPOSE: The proposed amendment updates the rule to permit electronic filing of retirement applications and clarify that the rule applies to early service retirement applications as well as make non-substantive language updates and clean-up provisions.
(1) Any vested member who has attained the minimum service retirement age, the minimum early service retirement age pursuant to section 70.670, RSMo, or, if an election has been made in accordance with section 70.646, RSMo [1994] to provide for alternative eligibility, have years of attained age and credited service in force which total eighty (80) or more, may file a written or electronic application for retirement with the system, including the date on which the member desires [his/her] retirement to be effective.

(2) For purposes of section 70.645, RSMo [1994], and this rule, the following factors shall determine the date that an application for retirement shall be deemed to have been filed with Missouri Local Government Employees' Retirement System (LAGERS):

(C) If the application is sent to LAGERS electronically or through facsimile transmission, the date and time the [fax transmission] application is received by LAGERS; and

(D) If the application is personally given to a LAGERS [board member or] employee, the date of personal delivery.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Any interested person or entity may submit written comments in support of or in opposition to the proposed amendment. Comments should be directed to the Missouri Local Government Employees Retirement System (LAGERS), Attn: Jason A. Paulsmeyer, Chief Counsel, PO Box 1665, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 16—RETIEMENT SYSTEMS
Division 20—Missouri Local Government Employees’ Retirement System (LAGERS)
Chapter 2—Administrative Rules

PROPOSED AMENDMENT

16 CSR 20-2.070 Collection of Delinquent Payments. The Retirement System is amending sections (1) and (2) to update the procedure for when a political subdivision is delinquent in remitting payments to the system.

PURPOSE: The proposed amendment updates the rule to permit electronic means of communication, clarify the timeline for the collection of delinquent payments, and eliminate inconsistencies with 70.735 RSMo, as well as non-substantive language updates and clean-up provisions.

(1) The system [shall notify] will provide each political subdivision [when its] with a monthly employer statement of account, which will indicate the [and] remittance [is] due the system from the political subdivision.

(2) If any political subdivision fails to make any payment due, as indicated on the employer statement of account, by the twelfth day of the month (or the first business day thereafter if the twelfth day is not a business day), the system shall make the payment due a receivable or shortage on the employer’s statement and notify the political subdivision in writing, which may be sent to the employer electronically or via U.S. Mail. [The political subdivision shall remit the shortage to the system within forty-five (45) days] If the political subdivision fails to make any payment due the retirement system for a period of sixty days (60) after the payment becomes due, as set forth above, the retirement system may consider the political subdivision delinquent and seek relief as provided in RSMo sections 70.735.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

16 CSR 20-2.056 Lump-Sum Cash Payout of Retirement Allowance. The Retirement System is amending the purpose and section (1) to correct a statutory reference and increase the reserve amount of payment that will make a member eligible to apply the optional retirement election providing for a lump-sum cash payout in lieu of a monthly benefit.

PURPOSE: The proposed amendment increase the value of reserve amount for accounts eligible to apply for a lump-sum payout and correct a statutory reference within the rule language.

PURPOSE: This rule establishes the circumstances under which a member or former member may receive a lump-sum cash payout in lieu of a monthly benefit, as provided for in section 70.660.1(12)(4), RSMo [2000] regarding optional retirement elections.

(1) A member or former member who is entitled to a retirement allowance, as defined in section 70.655 or section 70.765, RSMo [2000], may, in accordance with section 70.660.1(12)(4), elect to receive a lump-sum cash payout at retirement that is the actuarial equivalent of the retirement allowance otherwise payable, provided that the value of the reserve at the time of payment is less than [ten] twenty thousand dollars ($120,000).


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Any interested person or entity may submit written comments in support of or in opposition to the proposed amendment. Comments should be directed to the Missouri Local Government Employees Retirement System (LAGERS), Attn: Jason A. Paulsmeyer, Chief Counsel, PO Box 1665, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.
PROPOSED AMENDMENT

16 CSR 20-2.105 [Determination of Amount Otherwise Payable] Redetermination of Allowances During Deflation and Consumer Pricing Indices To Be Considered. The Retirement System is amending the title, purpose, and section (1), and adding a new section (2) to clarify how the Consumer Price Index will be used to redetermine allowances during deflation and which Consumer Price Indices may be considered by the Board of Trustees in making such redeterminations.

PURPOSE: The proposed amendment clarifies how retiree allowances are redetermined in periods of inflation subsequent to periods of deflation and expands the Consumer Price Indices the LAGERS Board of Trustees may consider in redetermining retiree allowances.

(Purpose: The purpose of this rule is to [provide Missouri Local Government Employees’ Retirement System’s (LAGERS’) interpretation of] clarify how retiree allowances will be redetermined pursuant to section 70.655.7–.10 et. seq., RSMo. [regarding] during periods of deflation and which Consumer Pricing Indices may be considered in making the redetermination.

(1) For purposes of calculating the redetermined amount of the allowance as set forth under section 70.655.7–.10 et. seq., RSMo, [the Missouri Local Government Employees’ Retirement System’s (LAGERS’) Board of Trustees interprets sections 70.655.7–.10 et.seq., RSMo, to not require an actual reduction in the redetermined amount of the retiree’s allowance] during periods of deflation, if the annual Consumer Price Index (CPI) is negative, there shall be no actual reduction in the redetermined amount of the retiree’s allowances. However, in the next year in which the annual Consumer Price Index (CPI) is positive, the Board of Trustees may consider the cumulative net increase or decrease in the Consumer Price Index (CPI) inclusive of the negative and positive years when redetermining any amount of the retirees’ allowances.

(2) In order to continue the original intent of the use of the Consumer Price Index, as defined by section 70.655.7, RSMo, the Board of Trustees of the Retirement System may also consider the Consumer Price Index for All Urban Consumers (CPI-U), as determined by the United States Department of Labor, when redetermining any amount of the retirees’ allowances.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Any interested person or entity may submit written comments in support of or in opposition to the proposed amendment. Comments should be directed to the Missouri Local Government Employees Retirement System (LAGERS), Attn: Jason A. Paulsmeyer, Chief Counsel, PO Box 1665, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.
PURPOSE: This amendment removes language that is duplicative of

of the division’s inquiry is not an adequate response;

of necessary claim forms, instructions and reasonable assistance [so that] to first-party claimants [can comply with the policy conditions and the insurer’s reasonable requirements. Compliance with this section] within ten (10) working days of notification of a claim [shall constitutes compliance with subsection (1)(A) of this rule.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for 9:00 am, July 18, 2019, at 301 W. High Street, Room 530, Jefferson City, Missouri 65101.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 100—Insurer Conduct
Chapter 4—General

PROPOSED AMENDMENT

20 CSR 100-4.100 [Required] Response to Inquiries by the Consumer Affairs Division.

The director is amending the purpose statement, sections (1) and (2), and adding subsections (2)(A) through (2)(E).

PURPOSE: This amendment incorporates the definitions from rule 20 CSR 100-4.000 and clarifies the terms of the rule.

PURPOSE: This rule sets forth with greater specificity the [statutory requirements] standards for responding to inquiries from the Division of Consumer Affairs, [required of all persons in this state,] pursuant to sections 354.190, 354.465, 354.717, 374.085, 374.110, 374.190, 375.938, 375.1009, 376.1375 and 384.015, RSMo.

(1) As used in this rule, [*division* means the Consumer Affairs Division.]* the following terms mean:

(A) “Adequate response,” a written response answering each inquiry with reasonable specificity. A person’s acknowledgment


(2) Except as [required] provided for under subsection (2)(B) —

(A) Upon receipt of any inquiry from the division, every person shall mail to the division an adequate response to the inquiry within twenty (20) days from the date the division mails the inquiry. An envelope’s postmark [shall] determines the date of mailing. When the requested response is not produced by the person within twenty (20) days, this nonproduction [shall be] is deemed a violation of this rule, unless the person can demonstrate that there is reasonable justification for that delay; and

(B) This rule [shall] does not apply to any other statute or regulation which requires a different time period for a person to respond to an inquiry by the department. If another statute or regulation requires a shorter response time, the shorter response time [shall be met] is controlling. This regulation operates only in the absence of any other applicable laws.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for 9:00 am, July 18, 2019, at 301 W. High Street, Room 530, Jefferson City, Missouri 65101.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination

PROPOSED AMENDMENT

20 CSR 100-8.016 Examination Procedures.

The director is amending the purpose statement, sections (3), (4), (5), and (6), deleting sections (1) and (2), creating a new section (3), and renumbering as necessary.

PURPOSE: This amendment removes language that is duplicative of
language in other regulations and adds a new provision giving insurance companies the opportunity to address issues relating to examination costs or data requests.

PURPOSE: This rule implements the purposes of section 374.185, RSMo, and establishes uniform standards for the director in applying the discretion authorized in issuing examination warrants for market conduct examinations pursuant to sections 374.202 to 374.207, RSMo.

[(1) Prior to commencement of an on-site market conduct examination, market conduct surveillance personnel shall prepare a work plan and proposed budget and provide the work plan and proposed budget to the company under examination.

(2) Market conduct examinations shall, to the extent feasible, utilize desk examinations and data requests prior to commencing on-site examination activity.]

((3)(1)) Market conduct examinations [(shall) will] be conducted in accordance with the provisions set forth in the National Association of Insurance Commissioners (NAIC) Market Regulation Handbook, or in department regulations, if inconsistent with the NAIC Market Regulation Handbook, for the type of examination being conducted.

((4)(2)) The examiner-in-charge [(shall) will] conduct a pre-examination conference with the company examination coordinator and key personnel to clarify expectations approximately thirty (30) days prior to commencement of the examination.

(3) If the insurer or company believes there is a significant increase from the original work plan’s estimates of cost or a significant increase in the amount of data requested, the insurer or company may submit a request, in writing, for a review of the examination costs or data requests. Such request shall be submitted to the market regulation division director or chief examiner. The market regulation division director or chief examiner will provide a written response to the request within twenty (20) business days. Any request or response under this section shall be considered examination workpapers, subject to the confidentiality provisions of section 374.205, RSMo.

((5)(4)) If an [targeted] examination is expanded beyond the scope of the examination warrant [and the reasons provided to the company in the notice of examination required under this section, the director [(shall) will] modify the examination warrant or issue a new examination warrant and provide written notice to the company explaining the extent of the expansion and the reasons for the expansion. The division [(shall) will] provide a revised work plan to the company before the beginning of any significantly expanded examination, unless extraordinary circumstances [(indicating) indicate immediate action is necessary to avoid a risk to consumers [require immediate action].

((6)(5)) Prior to the conclusion of a market conduct examination, the examiner-in-charge [(shall) will] schedule and conduct an exit conference with the company as outlined by the NAIC Market Regulation Handbook.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for 9:00 am, July 18, 2019, at 301 W. High Street, Room 530, Jefferson City, Missouri 65101.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION Division 100—Insurer Conduct Chapter 8—Market Conduct Examination

PROPOSED AMENDMENT

20 CSR 100-8.040 Insurer Record Retention. The director is amending the purpose statement, authority section, sections (2), (3), (5), and (7), subsections (1)(G), (3)(A), (3)(D), (3)(E), (4)(A), (4)(C), (6)(A), and (6)(B), and paragraphs (3)(A) 4., (3)(B) 3., and (3)(B) 4., deleting subsection (4)(B), and creating a new subsection (4)(B).

PURPOSE: This amendment clarifies standards for maintaining insurance records in compliance with Missouri law.

PURPOSE: This rule describes the requirements for record keeping for insurers and related entities doing business in this state. This regulation was adopted pursuant to the provisions of section 374.045, RSMo and to implement sections 287.350, 354.190, 354.465, 374.190, 374.210, 375.158, 374.205, 379.343, and 379.475, RSMo and 144.027, 354.149, 354.717, 375.022, 375.150, 375.151, 375.926, 375.932, 375.938, 375.1002, and 375.1009, RSMo.

(1) As used in this rule, the terms and phrases mean as follows: (G) “Policy,” as that term is defined in section 375.932(5), RSMo. The term “policy” [(shall) will also] include any evidence of coverage issued by a health maintenance organization to an enrollee.

(2) Records [(Required) Maintenance. Every insurer transacting business in this state shall maintain its books, records, documents, and other business records in a manner so that the following practices of the insurer may be readily ascertained during market conduct examinations: claims handling and payment, complaint handling, termination, rating, underwriting and marketing. Nothing in this regulation requires an insurer to create records that never existed; however, the division may request the creation of such records if it believes doing so will reduce examination costs.

(3) Records to be Maintained. [(The following records shall be maintained:) An insurer that maintains its records in accordance with the following standards will be considered in compliance with Missouri law.

(A) A Missouri policy record file [(shall be maintained)] for each Missouri policy issued, and shall be maintained for the duration of the current policy term plus two (2) calendar years. Missouri policy records shall be maintained so as to show clearly the policy period, basis for rating and any imposition of additional exclusions from or exceptions to coverage. Missouri policy records need not be segregated from the policy records of other states so long as they are readily available to Missouri market conduct examiners as [(required) set forth] under this rule. Missouri policy records shall include the
following:

1. The actual, completed application for each contract.
   A. The application shall bear the signature of the applicant whenever the insurer intends to retain any right to contest any warranty, representation or condition contained in the application.
   B. The application shall bear a clearly legible means by which an examiner can identify any insurance producer involved in the transaction. The examiners shall be provided with any information needed to determine the identity of said insurance producer;
2. Any declaration pages (the initial page and any subsequent pages), the insurance contract, any certificates evidencing coverage under a group contract, any endorsements or riders associated with a policy, and any written or electronic correspondence to or from the insured pertaining to the coverage. If any of these records has already been filed with the department, a separate copy of the record need not be maintained in the individual policy files to which the record pertains, provided it is clear from the insurer’s other records or systems that the record applies to a particular policy and that any data contained in the record relating to that policy can be retrieved or recreated;
3. Any binder with terms and conditions that differ from the terms and conditions of the policy subsequently issued; and
4. Any guidelines, manuals or other information necessary for the reconstruction of the rating and underwriting of the policy. The maintenance at the site of a market conduct examination of a single copy of each of the above shall satisfy this requirement will be considered satisfactory. If any such rating or underwriting record is computer based, the records used to input the information into the computer system shall also be available to the examiners;

(B) A Missouri claim file shall be maintained for the calendar year in which the claim is closed plus three (3) years. The claim file shall be maintained so as to show clearly the inception, handling, and disposition of each claim. The claim file(s) shall be sufficiently clear and specific so that pertinent events and dates of these events can be reconstructed. A Missouri claim file(s) shall include the following:
1. Any notification of claim, proof of loss, claim form(s), proof of claim payment check/draft, notes, contract, declaration pages, certificates evidencing coverage under a group contract, endorsements or riders, work papers, any written communication, and any documented or recorded telephone communication related to the handling of a claim, including the investigation, payment and/or denial of the claim, and any claim manual(s) or other information necessary for reviewing the claim. Where a particular document pertains to more than one (1) file, insurers may satisfy the requirements of this paragraph by making available, at the site of a market conduct examination, a single copy of each document;
2. Documents in a claim file received from an insured, the insured’s insurance producer, a claimant, the department or any other insurer shall bear the initial date of receipt date-stamped by the insurer in a legible form in ink or some other permanent manner. Unless the company provides the examiners with written procedures to the contrary, the earliest date stamped on a document will be considered the initial date of receipt;
3. In cases of a total loss on property claims for a motor vehicle, trailer, boat or outboard motor, the insurer utilizes the credit procedure contained in section 144.027, RSMo, for reimbursement of sales tax, the claim file shall contain a copy of the certification described in section 144.027, RSMo, attesting to the amount of the insurance proceeds and any deductible obligation paid by the claimant regarding the loss. The certification shall contain a statement informing the claimant that the sales tax credit is valid for only one hundred eighty (180) days; and
4. If an insurer, as its regular business practice, places the responsibility for handling certain types of claims upon company personnel other than its claims personnel, the insurer need not duplicate its files for maintenance by claims personnel. These claims records must be maintained as part of the records of the insurer’s operations and must be readily available to examiners. Notwithstanding the definition of “claim” at subsection 20 CSR 100-1.010(1)(B), the time requirements standards for the retention of records for policy files stated at section 374.205.2(2), RSMo, apply to claims handled by the company’s personnel who typically handle policy files;
(D) The Missouri complaint records required to be maintained under pursuant to section 375.936(5), RSMo, shall include the actual written complaints, the insurer’s responses and any materials referenced in an insurer’s response that are not otherwise maintained by the insurer, along with a complaint log or register in addition to the actual written complaints. The complaint log or register shall that shows clearly the total number of complaints for a period of not less than the immediately preceding three (3) years, the classification of each complaint by line of insurance, the nature of each complaint, and the disposition of each complaint. The complaint log or register shall contain, and a reference to the location of the file to which each complaint corresponds. If the insurer maintains the file in a computer format, the reference in the complaint log or register for locating such documentation shall be an identifier such as the policy number or other code. Such codes shall, and an identifier key will be provided to the examiners at the time of an examination; and
(E) The insurer shall retain declined underwriting files for a period of three (3) years from the date of declination. The term “declined underwriting file” means all written or electronic records concerning a policy for which an application for insurance coverage has been completed and submitted to the insurer or its insurance producer, but the insurer has made a determination not to issue a policy or not to add additional coverage when requested. A declined underwriting file shall include an application, any documentation substantiating the decision to decline an issuance of a policy, any binder issued without the insurer issuing a policy, any documentation substantiating the decision not to add additional coverage when requested, and, if required by law, any declination notification. Notes regarding requests for quotations which do not result in a completed application for coverage need not be maintained for purposes of this regulation.

(4) Form of Record.
(A) Any record required to be maintained by an insurer pursuant to Missouri law, may be in the form of paper; photograph; computer; magnetic, mechanical, or electronic medium; or any process which accurately forms a durable reproduction of the record, so long as the record is capable of duplication to a hard copy that is as legible as the original document. Documents that require necessitating the signature(s) of the insured and/or insurer’s insurance producer, shall be maintained in any format as listed above provided evidence of the signature(s) is preserved in that format.
(B) The maintenance of records in a computer-based format shall be archival in nature only, so as to preclude, to the extent reasonable, the alteration of the record after the initial transfer to a computer format. Upon request of an examiner, all records shall be capable of duplication to a hard copy that is as legible as the original document. Such records shall be maintained according to written procedures developed and adhered to by the insurer. Said written procedures shall be made available to the department’s market conduct examiners in accordance with section (6) below.
(B) Once a record has been finalized, either for internal or external transmission or for file documentation purposes, or once an electronic record or database is finalized for permanent retention purposes, it shall be maintained in a computer-based format that is archival in nature, so as to preclude any alteration of the record after the initial transfer to archival format. All records shall be maintained according to written procedures developed and adhered to by the insurer. The written procedures shall be made available upon examiner request.
(C) Photographs, microfilms, or other image-processing reproductions of records [shall be] are deemed the equivalent to of the originals and may be certified as the same in actions or proceedings before the department unless inconsistent with 20 CSR 800-1.100.

(5) Location of Files. All records [required] to be maintained [under this rule] by an insurer pursuant to Missouri law shall be kept in a location which will allow the records to be produced for examination within the time period [required] set out under section (6) of this rule. When, under normal circumstances, someone other than the insurer maintains a [required] record or type of record, the other person’s or entity’s responsibility to maintain the records shall be set forth in a written agreement, with a copy [of which shall be] maintained by the insurer and [shall be] made available to the examiners for purposes of examination.

(6) Time Limits to Provide Records and to Respond to Examiners.

(A) Pursuant to section 374.205.2(2), RSMo, an insurer shall provide any record requested by any examiner within ten (10) calendar days. When the requested record is not or cannot be produced by the insurer within ten (10) calendar days, this nonproduction [shall be] is deemed a violation of section 374.205.2(2), RSMo, and this rule, unless the insurer can demonstrate to the satisfaction of the director that the requested record cannot reasonably be provided within ten (10) calendar days of the request.

(B) As a means to facilitate the examination and to aid in the examination in accordance with section 374.205.2(2), RSMo, an insurer shall provide a written response to any inquiry submitted by any examiner within ten (10) calendar days. When the requested information is not provided by the insurer within ten (10) calendar days, a violation [shall be] is deemed to have occurred, unless the insurer can demonstrate to the satisfaction of the director that the requested response cannot reasonably be provided within ten (10) calendar days of the inquiry.

(7) Examination Work Papers. Records [required to be] provided during a market conduct examination [shall will] be returned to the insurer following the examination, unless such records relate to an inquiry made by a department examiner. Records related to an inquiry [shall] become a part of the work papers of the examination. Section 374.205, RSMo, and R/Regulation 20 CSR 10-2.400 [shall] govern the public access to the work papers of the examination.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for 9:00 am, July 18, 2019, at 301 W. High Street, Room 530, Jefferson City, Missouri 65101.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 200—Insurance Solvency and Company Regulation
Chapter 17—Admissions

PROPOSED AMENDMENT

20 CSR 200-17.100 Procedure for Forming a Missouri Domestic Insurance Company. The director is amending sections (1) and (2).

PURPOSE: This amendment removes outdated language and updates the rule to reflect the modern procedure for forming a Missouri domestic insurance company.

(1) The procedures outlined in section (2) of this rule are the procedures [required] for the successful formation of a Missouri domestic insurance company authorized to transact an insurance business in this state. The steps outlined in subsections (A) through (F) of section (2) are set forth in [the required] chronological order [beginning with the first step].

(2) A Missouri domestic insurance company shall be formed in the following procedures and forms:

(A) The incorporators form the corporation that will become an insurance company organized under the laws of the state of Missouri. The incorporators must:

1. Issue a declaration of intent to form an insurance company and state its articles of incorporation to comply with the requirements of Missouri law. See sections 376.010 to 376.120, RSMo (life insurance companies) and sections 379.010 to 379.065, RSMo (other than life). Particular attention should be paid to the requirements for the number and residence of the members of the board of directors and the place where the principal office for the conduct of the insurance company’s business will be conducted. [Such place must be stated with sufficient specificity so that an examiner can verify that in fact the insurance company’s principal business will be located at the address stated] Prior to publication, the company is encouraged to provide a draft of the declaration and articles of incorporation to the Division of Insurance Company Regulation (division) of the department for review;

2. Publish the declaration and the articles [as required by] pursuant to law; and

3. File with the [Division of Financial Regulation (DFR) of the Missouri Department of Insurance (MDI)] division an affidavit of publication from the publisher of the declaration and articles, and the articles in triplicate original; and

4. Submit to the division a completed Uniform Certificate of Authority Application (UCAA)—primary application. Upon request, the division will provide information regarding—

A. How to obtain the appropriate UCAA form (including any forms specific to Missouri under the UCAA review process); and

B. The application of the statutory standards for evaluating an application for a certificate of authority;

(B) If the [insurance company] company’s filings under paragraph 3. of subsection (A) are in compliance with the applicable laws and regulations relating to a Missouri domestic insurance company, the [DFR/ division will cause the articles to be reviewed by the Missouri attorney general (AG). Upon receipt of the AG’s certification, the [DFR/ department will file the articles and a copy of the AG’s certification with the Missouri secretary of state for the issuance of a certificate of incorporation. (The secretary of state may require the payment of certain fees and taxes before issuing the certificate of incorporation);]

(C) Upon receipt of a copy of the certificate of incorporation, the company shall:
Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 200—Insurance Solvency and Company Regulation
Chapter 17—Admissions

PROPOSED AMENDMENT

20 CSR 200-17.300 Procedure for Redomestication. The director is amending sections (1) and (2).

PURPOSE: This amendment removes outdated language and updates the rule to reflect the modern procedure for redomesticating an insurance company to or from Missouri.

(1) Redomestication to Missouri from Another State. In order to redomesticate an insurance company organized under the laws of any other state to the state of Missouri, the insurance company shall comply with the following forms and procedures in the chronological order set forth below beginning with subsection (A)="/:

- The insurance company must—
  - [The insurance company must obtain] Obtain a certificate of authority to transact an insurance business in the state of Missouri, if not previously obtained;
  - [The insurance company must obtain] Obtain the approval of the current state of domicile to redomesticate to Missouri. This approval may be either unconditional or conditioned on future events such as Missouri’s acceptance of the redomestication;
  - [The insurance company must apply] Apply for redomestication to Missouri. The law (section 375.908, RSMo) requires a company redomesticating to Missouri to comply with all the requirements of law relative to organizing and licensing a domestic insurer. This means that the company must="]

1. Submit to the Division of Insurance Company Regulation (division) of the department a completed Uniform Certificate of Authority Application (UCAA)-primary application:
- [Locate] Designate its principal place of business at a place in Missouri;
- [Locate] Use a declaratory and amend its articles of incorporation to comply with the requirements of Missouri law. The declaration may substitute for the incorporation.
- [Locate] The quantity of directors referenced in section 376.060, 376.100, 379.035, or 379.060, RSMo, as applicable, will be accepted as substitutes for the incorporators. Prior to publication, the insurance company is encouraged to provide a draft of the declaration and articles of incorporation to the division for review;
- [Locate] Publish the declaration and the amended and restated articles [as required by] pursuant to law. The declaration may reflect the intent to redomesticate rather than the intent to form; and
  - [Locate] File with the Division of Financial Regulation (DFR) of the Missouri Department of Insurance (MDI) a division an affidavit of publication from the publisher of the amended and restated articles, the amended and restated articles in triplicate original, and the order from the current state of domicile approving the redomestication, and an application for an amended certificate of authority (which will state among other things, the location of the principal place of business); and/or other evidence of approval acceptable to the director;

[5. File with the MDI’s Property and Casualty Section or the Life and Health Section (whichever is applicable) any amended policy forms or endorsements as may be needed to reflect Missouri as the insurance company’s state of domicile;]
(D) If the insurance company’s filings are in compliance with the applicable laws and regulations relating to a Missouri domestic insurance company, the [DFR] division will cause the articles to be reviewed by the Missouri attorney general (AG). Upon receipt of the AG’s certification, the [DFR] department will file the articles and a copy of the AG’s certification with the Missouri secretary of state for the issuance of a certificate of incorporation. (The secretary of state may require the payment of certain fees and taxes before issuing the certificate of incorporation);

(E) The division may contact the company to schedule a pre-licensing examination, which may, among other things, verify the statutory deposit, compliance with financial requirements, the location of the company’s principal place of business, and the competency and integrity of the company’s officers and directors; and

[(E)(F) Upon receipt of the certificate of incorporation, [the DFR will contact the insurance company to schedule a pre-licensing examination. The scope of this examination will vary depending on the circumstances, including the extent and as of date of the insurance company’s most recent examination. Among other things, the examination will verify the statutory deposit, compliance with financial requirements, the location of the insurance company’s principal place of business, the filing of any necessary policy or endorsement forms, and the competency and integrity of the insurance company’s officers and directors; and notice from the division of the completion of its review of the application, the director will determine whether or not to issue a certificate of authority to transact the business of insurance in this state as a domestic insurance company.

[(F) Based upon the recommendation in the report of the pre-licensing examination, the DFR will cause the completion of the redomestication process. Redomestication is complete upon the issuance by the director of the MDI of a certificate of authority amended to reflect Missouri as the insurance company’s state of domicile.]

(2) Redomestication from Missouri to Another State. In order to redomesticate an insurance company organized under the laws of the state of Missouri to another state, the insurance company shall comply with the following forms and procedures in the chronological order set forth below beginning with subsection (A):

(A) The Missouri domestic insurer must request the [DFR] division to approve a redomestication to a specified state and provide evidence that the Missouri domestic insurer is admitted to do business in that state. The [DFR] division will then cause the MDI to recommend that the director issue a contingent approval and state the terms for finalizing the redomestication and making the contingent approval absolute.

(B) After receipt of the contingent approval, the insurance company shall obtain and file each of the following:

1. A certified copy of the state’s order approving the redomestication, or other evidence of approval acceptable to the director;
2. An application to amend certificate of authority [(form enclosed)], available on the department’s website or by contacting the division;
3. A certified copy of amended or restated articles of incorporation from new state of domicile;
4. A certified copy of certificate of authority from new state of domicile;
5. An appointment of the director of the MDI as agent for receipt of service of process; and
6. The filing fee for amending the Missouri certificate of authority.

(C) The [DFR will cause the MDI to] director will make the contingent approval absolute after the insurer files all items described under subsection (B) of this section.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Terra Sapp, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for July 18, 2019 at 9 a.m. at 301 W. High, Room 530, Jefferson City, MO 65101.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 200—Insurance Solvency and Company Regulation
Chapter 20—Captive Insurance Companies

PROPOSED AMENDMENT

20 CSR 200-20.040 Financial Requirements. The director is amending sections (1)-(7).

PURPOSE: This amendment clarifies the rule and relaxes certain restrictions.

(1) Annual Reporting Requirements.

(A) An association captive insurance company doing business in this state shall annually submit to the director a report of its financial condition, verified by oath of two (2) of its executive officers. The report shall be [that required by] prepared in accordance with section 375.041, RSMo.

(C) A special purpose life reinsurance captive (SPLRC) doing business in this state shall annually submit on or before March 1 of each year a report of its financial condition, verified by oath of two (2) of its executive officers. The report shall be [that required by] prepared in accordance with section 375.041, RSMo.

(2) Annual Audit. All companies shall have an annual audit by an independent certified public accountant (CPA), except to the extent waived by the director. The company shall within ninety (90) days of admission apply to the director for approval of the CPA by submitting an application to the director (Form CI-3). [Each company shall file an] Annual audited financial reports [with] are due to the director on or before June 30 (except for SPLRCs, [which shall file] whose filings are due] on or before May 31) for the year ending December 31 immediately preceding, unless the director has approved a fiscal year ending on a date other than December 31 in which case the audited financial report shall be filed with the director within six (6) months after the end of such approved fiscal year.

The annual audit report [shall will be considered part of the company’s annual report of financial condition except with respect to the filing due date [by which it must be filed with the director]. The annual audit shall consist of the following:

(A) Opinion of Independent Certified Public Accountant. Financial statements furnished pursuant to this section shall be examined by independent certified public accountants in accordance with
generally accepted auditing standards as determined by the American Institute of Certified Public Accountants. The opinion of the independent certified public accountant shall cover all years presented, [The opinion shall] be addressed to the company on stationery of the accountant showing the address of issuance, [shall] bear [original manual] signatures, and [shall] be dated;

(B) Report of Evaluation of Internal Controls. This report shall include an evaluation of the internal controls of the company relating to the methods and procedures used in the securing of assets and the reliability of the financial records, including but not limited to such controls as the system of authorization and approval and the separation of duties. [The] Unless otherwise approved by the director, the review [shall] will be conducted in accordance with generally accepted auditing standards;

(D) Financial Statements. [Statements required] Included financial statements shall be as follows:

1. Balance sheet;
2. Statement of gain or loss from operations;
3. Statement of changes in financial position;
4. Statement of changes in capital paid up, gross paid in and contributed surplus and unassigned funds (surplus); and
5. [Notes] Unless otherwise approved by the director, notes to financial statements, which shall be those required by generally accepted accounting principles, [and shall include] including:
   A. A reconciliation of differences, if any, between the audited financial report and the statement or form filed with the director;
   B. A summary of ownership and relationships of the company and all affiliated corporations or companies insured by the captive; and
   C. A narrative explanation of all material transactions and balances with the company; and
   
   (E) Actuarial Certification. The annual audit shall include an opinion as to the adequacy of the company’s loss reserves and loss expense reserves. The individual who certifies as to the adequacy of reserves shall be a member in good standing of the American Academy of Actuaries and reserves shall be a member in good standing of the American Institute of Certified Public Accountants. The opinion of the independent certified public accountant shall cover all years presented for the period required by generally accepted quantitative principles, as required by generally accepted accounting principles, [and shall include] including:

(3) Availability and Maintenance of Work[ing] Papers of the Independent Certified Public Accountant. Each company shall require the independent certified public accountant to make available for review and photocopying by the director or the director’s appointed agent the work papers prepared in the conduct of the audit of the company. The company shall require that the accountant retain the audit work papers for a period of not less than five (5) years after the period reported upon. The aforementioned review by the director [shall be considered] is an [investigation] examination and all work[ing] papers obtained during the course of such [investigation shall be] examination are confidential. [The company shall require that the independent certified public accountant provide photocopies of any of the working papers which the director considers relevant.] Such work[ing] papers may be retained by the department. “Work papers” as referred to in this section include, but are not necessarily limited to, schedules, analyses, reconciliations, abstracts, memoranda, narratives, flow charts, copies of company records or other documents prepared or obtained by the accountant and the accountant’s employees in the conduct of their examination of the company.

(4) Notification of Adverse Financial Condition. A company shall require the certified public accountant to immediately notify in writing an officer and all members of the board of directors of the company of any determination by the independent certified public accountant that the company has materially misstated its financial condition in its report to the director [as required in] pursuant to section 379.1312 or 379.1403, RSMo. The company [shall] will furnish such notification to the director within five (5) working days of receipt thereof.

(5) Deposit Requirement. Whenever the director deems that the financial condition of the company warrants additional security, the director may require a company to deposit with the director in a depository chosen by the director cash or securities approved by the director or, alternatively, to furnish the director a clean irrevocable letter of credit issued by a bank chartered by the State of Missouri or a member bank of the Federal Reserve System and approved by the director (Form CI-2). The company may receive interest or dividends from said deposit or exchange the deposits for others of equal value with the approval of the director. If such company discontinues business, the director [shall] will return such deposit only after being satisfied that all obligations of the company have been discharged.

(6) Reinsurance.

(A) Any company authorized to do business in this state may take credit for reserves on risks ceded to a reinsurer subject to the following limitations. No credit shall be allowed:[—]

1. [No credit shall be allowed for] For reinsurance where the reinsurance contract does not result in the complete transfer of the risk or liability to the reinsurer with respect to the portion of the liability purported to be reinsured; and
2. [No credit shall be allowed, as] As an asset or a deduction from liability, to any ceding insurer for reinsurance unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding insurer under the contract reinsured without diminution because of the insolvency of the ceding insurer;

(B) Reinsurance under this section [shall] is to be effected through a written agreement of reinsurance setting forth the terms, provisions and conditions governing such reinsurance; and

(C) The director in his discretion may require that complete copies of all reinsurance treaties and contracts be filed and/or approved by him.

(7) Premium Tax.

(A) On or before February 1 of each year, each company shall file a premium tax return (Form CI-5) on a form provided by the director with respect to its direct premiums written and reinsurance assumed premiums written for the year ending the preceding December 31. [The tax upon such premiums shall be according to the rates provided by law and shall be subject to the minimum and maximum taxes provided by law. Notwithstanding such minimum and maximum taxes, each company may deduct the application and license and license renewal fees from the taxes payable; provided that such deductions shall be the only deductions from the taxes otherwise payable.]

(B) On or before March 31 of each year, the director [shall] will certify to the director of revenue the taxes payable by each company.

(D) [Each company shall pay the taxes assessed] Payment of taxes assessed is due to the director of revenue on or before May 1.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.
Proposed Rules

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Terra Sapp, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for July 18, 2019 at 9 a.m. at 301 W. High, Room 530, Jefferson City, MO 65101.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 400—Life, Annuities and Health
Chapter 3—Medicare Supplement Insurance

PROPOSED AMENDMENT

20 CSR 400-3.650 Medicare Supplement Insurance Minimum Standards Act. The director is amending sections (1), (3), (8), and (9); adding a new section (10); renumbering subsequent sections; correcting intersectional references; deleting the chart titled “Benefit Chart of Medicare Supplement Plans Sold for Effective Dates on or After June 1, 2010” and replacing it with a chart titled, “Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020”; deleting the chart titled “Plan F or High Deductible Plan F” and replacing it with a new chart with the same title; and deleting the chart titled “Plan G” and replacing it with a new chart titled “Plan G or High Deductible Plan G.” All other charts remain unchanged.

PURPOSE: This amendment makes changes to Missouri’s rules related to Medicare Supplement policies that are consistent with changes made by Congress when it enacted the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) in 2015. MACRA made changes to Medicare Supplement policies that cover Part B deductibles for individuals newly eligible for Medicare on or after January 1, 2020. This proposed amendment makes changes to the current Medicare Supplement regulation to specify that first dollar Part B coverage Medicare Supplement plans (Plans C, F, and F High Deductible) cannot be sold to individuals newly eligible for Medicare on or after January 1, 2020. It also makes Plans D and G the guarantee issue plans for individuals who are newly eligible for Medicare on or after January 1, 2020. Finally, it reflects the newly-created Plan G High Deductible option.

(1) Applicability and Scope.

(A) Except as otherwise specifically provided in sections (5), (12), (13), (16), and (23) (13), (14), (17), and (24), this rule shall apply to—
1. All Medicare supplement policies delivered or issued for delivery in this state on or after the effective date of this rule; and
2. All certificates issued under group Medicare supplement policies which certificates have been delivered or issued for delivery in this state.

(3) Policy Definitions and Terms. No policy or certificate may be advertised, solicited, or issued for delivery in this state as a Medicare supplement policy unless the policy or certificate contains definitions or terms which conform to the requirements of this section.

(D) “Health care expenses” means, for purposes of section (14)(15), expenses of health maintenance organizations associated with the delivery of health care services, which expenses are analogous to incurred losses of insurers.

(8) Standard Medicare Supplement Benefit Plans for 1990 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery on or After July 30, 1992, and with an Effective Date for Coverage Prior to June 1, 2010.

(B) No groups, packages, or combinations of Medicare supplement benefits other than those listed in this section shall be offered for sale in this state, except as may be permitted in paragraph (6)(C)11. and in section (10)11. of this rule.

(9) Standard Medicare Supplement Benefit Plans for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates with an Effective Date for Coverage on or After June 1, 2010. The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this state with an effective date for coverage on or after June 1, 2010. No policy or certificate may be advertised, solicited, delivered, or issued for delivery in this state as a Medicare supplement policy or certificate unless it complies with these benefit plan standards. Benefit plan standards applicable to Medicare supplement policies and certificates with an effective date for coverage before June 1, 2010, remain subject to the requirements of section (6) of this regulation.

(A) Reserved

1. An issuer shall make available to each prospective policyholder and certificate holder a policy form or certificate form containing only the basic (core) benefits, as defined in subsection (7)(B) of this regulation.

2. If an issuer makes available any of the additional benefits described in subsection (7)(C), or offers standardized benefit Plans K or L (as described in paragraphs (9)(E)8. and 9. of this regulation), then the issuer shall make available to each prospective policyholder and certificate holder, in addition to the basic (core) benefits as described in subsection (9)(A)1. above, a policy form or certificate form containing either standardized benefit Plan C (as described in paragraph (9)(E)3. of this regulation) or standardized benefit Plan F (as described in paragraph (9)(E)5. of this regulation).

(B) No groups, packages, or combinations of Medicare supplement benefits other than those listed in this section shall be offered for sale in this state, except as may be permitted in subsection (9)(F) and in (section (10)) sections (10) and (11) of this regulation.

(E) Make-up of 2010 Standardized Benefit Plans.

1. Standardized Medicare supplement benefit Plan A shall include only the following: The basic (core) benefits as defined in subsection (7)(B) of this regulation.

2. Standardized Medicare supplement benefit Plan B shall include only the following: The basic (core) benefit as defined in subsection (7)(B) of this regulation, plus one hundred percent (100%) of the Medicare Part A deductible as defined in paragraph (7)(C)1. of this regulation.

3. Standardized Medicare supplement benefit Plan C shall include only the following: The basic (core) benefit as defined in subsection (7)(B) of this regulation, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, one hundred percent (100%) of the Medicare Part B deductible, and medically necessary emergency care in a foreign country as defined in paragraphs (7)(C)1., 3., 4., and 6. of this regulation, respectively.

4. Standardized Medicare supplement benefit Plan D shall include only the following: The basic (core) benefit (as defined in subsection (7)(B) of this regulation), plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign country as defined in paragraphs (7)(C)1., 3., and 6. of this regulation, respectively.

5. Standardized Medicare supplement (regular) Plan F shall include only the following: The basic (core) benefit as defined in subsection (7)(B) of this regulation, plus one hundred percent (100%) of the Medicare Part A deductible, the skilled nursing facility care, one hundred percent (100%) of the Medicare Part B deductible, one hundred percent (100%) of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as
defined in paragraphs (7)(C)1., 2., 4., 5., and 6., respectively.

6. Standardized Medicare supplement Plan F With High Deductible shall include only the following: One hundred percent (100%) of covered expenses following the payment of the annual deductible set forth in subparagraph (9)(E)6.B.

A. The basic (core) benefit as defined in subsection (7)(B) of this regulation, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, one hundred percent (100%) of the Medicare Part B deductible, one hundred percent (100%) of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in paragraphs (7)(C)1., 3., 4., 5., and 6., of this regulation, respectively.

B. The annual deductible in Plan F With High Deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by regular Plan F, and shall be in addition to any other specific benefit deductibles. The basis for the deductible shall be one thousand five hundred dollars ($1,500) and shall be adjusted annually from 1999 by the Secretary of the U.S. Department of Health and Human Services to reflect the change in the Consumer Price Index for all urban consumers for the twelve months ending with August of the preceding year, and rounded to the nearest multiple of ten dollars ($10).

7. Standardized Medicare supplement benefit Plan G shall include only the following: The basic (core) benefit as defined in subsection (7)(B) of this regulation, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, one hundred percent (100%) of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in paragraphs (7)(C)1., 3., 5., and 6., respectively.

Effective January 1, 2020, the standardized benefit plan described in paragraph (10)(A)4. of this rule (Redesignated Plan G High Deductible) may be offered to any individual who was eligible for Medicare prior to January 1, 2020.

8. Standardized Medicare supplement Plan K is mandated by The Medicare Prescription Drug, Improvement and Modernization Act of 2003, and shall include only the following:

A. Part A Hospital Coincurrence sixty-first through ninetieth days: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each day used from the sixty-first through the ninetieth day in any Medicare benefit period;

B. Part A Hospital Coincurrence ninety-first through the one hundred fiftieth day: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the ninety-first through the one hundred fiftieth day in any Medicare benefit period;

C. Part A Hospitalization After One Hundred Fifty (150) Days: Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of one hundred percent (100%) of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional three hundred sixty-five (365) days. The provider shall accept the issuer’s payment as payment in full and may not bill the insured for any balance;

D. Medicare Part A Deductible: Coverage for fifty percent (50%) of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in subparagraph (9)(E)8.J.;

E. Skilled Nursing Facility Care: Coverage for fifty percent (50%) of the coinsurance amount for each day used from the twenty-first day through the one hundredth day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A until the out-of-pocket limitation is met as described in subparagraph (9)(E)8.J.;

F. Hospice Care: Coverage for fifty percent (50%) of cost sharing for all Part A Medicare eligible expenses and respite care until the out-of-pocket limitation is met as described in subparagraph (9)(E)8.J.;

G. Blood: Coverage for fifty percent (50%), under Medicare Part A or B, of the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations until the out-of-pocket limitation is met as described in subparagraph (9)(E)8.J.;

H. Part B Cost Sharing: Except for coverage provided in subparagraph (9)(E)8.1., coverage for fifty percent (50%) of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Part B deductible until the out-of-pocket limitation is met as described subparagraph (9)(E)8.J.;

I. Part B Preventive Services: Coverage of one hundred percent (100%) of the cost sharing for Medicare Part B preventive services after the policyholder pays the Part B deductible;

J. Cost Sharing After Out-Of-Pocket Limits: Coverage of one hundred percent (100%) of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B of four thousand dollars ($4,000) in 2006, indexed each year by the appropriate inflation adjustment specified by the secretary of the U.S. Department of Health and Human Services.

9. Standardized Medicare supplement Plan L is mandated by The Medicare Prescription Drug, Improvement and Modernization Act of 2003, and shall include only the following:

A. The benefits described in subparagraphs (9)(E)8.A., B., C., and I.;

B. The benefit described in subparagraphs (9)(E)8.D., E., F., G., and H., but substituting seventy-five percent (75%) for fifty percent (50%); and

C. The benefit described in subparagraph (9)(E)8.J., but substituting two thousand dollars ($2,000) for four thousand dollars ($4,000).

10. Standardized Medicare supplement Plan M shall include only the following: The basic (core) benefit as defined in subsection (7)(B) of this regulation, plus fifty percent (50%) of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign country as defined in paragraphs (7)(C)2., 3., and 6. of this regulation, respectively.

Standardized Medicare supplement Plan N shall include only the following: The basic (core) benefit as defined in subsection (7)(B) of this regulation, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign country as defined in paragraphs (7)(C)1., 3., and 6., of this regulation, respectively, with copayments in the following amounts:

A. The lesser of twenty dollars ($20) or the Medicare Part B coinsurance or copayment for each covered health care provider office visit (including visits to medical specialists); and

B. The lesser of fifty dollars ($50) or the Medicare Part B coinsurance or copayment for each covered emergency room visit, however, this copayment shall be waived if the insured is admitted to any hospital and the emergency visit is subsequently covered as a Medicare Part A expense.

(10) Standard Medicare Supplement Benefit Plans for 2020 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery to Individuals Newly Eligible for Medicare on or after January 1, 2020. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) requires the following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this state to individuals newly eligible for Medicare on or after January 1, 2020. No policy or certificate that provides coverage of the Medicare Part B deductible may be advertised, solicited, delivered, or issued for delivery in this state as a Medicare supplement policy or certificate to individuals newly eligible for Medicare on or after January 1, 2020.
Proposed Rules

June 17, 2019
Vol. 44, No. 12

Page 1694

after January 1, 2020. All policies must comply with the following
benefit standards. Benefit plan standards applicable to
Medicare supplement policies and certificates issued to individu-
als eligible for Medicare before January 1, 2020 remain subject
to the requirements of section (9) of this rule.

(A) Benefit Requirements. The standards and requirements of
section (9) shall apply to all Medicare supplement policies or cer-
tificates delivered or issued for delivery to individuals newly eli-
gible for Medicare on or after January 1, 2020, with the follow-
ing exceptions:

1. Standardized Medicare supplement benefit Plan C is
redesignated as Plan D and shall provide the benefits contained
in paragraph (9)(E)3. of this rule but shall not provide coverage
for one hundred percent (100%) or any portion of the Medicare
Part B deductible;

2. Standardized Medicare supplement benefit Plan F is
redesignated as Plan G and shall provide the benefits contained
in paragraph (9)(E)5. of this rule but shall not provide coverage
for one hundred percent (100%) or any portion of the Medicare
Part B deductible;

3. Standardized Medicare supplement benefit Plan C, F, and
F with High Deductible may not be offered to individuals newly
eligible for Medicare on or after January 1, 2020;

4. Standardized Medicare supplement benefit Plan F with
High Deductible is redesigned as Plan G with High Deductible
and shall provide the benefits contained in paragraph (9)(E)6. of
this rule but shall not provide coverage for one hundred percent
(100%) or any portion of the Medicare Part B deductible; provid-
ed further that, the Medicare Part B deductible paid by the ben-
eficiary shall be considered an out-of-pocket expense in meeting
the annual high deductible; and

5. The reference to Plans C or F contained in paragraph
(9)(A)2. is deemed a reference to Plans D or G for purposes of
this section (10).

(B) Applicability to Certain Individuals. This section (10)
applies only to individuals that are newly eligible for Medicare on
or after January 1, 2020—

1. By reason of attaining age 65 on or after January 1, 2020;
or

2. By reason of entitlement to benefits under Part A pur-
suant to section 226(b) or 226A of the Social Security Act, or who
is deemed to be eligible for benefits under section 226(a) of the
Social Security Act on or after January 1, 2020.

(C) Guaranteed Issue for Eligible Persons. For purposes of
subsection (13)(E) of this rule, in the case of any individual newly
eligible for Medicare on or after January 1, 2020, any reference
to a Medicare supplement policy C or F (including F with High
Deductible) shall be deemed to be a reference to Medicare supple-
ment Policy D or G (including G with High Deductible) respec-
tively that meets the requirements of this section (10).

(D) Offer of Redesignated Plans to Individuals other than
Newly Eligible. On or after January 1, 2020, the standardized
benefit plans described in paragraph (A)4. of this section (10)
may be offered to any individual who was eligible for Medicare
prior to January 1, 2020 in addition to the standardized plans
described in subsection (9)(E) of this rule.

(I(10)(11) Medicare Select Policies and Certificates.

(A) Reserved

1. This section shall apply to Medicare Select policies and cer-
tificates, as defined in this section.

2. No policy or certificate may be advertised as a Medicare
Select policy or certificate unless it meets the requirements of this
section.

(B) For the purposes of this section—

1. “Complaint” means any dissatisfaction expressed by an indi-
vidual concerning a Medicare Select issuer or its network providers;

2. “Grievance” means dissatisfaction expressed in writing by an
individual insured under a Medicare Select policy or certificate with
the administration, claims practices, or provision of services con-
cerning a Medicare Select issuer or its network providers;

3. “Medicare Select issuer” means an issuer offering, or seek-
ing to offer, a Medicare Select policy or certificate;

4. “Medicare Select policy” or “Medicare Select certificate”
mean respectively a Medicare supplement policy or certificate that
contains restricted network provisions;

5. “Network provider” means a provider of health care, or a
group of providers of health care, which has entered into a written
agreement with the issuer to provide benefits insured under a
Medicare Select policy;

6. “Restricted network provision” means any provision which
conditions the payment of benefits, in whole or in part, on the use of
network providers; and

7. “Service area” means the geographic area approved by the
director within which an issuer is authorized to offer a Medicare
Select policy.

(C) The director may authorize an issuer to offer a Medicare
Select policy or certificate, pursuant to this section and Section 4358
of the Omnibus Budget Reconciliation Act (OBRA) of 1990, if the
director finds that the issuer has satisfied all of the requirements of
this rule.

(D) A Medicare Select issuer shall not issue a Medicare Select
policy or certificate in this state until its plan of operation has been
approved by the director.

(E) A Medicare Select issuer shall file a proposed plan of opera-
tion with the director in a format prescribed by the director. The plan
of operation shall contain at least the following information:

1. Evidence that all covered services that are subject to restrict-
ed network provisions are available and accessible through network
providers, including a demonstration that:

A. Services can be provided by network providers with rea-
nonsable promptness with respect to geographic location, hours of
operation, and after-hour care. The hours of operation and availabil-
ity of after-hour care shall reflect usual practice in the local area.
Geographic availability shall reflect the usual travel times within the
community;

B. The number of network providers in the service area is
sufficient, with respect to current and expected policyholders, either—

I. To deliver adequately all services that are subject to a
restricted network provision; or

II. To make appropriate referrals;

C. There are written agreements with network providers
describing specific responsibilities;

D. Emergency care is available twenty-four (24) hours per
day and seven (7) days per week; and

E. In the case of covered services that are subject to a restrict-
ed network provision and are provided on a prepaid basis, there are
written agreements with network providers prohibiting the providers
from billing or otherwise seeking reimbursement from or recourse
against any individual insured under a Medicare Select policy or cer-
tificate. This paragraph shall not apply to supplemental charges or
coinsurance amounts as stated in the Medicare Select policy or cer-
tificate;

2. A statement or map providing a clear description of the ser-
vice area;

3. A description of the grievance procedure to be utilized;

4. A description of the quality assurance program, including:
A. The formal organizational structure;
B. The written criteria for selection, retention, and removal
of network providers; and

C. The procedures for evaluating quality of care provided by
network providers, and the process to initiate corrective action when
warranted;

5. A list and description, by specialty, of the network providers;

6. Copies of the written information proposed to be used by the
issuer to comply with subsection (I) of this section; and
7. Any other information requested by the director.

(F) **Reserved**

(A Medicare Select issuer shall file any proposed changes to the plan of operation, except for changes to the list of network providers, with the director prior to implementing the changes. Changes shall be considered approved by the director after thirty (30) days unless specifically disapproved.

2. An updated list of network providers shall be filed with the director at least quarterly.

(G) A Medicare Select policy or certificate shall not restrict payment for covered services provided by non-network providers if—
1. The services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury, or a condition; and
2. It is not reasonable to obtain services through a network provider.

(H) A Medicare Select policy or certificate shall provide payment for full coverage under the policy for covered services that are not available through network providers.

(I) A Medicare Select issuer shall make full and fair disclosure in writing of the provisions, restrictions, and limitations of the Medicare Select policy or certificate to each applicant. This disclosure shall include at least the following:
1. An outline of coverage sufficient to permit the applicant to compare the coverage and premiums of the Medicare Select policy or certificate with—
   a. Other Medicare supplement policies or certificates offered by the issuer; and
   b. Other Medicare Select policies or certificates;
2. A description (including address, phone number, and hours of operation) of the network providers, including primary care physicians, specialty physicians, hospitals, and other providers;
3. A description of the restricted network provisions, including payments for coinsurance and deductibles when providers other than network providers are utilized. Except to the extent specified in the policy or certificate, expenses incurred when using out-of-network providers do not count toward the out-of-pocket annual limit contained in plans “K” and “L”;
4. A description of coverage for emergency and urgently needed care and other out-of-service area coverage;
5. A description of limitations on referrals to restricted network providers and to other providers;
6. A description of the policyholder’s rights to purchase any other Medicare supplement policy or certificate otherwise offered by the issuer; and
7. A description of the Medicare Select issuer’s quality assurance program and grievance procedure.

(J) Prior to the sale of a Medicare Select policy or certificate, a Medicare Select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information provided pursuant to subsection (I) of this section and that the applicant understands the restrictions of the Medicare Select policy or certificate.

(K) A Medicare Select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. The procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.
1. The grievance procedure shall be described in the policy and certificates and in the outline of coverage.
2. At the time the policy or certificate is issued, the issuer shall provide detailed information to the policyholder describing how a grievance may be registered with the issuer.
3. Grievances shall be considered in a timely manner and shall be transmitted to appropriate decision-makers who have authority to fully investigate the issue and take corrective action.
4. If a grievance is found to be valid, corrective action shall be taken promptly.
5. All concerned parties shall be notified about the results of a grievance.
6. The issuer shall report no later than each March thirty-first to the director regarding its grievance procedure. The report shall be in a format prescribed by the director and shall contain the number of grievances filed in the past year and a summary of the subject, nature, and resolution of such grievances.

(L) At the time of initial purchase, a Medicare Select issuer shall make available to each applicant for a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate otherwise offered by the issuer.

(M) **Reserved**

1. At the request of an individual insured under a Medicare Select policy or certificate, a Medicare Select issuer shall make available to the individual insured the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which does not contain a restricted network provision. The issuer shall make the policies or certificates available without requiring evidence of insurability after the Medicare Select policy or certificate has been in force for six (6) months.
2. For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one (1) or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare Part A deductible, coverage for at-home recovery services, or coverage for Part B excess charges.

(N) Medicare Select policies and certificates shall provide for continuation of coverage in the event the secretary of Health and Human Services determines that Medicare Select policies and certificates issued pursuant to this section should be discontinued due to either the failure of the Medicare Select Program to be reauthorized under law or its substantial amendment.
1. Each Medicare Select issuer shall make available to each individual insured under a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which does not contain a restricted network provision. The issuer shall make the policies and certificates available without requiring evidence of insurability.
2. For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one (1) or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare Part A deductible, coverage for at-home recovery services, or coverage for Part B excess charges.

(O) A Medicare Select issuer shall comply with reasonable requests for data made by state or federal agencies, including the United States Department of Health and Human Services, for the purpose of evaluating the Medicare Select Program.

//111//12 Open Enrollment.

(A) An issuer shall not deny or condition the issuance or effectiveness of any Medicare supplement policy or certificate available for sale in this state, nor discriminate in the pricing of a policy or certificate because of the health status, claims experience, receipt of health care, or medical condition of an applicant in the case of an application for a policy or certificate that is submitted prior to or during the six-month period beginning with the first day of the first month in which the applicant is both sixty-five (65) years of age or older and is enrolled for benefits under Medicare Part B.

1. Each Medicare supplement policy and certificate currently available from an insurer shall be made available to all applicants who qualify under this subsection without regard to age.

(B) No issuer shall deny or condition the issuance or effectiveness of any Medicare supplement policy or certificate available for sale in
this state, nor discriminate in the pricing of that policy or certificate because of the health status, claims experience, receipt of health care, or medical condition of an applicant under age sixty-five (65), if:

1. The application for the policy or certificate is submitted prior to or during the six- (6)-/[-]/ month period beginning with the first day of the first month during which the applicant becomes enrolled for benefits under Medicare Part B, without regard to age, after June 30, 1998; or

2. The applicant was enrolled for benefits under Medicare Part B without regard to age on or prior to June 30, 1998, and the application for a policy or certificate is submitted during the six- (6)-/[-]/ month period beginning with June 30, 1998.

(C) Reserved

1. If an applicant qualifies under either subsection /11/(12)(A) or (B), submits an application during the applicable time period referenced in those subsections, and, as of the date of application, has had a continuous period of creditable coverage of at least six (6) months, the issuer shall not exclude benefits based on a preexisting condition.

2. If the applicant qualifies under either subsection /11/(12)(A) or (B), submits an application during the applicable time period referenced in those subsections, and, as of the date of application, has had a continuous period of creditable coverage that is less than six (6) months, the issuer shall reduce the period of any preexisting condition exclusion by the aggregate of the period of creditable coverage applicable to the applicant as of the enrollment date. The secretary shall specify the manner of the reduction under this subsection.

(D) Each Medicare supplement policy and certificate currently available from an issuer shall be made available to all applicants to whom an issuer is required to issue a policy or certificate of Medicare supplement insurance under this section.

(E) No issuer required by subsection (B) of this section to issue policies or certificates of Medicare supplement insurance shall discriminate as to rates, between the rates charged to persons enrolled under subsection (B) of this section and the average rates charged for participation in that policy form number or certificate form number by persons enrolled in Medicare Part B by reason of age, or discriminate between persons entitled to enroll in the policy form number or certificate form number under subsection (B) of this section and other enrollees in the policy form number or certificate form number in other terms or conditions of the plan, policy form number, or certificate form number.

1. An issuer must demonstrate compliance with this section for each plan, type, and form level permitted under subsection /15/(16)(D) by either—

A. Charging a premium rate for disabled persons that does not exceed the lowest available aged premium rate for that plan, type, and form level; or

B. Charging a premium rate for disabled persons that does not exceed the “weighted average aged premium rate” for that plan, type, and form level, and providing, at the time of each rate filing, its calculation of the “weighted average aged premium rate” for each plan, type, and form level.

2. The “weighted average aged premium rate” is determined by—

A. First multiplying the premium rate (calculated prior to modal, area, and other factors) for each age band, age sixty-five (65) and over, by the number of Missouri insureds in-force in that age band to arrive at the total Missouri premium for each age band age sixty-five (65) and over; and

B. Then calculating the sum of the Missouri premium for all age bands age sixty-five (65) and over to arrive at the total Missouri premium for all age bands age sixty-five (65) and over; and

C. Then calculating the sum of the Missouri insureds in-force for all age bands age sixty-five (65) and over to arrive at the total number of Missouri insureds in-force for all age bands age sixty-five (65) and over; and

D. Then dividing the total Missouri premium for all age bands age sixty-five (65) and over by the total number of Missouri insureds in-force for all age bands, age sixty-five (65) and over to determine the weighted average aged premium rate.

3. Modal, area, and other factors may be added to the disabled premium.

(F) Each Medicare supplement carrier shall actively market Medicare supplement insurance during the open enrollment periods described in subsection (B) of this section.

(G) No Medicare supplement carrier shall directly or indirectly engage in the following activities respecting persons enrolled in Medicare Part B by reason of disability during the open enrollment periods described in subsection (B) of this section:

1. Encouraging or directing such persons to refrain from filing an application for Medicare supplement insurance because of the health status, claims experience, receipt of health care, or medical condition of the person; and

2. Encouraging or directing such persons to seek coverage from another carrier because of the health status, claims experience, receipt of health care, or medical condition of the person.

(H) No Medicare supplement carrier shall, directly or indirectly, enter into any contract, agreement, or arrangement with an insurance producer that provides for or results in the compensation paid to an insurance producer for the sale of a Medicare supplement policy or certificate to be varied because of the age, health status, claims experience, receipt of health care, or medical condition of an applicant eligible by reason of subsection (B) of this section for Medicare supplement insurance.

(I) A Medicare supplement carrier shall provide reasonable compensation, as provided under the plan of operation of the program, to an insurance producer, if any, for the sale, during the open enrollment periods described in subsection (B) of this section, of a Medicare supplement insurance policy or certificate.

(J) No Medicare supplement insurance carrier shall terminate, fail to renew, or limit its contract or agreement of representation with an insurance producer for any reason related to the age, health status, claims experience, receipt of health care, or medical condition of the person.

(K) Denial by a Medicare supplement insurance carrier of an application for coverage made during either of the open enrollment periods described in subsection (B) of this section shall be in writing and state the specific reason or reasons for the denial.

(L) Except as provided in subsection (C) of this section and section /23/ (24), subsections (A) and (B) of this section shall not be construed as preventing the exclusion of benefits under a policy, during the first six (6) months, based on a preexisting condition for which the policyholder or certificate holder received treatment or was otherwise diagnosed during the six (6) months before the coverage became effective.

/12/ /13/ Guanadanteed Issue for Eligible Persons.

(A) Guaranteed Issue

1. Eligible persons are those individuals described in subsection (B) of this section who seek to enroll under the policy during the period specified in subsection (C) of this section, and who submit evidence of the date of termination, disenrollment, or Medicare Part D enrollment with the application for a Medicare supplement policy.

2. With respect to eligible persons, an issuer shall not deny or condition the issuance or effectiveness of a Medicare supplement policy described in subsection (E) of this section that is offered and is available for issuance to new enrollees by the issuer, shall not discriminate in the pricing of such a Medicare supplement policy because of health status, claims experience, receipt of health care, or medical condition, and shall not impose an exclusion of benefits based on a preexisting condition under such a Medicare supplement
policy.

(B) Eligible Persons. An eligible person is an individual described in any of the following paragraphs:

1. The individual is enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under Medicare; and the plan terminates, or the plan ceases to provide all such supplemental health benefits to the individual, or the individual leaves the plan;

2. The individual is enrolled with a Medicare Advantage organization under a Medicare Advantage plan under Part C of Medicare, and any of the following circumstances apply, or the individual is sixty-five (65) years of age or older and is enrolled with a Program of All-Inclusive Care for the Elderly (PACE) provider under section 1894 of the Social Security Act, and there are circumstances similar to those described below that would permit discontinuance of the individual's enrollment with such provider if such individual were enrolled in a Medicare Advantage plan:
   - A. The certification of the organization or plan has been terminated;
   - B. The organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides;
   - C. The individual is no longer eligible to elect the plan because of a change in the individual’s place of residence or other change in circumstances specified by the secretary, but not including termination of the individual's enrollment on the basis described in section 1851(g)(3)(B) of the federal Social Security Act (where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under section 1856), or the plan is terminated for all individuals within a residence area;
   - D. The individual demonstrates, in accordance with guidelines established by the secretary, that—
     - (I) The organization offering the plan substantially violated a material provision of the organization’s contract under this part in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or
     - (II) The organization, insurance producer, or other entity acting on the organization’s behalf materially misrepresented the plan’s provisions in marketing the plan to the individual; or
   - E. The individual meets such other exceptional conditions as the secretary may provide;

3. Reserved

   A. The individual is enrolled with—
      - (I) An eligible organization under a contract under section 1876 of the Social Security Act (Medicare risk or cost);
      - (II) A similar organization operating under demonstration project authority, effective for periods before April 1, 1999
      - (III) An organization under an agreement under section 1833(a)(1)(A) of the Social Security Act (health care prepayment plan); or
      - (IV) An organization under a Medicare Select Policy; and
   - B. The enrollment ceases under the same circumstances that would permit discontinuance of an individual’s election of coverage under paragraph (1)(2)(B).2.;

4. The individual is enrolled under a Medicare supplement policy and the enrollment ceases because—

   A. Reserved

      (I) Of the insolvency of the issuer or bankruptcy of the non-issuer organization; or
      (II) Of other involuntary termination of coverage or enrollment under the policy;
   - B. The issuer of the policy substantially violated a material provision of the policy; or
   - C. The issuer, insurance producer, or other entity acting on the issuer’s behalf materially misrepresented the policy’s provisions in marketing the policy to the individual;

5. Reserved

A. The individual was enrolled under a Medicare supplement policy and terminates enrollment and subsequently enrolls, for the first time, with any Medicare Advantage organization under a Medicare Advantage plan under Part C of Medicare, any eligible organization under a contract under section 1876 (Medicare cost), any similar organization operating under demonstration project authority, any PACE provider under section 1894 of the Social Security Act, or a Medicare Select policy; and

B. The subsequent enrollment under subparagraph (12)/(13)(B)5.A. is terminated by the enrollee during any period within the first twelve (12) months of such subsequent enrollment (during which the enrollee is permitted to terminate such subsequent enrollment under section 1851(e) of the federal Social Security Act); or

6. The individual, upon first becoming eligible for benefits under Part A of Medicare at age sixty-five (65), enrolls in a Medicare Advantage plan under Part C of Medicare, or with a PACE provider under section 1894 of the Social Security Act, and disenrolls from the plan or program by not later than twelve (12) months after the effective date of enrollment.

7. The individual enrolls in a Medicare Part D plan during the initial enrollment period and, at the time of enrollment in Part D, was enrolled under a Medicare supplement policy that covers outpatient prescription drugs and the individual terminates enrollment in the Medicare supplement policy and submits evidence of enrollment in Medicare Part D along with the application for a policy described in paragraph (E)4. of this section; and

8. Any individual who terminates Medicare supplement coverage within thirty (30) days of the annual policy anniversary.

(C) Guarantee Issue Time Periods.

1. In the case of an individual described in paragraph (B)1. of this section, the guaranteed issue period begins on the later of: (i) the date the individual receives a notice of termination or cessation of all supplemental health benefits (or, if a notice is not received, notice that a claim has been denied because of a termination or cessation); or (ii) the date that the applicable coverage terminates or ceases; and ends sixty-three (63) days thereafter.

2. In the case of an individual described in paragraph (B)2., (B)3., (B)5., or (B)6. of this section whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends sixty-three (63) days after the date the applicable coverage is terminated.

3. In the case of an individual described in subparagraph (B)4.A. of this section, the guaranteed issue period begins on the earlier of: (i) the date that individual receives a notice of termination, a notice of the issuer’s bankruptcy or insolvency, or other such similar notice if any, and (ii) the date that the applicable coverage is terminated, and ends on the date that is sixty-three (63) days after the date the coverage is terminated.

4. In the case of an individual described in paragraph (B)2., subparagraph (B)4.B. or (B)4.C., or paragraph (B)5. or (B)6. of this section who disenrolls voluntarily, the guaranteed issue period begins on the date that is sixty (60) days before the effective date of the disenrollment and ends on the date that is sixty-three (63) days after the effective date.

5. In the case of an individual described in paragraph (B)7. of this section, the guaranteed issue period begins on the date the individual receives notice pursuant to section 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the sixty (60)-day period immediately preceding the initial Part D enrollment period and ends on the date that is sixty-three (63) days after the effective date of the individual’s coverage under Medicare Part D.

6. In the case of an individual described in subsection (B) of this section but not described in the preceding provisions of this subsection, the guaranteed issue period begins on the effective date of disenrollment or the effective date of the loss of coverage under the group health plan and ends on the date that is sixty-three (63) days
after the effective date.

(D) Extended Medigap Access for Interrupted Trial Periods.

1. In the case of an individual described in paragraph (B)5. of this section (or deemed to be so described, pursuant to this paragraph) whose enrollment with an organization or provider described in subparagraph (B)5.A. of this section is involuntarily terminated within the first twelve (12) months of enrollment, and who, without an intervening enrollment, enrolls with another organization or provider, the subsequent enrollment shall be deemed to be an initial enrollment described in paragraph [(12)][(13)(B)5.]; and

2. In the case of an individual described in paragraph (B)6. of this section (or deemed to be so described, pursuant to this paragraph) whose enrollment with a plan or in a program described in paragraph (B)6. of this section is involuntarily terminated within the first twelve (12) months of enrollment, and who, without an intervening enrollment, enrolls in another such plan or program, the subsequent enrollment shall be deemed to be an initial enrollment described in paragraph [(12)][(13)(B)6.]; and

3. For purposes of paragraphs (B)5. and (B)6. of this section, no enrollment of an individual with an organization or provider described in subparagraph (B)5.A. of this section, or with a plan or in a program described in paragraph (B)6. of this section, may be deemed to be an initial enrollment under this paragraph after the two-(2)-year period beginning on the date on which the individual first enrolled with such an organization, provider, plan, or program.

(E) Products to Which Eligible Persons Are Entitled. The Medicare supplement policy to which eligible persons are entitled under—

1. Paragraphs [(12)][(13)(B)1., 2., 3., and 4. is a Medicare supplement policy which has a benefit package classified as Plan A, B, C, F (including F with a high deductible), K, or L offered by any issuer;

2. Reserved

A. Subject to subparagraph B., paragraph [(12)][(13)(B)5. is the same Medicare supplement policy in which the individual was most recently enrolled, if available from the same issuer, or, if not so available, a policy described in paragraph 1. of this subsection;

B. After December 31, 2005, if the individual was most recently enrolled in a Medicare supplement policy with an outpatient prescription drug benefit, a Medicare supplement policy described in this subparagraph is:/—

(I) The policy available from the same issuer but modified to remove the outpatient prescription drug coverage; or

(II) At the election of the policyholder, an A, B, C, F (including F with a high deductible), K, or L policy that is offered by any issuer;

3. Paragraph [(12)][(13)(B)6. shall include any Medicare supplement policy offered by any issuer;

4. Paragraph [(12)][(13)(B)7. is a Medicare supplement policy that has a benefit package classified as Plan A, B, C, F (including F with a high deductible), K, or L, and that is offered and is available for issuance to new enrollees by the same issuer that issued the individual’s Medicare supplement policy with outpatient prescription drug coverage; and

5. Paragraph [(12)][(13)(B)8. shall include any Medicare supplement policy offered by any issuer, but only a policy of the same plan as the coverage in which the individual was most recently enrolled, if available, or, if not so available due to changes in the Medicare supplement plan designs, a policy with a benefit package classified as Plan A, B, C, F (including F with a high deductible), K, or L.

(F) Notification Provisions.

1. At the time of an event described in subsection (B) of this section because of which an individual loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of his or her rights under this section, and of the obligations of issuers of Medicare supplement policies under subsection (A). Such notice shall be communicated contemporaneously with the notification of termination.

2. At the time of an event described in subsection (B) of this section because of which an individual ceases enrollment under a contract or agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of his or her rights under this section, and of the obligations of issuers of Medicare supplement policies under subsection (A) of this section. Such notice shall be communicated within ten (10) working days of the issuer receiving notification of disenrollment.

[(13)][(14) Standards for Claims Payment.

(A) An issuer shall comply with section 1882(c)(3) of the Social Security Act (as enacted by section 4081(b)(2)(C) of the Omnibus Budget Reconciliation Act of 1987 (OBRA 1987, P.L. No. 100-203) by—

1. Accepting a notice from a Medicare carrier on dually assigned claims submitted by participating physicians and suppliers as a claim for benefits in place of any other claim form otherwise required and making a payment determination on the basis of the information contained in that notice;

2. Notifying the participating physician or supplier and the beneficiary of the payment determination;

3. Paying the participating physician or supplier directly;

4. Furnishing, at the time of enrollment, each enrollee with a card listing the policy name, number, and a central mailing address to which notices from a Medicare carrier may be sent;

5. Paying user fees for claim notices that are transmitted electronically or otherwise; and

6. Providing to the secretary of Health and Human Services, at least annually, a central mailing address to which all claims may be sent by Medicare carriers.

(B) Compliance with the requirements set forth in subsection (A) above shall be certified on the Medicare supplement insurance experience reporting form.

[(14)][(15) Loss Ratio Standards and Refund or Credit of Premium.

(A) Loss Ratio Standards.

1. Reserved

A. A Medicare Supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificate holders in the form of aggregate benefits (not including anticipated refunds or credits) provided under the policy form or certificate form the higher of the originally filed anticipated loss ratio or—

(I) At least seventy-five percent (75%) of the aggregate amount of premiums earned in the case of group policies; or

(II) At least sixty-five percent (65%) of the aggregate amount of premiums earned in the case of individual policies.

B. Calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and in accordance with accepted actuarial principles and practices. Incurred health care expenses where coverage is provided by a health maintenance organization shall not include:

(I) Home office and overhead costs;

(II) Advertising costs;

(III) Commissions and other acquisition costs;

(IV) Taxes;

(V) Capital costs;

(VI) Administrative costs; and

(VII) Claims processing costs.

2. All filings of rates and rating schedules shall demonstrate that
expected claims in relation to premiums comply with the require-
ments of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards.

3. For purposes of applying paragraph (A)1. of this section and paragraph (C)3. of section 15/16 only, policies issued as a result of solicitations of individuals through the mails or by mass media advertising (including both print and broadcast advertising) shall be deemed to be individual policies.

4. For policies issued prior to July 30, 1992, expected claims in relation to premiums shall meet—
   A. The originally filed anticipated loss ratio when combined with the actual experience since inception (the lifetime loss ratio);
   B. The appropriate loss ratio requirement from parts (A)1.A.(I) and (II) of this section when combined with actual experience beginning with January 1, 2006, to date; and
   C. The appropriate loss ratio requirement from parts (A)1.A.(I) and (II) of this section over the entire future period for which the rates are computed to provide coverage.

(B) Refund or Credit Calculation.

1. An issuer shall collect and file with the director by May 31 of each year the data contained in the applicable reporting form contained in Appendix A, included herein, for each type in a standard Medicare supplement benefit plan.

2. If on the basis of the experience as reported the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation shall be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

3. For the purposes of this section, policies or certificates issued prior to July 30, 1992, the issuer shall make the refund or credit calculation separately for all individual policies (including all group policies subject to an individual loss ratio standard when issued) combined and all other group policies combined for experience after January 1, 2006. The first report shall be due by May 31, 2008.

4. A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the secretary of Health and Human Services, but in no event shall it be less than the average rate of interest for thirteen (13)-1/2 week Treasury notes. A refund or credit against premiums due shall be made by September 30 following the experience year upon which the refund or credit is based.

(C) Annual Filing of Premium Rates.

1. Except as provided in paragraph 2. of this subsection, an issuer shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy duration for approval by the director in accordance with the filing requirements and procedures prescribed by the director. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three (3) years. As soon as practicable, but prior to the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the director, in accordance with the applicable filing procedures of this state—

   1. Reserved
      A. Appropriate premium adjustments necessary to produce loss ratios as anticipated for the current premium for the applicable policies or certificates. The supporting documents necessary to justify the adjustment shall accompany the filing;
      B. An issuer shall make premium adjustments necessary to produce an expected loss ratio under the policy or certificate to conform to minimum loss ratio standards for Medicare supplement policies and which are expected to result in a loss ratio at least as great as that originally anticipated in the rates used to produce current premiums by the issuer for the Medicare supplement policies or certificates. No premium adjustment which would modify the loss ratio experience under the policy other than the adjustments described herein shall be made with respect to a policy at any time other than upon its renewal date or anniversary date; and
      C. If an issuer fails to make premium adjustments acceptable to the director, the director may order premium adjustments, refunds, or premium credits deemed necessary to achieve the loss ratio required by this section);
      2. Any appropriate riders, endorsements, or policy forms needed to accomplish the Medicare supplement policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.
      3. Public Hearings. The director may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form issued before or after the effective date of April 8, 1993, if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of any refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner deemed appropriate by the director.

15/16 Filing and Approval of Policies and Certificates and Premium Rates.

1. An issuer shall not deliver or issue for delivery a policy or certificate to a resident of this state unless the policy form or certificate form has been filed with and approved by the director in accordance with filing requirements prescribed by the director.

2. An issuer shall file any riders or amendments to policy or certificate forms to delete outpatient prescription drug benefits as required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 only with the director in the state in which the policy or certificate was issued.

3. An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule and supporting documentation have been filed with and approved by the director in accordance with the filing requirements and procedures prescribed by the director.

Reserved

1. Except as provided in paragraph 2. of this subsection, an issuer shall not file for approval more than one (1) form of a policy or certificate of each type for each standard Medicare supplement benefit plan.

2. An issuer may offer, with the approval of the director, up to four (4) additional policy forms or certificate forms of the same type for the same standard Medicare supplement benefit plan, one (1) for each of the following cases:
   A. The inclusion of new or innovative benefits;
   B. The addition of either direct response or insurance producer marketing methods;
   C. The addition of either guaranteed issue or underwritten coverage; and
   D. The offering of coverage to individuals eligible for Medicare by reason of disability.

3. For the purposes of this section, a “type” means an individual policy, a group policy, an individual Medicare Select policy, or a group Medicare Select policy.
Proposed Rules

(E) Reserved

1. Except as provided in subparagraph 1.A. of this subsection, an issuer shall continue to make available for purchase any policy form or certificate form issued after April 8, 1993, that has been approved by the director. A policy form or certificate form shall not be considered to be available for purchase unless the issuer has actively offered it for sale in the previous twelve (12) months.

   A. An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the director in writing its decision at least thirty (30) days prior to discontinuing the availability of the form of the policy or certificate. After receipt of the notice by the director, the issuer shall no longer offer for sale the policy form or certificate form in this state.

   B. An issuer that discontinues the availability of a policy form or certificate form pursuant to subparagraph 1.A. of this subsection shall not file for approval a new policy form or certificate form of the same type for the same standard Medicare supplement benefit plan as the discontinued form for a period of five (5) years after the issuer provides notice to the director of the discontinuance. The period of discontinuance may be reduced if the director determines that a shorter period is appropriate.

2. The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this subsection.

3. A change in the rating structure or methodology shall be considered a discontinuance under paragraph 1. of this subsection unless the issuer complies with the following requirements:

   A. The issuer provides an actuarial memorandum, in a form and manner prescribed by the director, describing the manner in which the revised rating methodology and resultant rates differ from the existing rating methodology and existing rates; and

   B. The issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. Such actuarially equivalent policies or certificates shall be combined for filing purposes under paragraph /(15)/(16)/(H)11. The director may approve a change to the differential which is in the public interest.

(F) Reserved

1. Except as provided in paragraph (F)2. of this section, the experience of all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan shall be combined for purposes of the refund or credit calculation prescribed in section /(14)/(15) of this rule.

2. Forms assumed under an assumption reinsurance agreement shall not be combined with the experience of other forms for purposes of the refund or credit calculation.

(G) Reserved

1. An issuer shall not present for filing or approval a rate structure for its Medicare supplement policies or certificates issued after January 1, 2000, based upon attained-age rating as a structure or methodology. Notwithstanding, an issuer may continue in-force policies of the refund or credit calculation.

2. Where an issuer files for approval of a rate structure for policy forms or certificate forms which reflects a change in methodology from attained age to issue age, the issuer must demonstrate the actuarial equivalency of the rates proposed with the previously approved attained-age rates as required by paragraph /(15)/(16)/(E)3. If the policy forms or certificate forms were at any time approved by the director under an attained-age methodology, the issuer must use the most recently approved attained-age rate schedule as its proposed rate schedule for the policy forms or certificate forms and need make no further showing of actuarial equivalency under /(15)/(16)/(E)3.

(H) Filing requirements and procedures for change of Medicare supplement insurance premium rate and for annual filing of premium rates.

1. When an issuer files for approval of annual premium rates for a plan under subsection /(14)/(15)/(C) or a change of premium rates for a plan under subsection /(15)/(16)/(C), the following documentation must be provided to the director as part of the rate filing in addition to any other documentation required by law or regulation:

   A. A completed Medicare Supplement Rate Filing Document (Missouri Form 375-0065, revised 10/98), which can be accessed at the department’s website at www.insurance.mo.gov;

   B. An actuarial memorandum supporting the rating schedule;

   C. A report of durational experience (for standardized Medicare supplement plans only);

   D. A projection correctly derived from reasonable assumptions;

   E. A clear statement of all of the assumptions used to prepare the rate filing, including the source of trend;

   F. All formulas used to prepare the projection except for formulas which can be ascertained from a cursory inspection of the projection itself; and

   G. The issuer’s current schedule and the proposed rate schedule for this state, including rates for disabled persons, if any, and all rating factors, including, but not limited to: area; smoker/non-smoker; standard/substandard.

2. The report of durational experience must contain for each calendar year of issue the following data by duration: incurred claims and earned premium; resultant loss ratio, and life-years. The durational split may be either by policy or certificate duration, calendar duration, or calendar year of experience within each calendar year of issue.

3. The projection must—

   A. State the incurred claims and earned premium, resultant loss ratio, and corresponding life-years for each of the preceding calendar years beginning with the year in which the policy or certificate was first issued and must include the total for each category (incurred claims and earned premium, resultant loss ratio, and corresponding life-years) for all preceding calendar years;

   B. State the projected incurred claims and projected earned premium, resultant loss ratios, and corresponding life-years for at least each of the ten (10) calendar years subsequent to the rate filing and must include the total for each category (projected incurred claims and projected earned premium, resultant loss ratio, and corresponding life-years) for all projected calendar years;

   C. Include a calculation of the sums of the combined total figures reported under subparagraph A. of this paragraph and those reported under subparagraph B. of this paragraph; and

   D. Include, for pre-standardized Medicare supplement plans, the respective totals of the incurred claims and earned premium, resultant loss ratio, and corresponding life-years for the period beginning April 28, 1996, or alternatively, January 1, 1996, through the end of the projection period described in subparagraph B. of this paragraph.

4. Where assumptions include interest, the totals for incurred claims accumulated/discounted with interest, earned premium accumulated/discounted with interest, and the resultant loss ratio must also be shown in all parts of the projection described in paragraph (H)3. of this section.

5. Both the report of durational experience and the projection must report Missouri and national data with respect to incurred claims, earned premium, loss ratio, and life-years. The projection must also report this information both with and without the rate change requested.

6. The issuer must specify whether the figures reported as incurred claims were determined by adding claims paid to unpaid claims reserves or by the actual runoff of claims. The method of determining the incurred claims must be consistent throughout the filing and supporting documentation.

7. Changes in active life reserves or claims expenses may not be included in incurred claims in the rate filing or any supplemental documentation.

8. For purposes of this section, “incurred claims” means the dollar amount of incurred claims.
9. Earned premium reported in the rate filing or any supporting documentation must include modal loadings and policy fees. An adjustment for premium refunds, if any, must also be made to earned premium and the details of the adjustment must be provided to the director with the filing. Changes in active life reserves may not be included in earned premium.

10. Life-years reported in a rate filing or supplemental documentation must be calculated in the same manner as for refund calculations.

11. Rate filings for each plan, type, and form level permitted under subsection (15)/(16)(D) for standardized Medicare supplement plans marketed after June 30, 1998, must demonstrate compliance with the requirements of subsection (11)/(12)(E). The "weighted average aged premium," must be recalculated for each filing using current data, unless the issuer demonstrates compliance under subparagraph (11)/(12)(E)1.A. The figure used in the calculation for the total number of insureds in-force for all age bands, age sixty-five (65) and over, must be the same as the figure reported on Missouri Form 375-0065 for the "Number of Missouri Aged Insureds."

12. For standardized Medicare supplement plans, the Medicare Supplement Rate Filing Document, the report of durational experience, and the projection must be provided separately for each plan, type, and form level permitted under subsection (15)/(16)(D).

13. For pre-standardized Medicare supplement rate plans, the information contained in the Medicare Supplement Rate Filing Document and projection may be pooled within a type.

14. The rates, rating schedule, and supporting documentation required to be filed under subsection (H) of this section as part of a rate filing and all supplementary documentation in connection with the rate filing must be accompanied by the certification of a qualified actuary that to the best of the actuary’s knowledge and judgment, the following items are true with respect to the documentation submitted:

A. The assumptions present the actuary’s best judgment as to the expected value for each assumption and are consistent with the issuer’s business plan at the time of the filing;

B. The anticipated lifetime, future, and third-year loss ratios for the policy form or certificate form for which the rates are filed comply with the loss ratio requirements of subsection (14)/(15)(A) for policy forms or certificate forms of its type delivered or issued for delivery in this state;

C. With respect to rate filings concerning pre-standardized plans, the loss ratio for year 1996 (from April 28 or from January 1) through the end of the projection period complies with the loss ratio requirements of subsection (14)/(15)(A) for policies or certificates issued prior to July 30, 1992, and delivered or issued for delivery in this state;

D. Where the rate filing concerns a policy or certificate as to which rating methodologies have changed or are presented for approval based on a change in methodology, the percentage differential between the discontinued and subsequent (or new) rates has not changed;

E. All components of the filing, including rates, rating schedules, and supporting documentation, were prepared based on the current standards of practice promulgated by the Actuarial Standards Board;

F. The rate filing, including rates, rating schedule, and supporting documentation, is in compliance with the applicable laws and regulations of this state; and

G. The rates requested are reasonable in relationship to the benefits provided by the policy or certificate.

(16)/(17) Permitted Compensation Arrangements.

(A) An issuer or other entity may provide commission or other compensation to an insurance producer or other representative for the sale of a Medicare supplement policy or certificate only if the first year commission or other first year compensation is no more than two hundred percent (200%) of the commission or other compensation paid for selling or servicing the policy or certificate in the second year or period.

(B) The commission or other compensation provided in subsequent (renewal) years must be the same as that provided in the second year or period and must be provided for no fewer than five (5) renewal years.

(C) No issuer or other entity shall provide compensation to its insurance producers and no producer shall receive compensation greater than the renewal compensation payable by the replacing issuer on renewal policies or certificates if an existing policy or certificate is replaced.

(D) For purposes of this section, "compensation" includes pecuniary or non-pecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate including but not limited to bonuses, gifts, prizes, awards, and finder’s fees.


(A) General Rules.

1. Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy, and shall include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the policyholder’s age.

2. Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy after date of issue or at reinstatement or renewal which reduce or eliminate benefits or coverage in the policy shall require a signed acceptance by the insured. After the date of policy or certificate issue, any rider or endorsement which increases benefits or coverage with a concomitant increase in premium during the policy term shall be agreed to in writing signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies, or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy.

3. Medicare supplement policies or certificates shall not provide for the payment of benefits based on standards described as “usual and customary,” “reasonable and customary,” or words of similar import.

4. If a Medicare supplement policy or certificate contains any limitations with respect to preexisting conditions, such limitations shall appear as a separate paragraph of the policy and be labeled as “Preexisting Condition Limitations.”

5. Medicare supplement policies and certificates shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within thirty (30) days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the insured person is not satisfied for any reason.

6. Reserved

A. Issuers of accident and sickness policies or certificates which provide hospital or medical expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare shall provide to those applicants a Guide to Health Insurance for People with Medicare in the form developed jointly by the National Association of Insurance Commissioners and the Centers for Medicare and Medicaid Services (CMS) and in a type size no smaller than twelve- (12)-point type. Delivery of the Guide shall be made whether or not the policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this rule. Except in the case of direct response issuers,
delivery of the Guide shall be made to the applicant at the time of application and acknowledgement of receipt of the Guide shall be obtained by the issuer. Direct response issuers shall deliver the Guide to the applicant upon request but not later than at the time the policy is delivered.

B. For the purposes of this section, “form” means the language, format, type size, type proportional spacing, bold character, and line spacing.

(B) Notice Requirements.

1. As soon as practicable, but no later than thirty (30) days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificate holders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the director. The notice shall—
   A. Include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate; and
   B. Inform each policyholder or certificate holder as to when any premium adjustment is to be made due to changes in Medicare.

2. The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension.

3. The notices shall not contain or be accompanied by any solicitation.

(C) MMA Notice Requirements. Issuers shall comply with any notice requirements of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

(D) Outline of Coverage Requirements for Medicare Supplement Policies.

1. Issuers shall provide an outline of coverage to all applicants at the time application is presented to the prospective applicant and, except for direct response policies, shall obtain an acknowledgement of receipt of the outline from the applicant.

2. If an outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis which would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate shall accompany the policy or certificate when it is delivered and contain the following statement, in no less than twelve (12)-point type, immediately above the company name:

   “NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued.”

3. The outline of coverage provided to applicants pursuant to this section consists of four (4) parts: a cover page, premium information, disclosure pages, and charts displaying the features of each benefit plan offered by the issuer. The outline of coverage shall be in the language and format prescribed below in no less than twelve (12)-point type. All plans shall be shown on the cover page, and the plans that are offered by the issuer shall be prominently identified. Premium information for plans that are offered shall be shown on the cover page or immediately following the cover page and shall be prominently displayed. The premium and mode shall be stated for all plans that are offered to the prospective applicant. All possible premiums for the prospective applicant shall be illustrated.

4. The following items shall be included in the outline of coverage in the order prescribed below.
Benefit Chart of Medicare Supplement Plans Sold for Effective Dates on or After June 1, 2010

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan A available. Some plans may not be available in your state.

Plans F, H, I, and J are no longer available for sale. (This sentence shall not appear after June 1, 2011.)

Basic Benefits:

- Hospitalization – Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.
- Medical Expenses – Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L, and N require insureds to pay a portion of Part B coinsurance or copayments.
- Blood – First three pints of blood each year.
- Hospice – Part A coinsurance.
<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F</th>
<th>F*</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic, including 100% Part B coinsurance</td>
<td>Basic, including 100% Part B coinsurance</td>
<td>Basic, including 100% Part B coinsurance</td>
<td>Basic, including 100% Part B coinsurance</td>
<td>Basic, including 100% Part B coinsurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled Nursing Facility Coinsurance</td>
<td>Skilled Nursing Facility Coinsurance</td>
<td>Skilled Nursing Facility Coinsurance</td>
<td>Skilled Nursing Facility Coinsurance</td>
<td>Skilled Nursing Facility Coinsurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part A Deductible</td>
<td>Part A Deductible</td>
<td>Part A Deductible</td>
<td>Part A Deductible</td>
<td>Part A Deductible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Travel Emergency</td>
<td>Foreign Travel Emergency</td>
<td>Foreign Travel Emergency</td>
<td>Foreign Travel Emergency</td>
<td>Foreign Travel Emergency</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>K</th>
<th>J</th>
<th>M</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%</td>
<td>Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%</td>
<td>Basic, including 100% Part B coinsurance, except up to $20 copayment for office visit, and up to $50 copayment for ER</td>
<td></td>
</tr>
<tr>
<td>50% Skilled Nursing Facility Coinsurance</td>
<td>75% Skilled Nursing Facility Coinsurance</td>
<td>Skilled Nursing Facility Coinsurance</td>
<td>Skilled Nursing Facility Coinsurance</td>
</tr>
<tr>
<td>Part A Deductible</td>
<td>75% Part A Deductible</td>
<td>50% Part A Deductible</td>
<td>Part A Deductible</td>
</tr>
<tr>
<td>Part B Deductible</td>
<td>Part B Excess (100%)</td>
<td>Part B Excess (100%)</td>
<td>Part B Excess (100%)</td>
</tr>
<tr>
<td>Foreign Travel Emergency</td>
<td>Foreign Travel Emergency</td>
<td>Foreign Travel Emergency</td>
<td>Foreign Travel Emergency</td>
</tr>
</tbody>
</table>

*Plan F also has an option called a high deductible plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year ($2,000) deductible. Benefits from high deductible plan F will not begin until out-of-pocket expenses exceed ($2,000). Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel/emergency deductible. /
**Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020**

This chart shows the benefits included in each of the standard Medicare supplement plans. Some plans may not be available. Only applicants first eligible for Medicare before 2020 may purchase Plans C, F, and high deductible F.

**Note:** a □ means 100% of the benefit is paid.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Plans available to All Applicants</th>
<th>Medicare first eligible before 2020 only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)</td>
<td>□ □ □ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Medicare Part B coinsurance or Copayment</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Blood (first three pints)</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Part A hospice care coinsurance or copayment</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Skilled nursing facility coinsurance</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Medicare Part A deductible</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Medicare Part B deductible</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Medicare Part B excess charges</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Foreign travel emergency (up to plan limits)</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
<tr>
<td>Out-of-pocket limit in 2019[^1]</td>
<td>□ □ □ □ □ □</td>
<td>□ □ □</td>
</tr>
</tbody>
</table>

[^1]: Plans F and G also have a high deductible option which require first paying a plan deductible of [$2300] before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

[^2]: Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

[^3]: Plan N pays 100% of the Part B coinsurance, except for a co-payment of up to $20 for some office visits and up to a $50 co-payment for emergency room visits that do not result in an inpatient admission.
PLN F or HIGH DEDUCTIBLE PLAN F

MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

[**This high deductible plan pays the same benefits as Plan F after you have paid a calendar year [$2300] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan’s separate foreign travel emergency deductible.]

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>[AFTER YOU PAY $[2300] DEDUCTIBLE,**] PLAN PAYS</th>
<th>[IN ADDITION TO $[2300] DEDUCTIBLE,**] YOU PAY</th>
</tr>
</thead>
</table>
| HOSPITALIZATION*  
Semiprivate room and board, general nursing, and miscellaneous services and supplies  
First 60 days | All but $[1364] | $[1364] (Part A deductible) | $0 |
| 61st thru 90th day | All but $[341] a day | $[341] a day | $0 |
| 91st day and after:  
—While using 60 lifetime reserve days | All but $[682] a day | $[682] a day | $0 |
| Once lifetime reserve days are used:  
—Additional 365 days | $0 | 100% of Medicare-eligible expenses | $0*** |
<p>| —Beyond the additional 365 days | $0 | $0 | All costs |</p>
<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>[AFTER YOU PAY $(2300) DEDUCTIBLE,**]</th>
<th>[IN ADDITION TO $(2300) DEDUCTIBLE,**] YOU PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>SKILLED NURSING FACILITY CARE*</td>
<td>First 20 days</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>All approved amounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21st thru 100th day</td>
<td>Up to $(170.50) a day</td>
<td>$(0)</td>
</tr>
<tr>
<td></td>
<td>All but $(170.50) a day</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>101st day and after</td>
<td>$(0)</td>
<td>All costs</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BLOOD</td>
<td>First 3 pints</td>
<td>3 pints</td>
<td>$(0)</td>
</tr>
<tr>
<td></td>
<td>Additional amounts</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOSPICE CARE</td>
<td>You must meet Medicare's requirements, including a doctor's certification of terminal illness.</td>
<td>All but very limited copayment/coinsurance for outpatient drugs and inpatient respite care</td>
<td>Medicare copayment/coinsurance $(0)</td>
</tr>
</tbody>
</table>

** NOTICE: When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.
**PLANS F or HIGH DEDUCTIBLE PLAN F**

**MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR**

*Once you have been billed $[185] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.*

[**This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [$2300] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [$2300]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan’s separate foreign travel emergency deductible.**]

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>[AFTER YOU PAY $[2300] DEDUCTIBLE,**] PLAN PAYS</th>
<th>[IN ADDITION TO $[2300] DEDUCTIBLE,**] YOU PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICAL EXPENSES— IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, Such as physician’s services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First $[185] of Medicare-approved amounts*</td>
<td>$0</td>
<td>$[185] (Part B deductible)</td>
<td>$0</td>
</tr>
<tr>
<td>Remainder of Medicare-approved amounts</td>
<td>Generally 80%</td>
<td>Generally 20%</td>
<td>$0</td>
</tr>
<tr>
<td>Part B excess charges (Above Medicare-approved amounts)</td>
<td>$0</td>
<td>100%</td>
<td>$0</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td><strong>BLOOD</strong> First 3 pints</td>
<td>$0</td>
<td>All costs</td>
<td>$0</td>
</tr>
<tr>
<td>Next $[185] of Medicare-approved amounts*</td>
<td>$0</td>
<td>$[185] (Part B deductible)</td>
<td>$0</td>
</tr>
<tr>
<td>Remainder of Medicare-approved amounts</td>
<td>80%</td>
<td>20%</td>
<td>$0</td>
</tr>
<tr>
<td><strong>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</strong></td>
<td>100%</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**PLAN F or HIGH DEDUCTIBLE PLAN F**

**PARTS A & B**

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>AFTER YOU PAY $[2300] DEDUCTIBLE, ** PLAN PAYS</th>
<th>IN ADDITION TO $[2300] DEDUCTIBLE, ** YOU PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOME HEALTH CARE MEDICARE-APPROVED SERVICES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medically necessary skilled care services and medical supplies</td>
<td>100%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>— Durable medical equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First $[185] of Medicare-approved amounts*</td>
<td>$0</td>
<td>$[185] (Part B deductible)</td>
<td>$0</td>
</tr>
<tr>
<td>Remainder of Medicare-approved amounts</td>
<td>80%</td>
<td>20%</td>
<td>$0</td>
</tr>
<tr>
<td>SERVICES</td>
<td>MEDICARE PAYS</td>
<td>AFTER YOU PAY $[2300] DEDUCTIBLE,** PLAN PAYS</td>
<td>IN ADDITION TO $[2300] DEDUCTIBLE,** YOU PAY</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>---------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</td>
<td>$0</td>
<td>$0</td>
<td>$250</td>
</tr>
<tr>
<td>Medically necessary emergency care services</td>
<td>$0</td>
<td>80% to a lifetime maximum benefit of $50,000</td>
<td>20% and amounts over the $50,000 lifetime maximum</td>
</tr>
<tr>
<td>beginning during the first 60 days of each trip outside the USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First $250 each calendar year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remainder of charges</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PLAN G or HIGH DEDUCTIBLE PLAN G

MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

[** This high deductible plan pays the same benefits as Plan G after you have paid a calendar year [$2300] deductible. Benefits from the high deductible plan G will not begin until out-of-pocket expenses are [$2300]. Out-of-pocket expenses for this deductible include expenses for the Medicare Part B deductible, and expenses that would ordinarily be paid by the policy. This does not include the plan's separate foreign travel emergency deductible.]

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>[AFTER YOU PAY $[2300] DEDUCTIBLE, ]</th>
<th>[IN ADDITION TO $[2300] DEDUCTIBLE, ]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOSPITALIZATION</strong></td>
<td></td>
<td>PLAN PAYS</td>
<td>YOU PAY</td>
</tr>
<tr>
<td>Semiprivate room and board, general nursing, and miscellaneous services and supplies</td>
<td>All but $[1364]</td>
<td>$[1364] (Part A deductible)</td>
<td>$0</td>
</tr>
<tr>
<td>First 60 days</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61st thru 90th day</td>
<td>All but $[341] a day</td>
<td>$[341] a day</td>
<td>$0</td>
</tr>
<tr>
<td>91st day and after:</td>
<td>All but $[682] a day</td>
<td>$[682] a day</td>
<td>$0</td>
</tr>
<tr>
<td>—While using 60 lifetime reserve days</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>—Once lifetime reserve days are used:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>—Additional 365 days</td>
<td>$0</td>
<td>100% of Medicare-eligible expenses</td>
<td>$0**</td>
</tr>
<tr>
<td>—Beyond the additional 365 days</td>
<td>$0</td>
<td>$0</td>
<td>All costs</td>
</tr>
<tr>
<td>SERVICES</td>
<td>MEDICARE PAYS</td>
<td>[AFTER YOU PAY $[2300] DEDUCTIBLE, **] PLAN PAYS</td>
<td>[IN ADDITION TO $[2300] DEDUCTIBLE, **] YOU PAY</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------</td>
<td>-------------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>SKILLED NURSING FACILITY CARE*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You must meet Medicare’s</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>requirements, including</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>having been in a hospital for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>at least 3 days and entered a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare-approved facility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>within 30 days after leaving</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the hospital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 20 days</td>
<td>All approved</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>amounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21st thru 100th day</td>
<td>All but $[170.50] a</td>
<td>Up to $[170.50] a day</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>day</td>
<td></td>
<td></td>
</tr>
<tr>
<td>101st day and after</td>
<td>$0</td>
<td>$0</td>
<td>All costs</td>
</tr>
<tr>
<td>blood</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 3 pints</td>
<td>$0</td>
<td>3 pints</td>
<td>$0</td>
</tr>
<tr>
<td>Additional amounts</td>
<td>100%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>HOSPICE CARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You must meet Medicare's</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>requirements, including a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>doctor's certification of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>terminal illness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All but very limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>copayment/coinsurance for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>outpatient drugs and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>inpatient respite care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare copayment/coinsurance</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

**NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.
PLAN G or HIGH DEDUCTIBLE PLAN G

MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR

* Once you have been billed $[185] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

[**This high deductible plan pays the same benefits as Plan G after you have paid a calendar year [$2300] deductible. Benefits from the high deductible plan G will not begin until out-of-pocket expenses are [$2300]. Out-of-pocket expenses for this deductible include expenses for the Medicare Part B deductible, and expenses that would ordinarily be paid by the policy. This does not include the plan’s separate foreign travel emergency deductible.]

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>[AFTER YOU PAY $[2300] DEDUCTIBLE, **) PLAN PAYS</th>
<th>[IN ADDITION TO $[2300] DEDUCTIBLE, **) YOU PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICAL EXPENSES—IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician’s services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>First $[185] of Medicare-approved amounts*</td>
<td>$0</td>
<td>$0</td>
<td>$[185] (Unless Part B deductible has been met)</td>
</tr>
<tr>
<td>Remainder of Medicare-approved amounts</td>
<td>Generally 80%</td>
<td>Generally 20%</td>
<td>$0</td>
</tr>
<tr>
<td>Part B Excess Charges (Above Medicare-approved amounts)</td>
<td>$0</td>
<td>100%</td>
<td>$0</td>
</tr>
</tbody>
</table>
## Proposed Rules

### SERVICES

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>[AFTER YOU PAY $[2300] DEDUCTIBLE, **] PLAN PAYS</th>
<th>[IN ADDITION TO $[2300] DEDUCTIBLE, **] YOU PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLOOD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 3 pints</td>
<td>$0</td>
<td>All costs</td>
<td>$0</td>
</tr>
<tr>
<td>Next $[185] of Medicare-approved amounts*</td>
<td>$0</td>
<td>$0</td>
<td>$[185] (Unless Part B deductible has been met)</td>
</tr>
<tr>
<td>Remainder of Medicare-approved amounts</td>
<td>80%</td>
<td>20%</td>
<td>$0</td>
</tr>
<tr>
<td>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</td>
<td>100%</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### PLAN G or HIGH DEDUCTIBLE PLAN G

**PARTS A & B**

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>[AFTER YOU PAY $[2300] DEDUCTIBLE, **] PLAN PAYS</th>
<th>[IN ADDITION TO $[2300] DEDUCTIBLE, **] YOU PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOME HEALTH CARE MEDICARE-APPROVED SERVICES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medically necessary skilled care services and medical supplies</td>
<td>100%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>—Durable medical equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First $[185] of Medicare-approved amounts*</td>
<td>$0</td>
<td>$0</td>
<td>$[185] (Unless Part B deductible has been met)</td>
</tr>
<tr>
<td>Remainder of Medicare-approved amounts</td>
<td>80%</td>
<td>20%</td>
<td>$0</td>
</tr>
</tbody>
</table>
OTHER BENEFITS—NOT COVERED BY MEDICARE

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>MEDICARE PAYS</th>
<th>PLAN PAYS</th>
<th>YOU PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOREIGN TRAVEL—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOT COVERED BY MEDICARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medically necessary emergency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>care services beginning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>during the first 60 days</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of each trip outside the USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First $250 each calendar year</td>
<td>$0</td>
<td>$0</td>
<td>$250</td>
</tr>
<tr>
<td>Remainder of Charges</td>
<td>$0</td>
<td>80% to a lifetime maximum benefit of $50,000</td>
<td>20% and amounts over the $50,000 lifetime</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>maximum</td>
</tr>
</tbody>
</table>
Proposed Rules

June 17, 2019
Vol. 44, No. 12

(E) Notice Regarding Policies or Certificates Which Are Not Medicare Supplement Policies.

1. Any accident and sickness insurance policy or certificate, other than a Medicare supplement policy, a policy issued pursuant to a contract under section 1876 of the Federal Social Security Act (42 U.S.C. 1395 et seq.), disability income policy; or other policy identified in subsection (1)(B) of this rule, issued for delivery in this state to persons eligible for Medicare shall notify insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy, or certificate delivered to insureds. The notice shall be in no less than twelve (12)-//-/ point type and shall contain the following language: “THIS POLICY OR CERTIFICATE IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the company.”

2. Applications provided to persons eligible for Medicare for the health insurance policies or certificates described in paragraph (E)(1); of this section shall disclose, using the applicable statement in Appendix C, included herein, the extent to which the policy duplicates Medicare. The disclosure statement shall be provided as a part of, or together with, the application for the policy or certificate.

[(18)(19) Requirements for Application Forms and Replacement Coverage.

(A) Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant currently has Medicare supplement, Medicare Advantage, Medicaid coverage, or another health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and insurance producer containing such questions and statements may be used. Questions:

1. You do not need more than one Medicare supplement policy.

2. If you purchase this policy, you may want to evaluate your existing health coverage and decide if you need multiple coverages.

3. You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy.

4. If, after purchasing this policy, you become eligible for Medicaid, the benefits and premiums under your Medicare supplement policy can be suspended, if requested, during your entitlement to benefits under Medicaid for twenty-four (24) months. You must request this suspension within ninety (90) days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your suspended Medicare supplement policy (or, if that is no longer available, a substantially equivalent policy) will be reinstated if requested within ninety (90) days of losing Medicaid eligibility. If the Medicare supplement policy provided coverage for outpatient prescription drugs and you enrolled in Medicare Part D while your policy was suspended, the reinstated policy will not have outpatient prescription drug coverage, but will otherwise be substantially equivalent to your coverage before the date of suspension.

6. Counseling services may be available in your state to provide advice concerning your purchase of Medicare supplement insurance and concerning medical assistance through the state Medicaid program, including benefits as a Qualified Medicare Beneficiary (QMB) and a Specified Low-Income Medicare Beneficiary (SLMB).

Questions:

If you lost or are losing other health insurance coverage and received a notice from your prior insurer saying you were eligible for guaranteed issue of a Medicare supplement insurance policy, or that you had certain rights to buy such a policy, you may be guaranteed acceptance in one or more of our Medicare supplement plans. Please include a copy of the notice from your prior insurer with your application. PLEASE ANSWER ALL QUESTIONS.

(1)

(a) Did you turn age 65 in the last 6 months?

Yes____ No____

(b) Did you enroll in Medicare Part B in the last 6 months?

Yes____ No____

(c) If yes, what is the effective date?

(2) Are you covered for medical assistance through the state Medicaid program?

[NOTE TO APPLICANT: If you are participating in a “Spenddown Program” and have not met your “Share of Cost,” please answer NO to this question.]

Yes____ No____

If yes, (a) Will Medicaid pay your premiums for this Medicare supplement policy?

Yes____ No____

(b) Do you receive any benefits from Medicaid OTHER THAN payments toward your Medicare Part B premium?

Yes____ No____

(3)

(a) If you had coverage from any Medicare plan other than original Medicare within the past 63 days (for example, a Medicare Advantage plan, or a Medicare HMO or PPO), fill in your start and end dates below. If you are still covered under this plan, leave “END” blank.

START ______/____/_____ END ______/____/____

(b) If you are still covered under the Medicare plan, do you intend to replace your current coverage with this new Medicare supplement policy?

Yes____ No____

(c) Was this your first time in this type of Medicare plan?

Yes____ No____

(d) Did you drop a Medicare supplement policy to enroll in the Medicare plan?

Yes____ No____

(4)

(a) Do you have another Medicare supplement policy in force?

Yes____ No____

(b) If so, with what company, and what plan do you have [optional for Direct Mailers]?
(c) If so, do you intend to replace your current Medicare supplement policy with this policy?
   Yes____ No____

(5) Have you had coverage under any other health insurance within the past 63 days? (For example, an employer, union, or individual plan)
   Yes____ No____
   (a) If so, with what company and what kind of policy?

_______________________________________________________
_______________________________________________________
_______________________________________________________
_______________________________________________________

(b) What are your dates of coverage under the other policy? If you are still covered under the other policy, leave “END” blank.
   START __/__/__ END __/__/__

(B) Insurance producers shall list any other health insurance policies they have sold to the applicant.
   1. List policies sold which are still in force.
   2. List policies sold in the past five (5) years which are no longer in force.

(C) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer upon delivery of the policy.

(D) Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its insurance producer, shall furnish the applicant, prior to issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One (1) copy of the notice signed by the applicant and the insurance producer, except where the coverage is sold without an insurance producer, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy the notice regarding replacement of Medicare supplement coverage.

(E) The notice required by subsection [(18)/(19)(D)] above for an issuer shall be provided in substantially the following form in no less than twelve- (12-)point type:
NOTICE TO APPLICANT REGARDING REPLACEMENT OF MEDICARE SUPPLEMENT INSURANCE OR MEDICARE ADVANTAGE

[Insurance company's name and address]

SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to [your application] [information you have furnished], you intend to terminate existing Medicare supplement insurance and replace it with a policy to be issued by [Company Name] Insurance Company. Your new policy will provide thirty (30) days within which you may decide without cost whether you desire to keep the policy.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. If, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision, you should terminate your present Medicare supplement or Medicare Advantage coverage. You should evaluate the need for other accident and sickness coverage you have that may duplicate this policy.

STATEMENT TO APPLICANT BY ISSUER, INSURANCE PRODUCER [OR OTHER REPRESENTATIVE]:

I have reviewed your current medical or health insurance coverage. To the best of my knowledge, this Medicare supplement policy will not duplicate your existing Medicare supplement coverage because you intend to terminate your existing Medicare supplement coverage. The replacement policy is being purchased for the following reason (check one):

___ Additional benefits.

___ No change in benefits, but lower premiums.

___ Fewer benefits and lower premiums.

___ Disenrollment from a MedicareAdvantage plan. Please explain reason for disenrollment (optional only for Direct Mailers)

__________________________________________________________________________

__________________________________________________________________________

___ Other. (please specify)

1. NOTE: If the issuer of the Medicare supplement policy being applied for does not, or is otherwise prohibited from imposing preexisting condition limitations, please skip to statement 2 below. Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy.

2. State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.

3. If, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. [If the policy or certificate is guaranteed issue, this paragraph need not appear.]
Do not cancel your present policy until you have received your new policy and are sure that you want to keep it.

(Signature of Insurance Producer or Other Representative)*

[Typed Name and Address of Issuer, Insurance Producer]

(Applicant’s Signature)

(Date)

*Signature not required for direct response sales.

(F) Paragraphs 1. and 2. of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

(19)(20) Filing Requirements for Advertising. An issuer shall provide a copy of any Medicare supplement advertisement intended for use in this state whether through written, radio, or television medium to the director of insurance of this state for review or approval by the director to the extent it may be required under state law.

(20)(21) Standards for Marketing.

(A) An issuer, directly or through its producers, shall—

1. Establish marketing procedures to assure that any comparison of policies by its insurance producers will be fair and accurate;

2. Establish marketing procedures to assure excessive insurance is not sold or issued;

3. Display prominently by type, stamp, or other appropriate means, on the first page of the policy the following: “Notice to buyer: This policy may not cover all of your medical expenses.”;

4. Inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for Medicare supplement insurance already has accident and sickness insurance and the types and amounts of any such insurance; and

5. Establish auditable procedures for verifying compliance with this subsection (A).

(B) In addition to the practices prohibited in the Unfair Trade Practices Act (sections 375.930 to 375.948, RSMo) and the Unfair Claim Settlement Practices Act (sections 375.1000 to 375.1018, RSMo), the following acts and practices are prohibited:

1. Twisting. Knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert an insurance policy or to take out a policy of insurance with another insurer;

2. High pressure tactics. Employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance; and
Proposed Rules

Vol. 44, No. 12
June 17, 2019

Page 1720

3. Cold lead advertising. Making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance producer or insurance company.

(C) The terms “Medicare Supplement,” “Medigap,” “Medicare Wrap-Around,” and words of similar import shall not be used unless the policy is issued in compliance with this rule.

\[(21)\] Appropriateness of Recommended Purchase and Excessive Insurance.

(A) In recommending the purchase or replacement of any Medicare supplement policy or certificate an insurance producer shall make reasonable efforts to determine the appropriateness of a recommended purchase or replacement.

(B) Any sale of Medicare supplement coverage that will provide an individual more than one (1) Medicare supplement policy or certificate is prohibited.

(C) An issuer shall not issue a Medicare supplement policy or certificate to an individual enrolled in Medicare Part C unless the effective date of the coverage is after the termination date of the individual’s Part C coverage.

\[(22)\] Reporting of Multiple Policies.

(A) On or before March 1 of each year, an issuer shall report the following information for every individual resident of this state for which the issuer has in force more than one (1) Medicare supplement policy or certificate:

1. Policy and certificate number; and

2. Date of issuance.  

(B) The items set forth above must be grouped by individual policyholder.

\[(23)\] Prohibition Against Preexisting Conditions, Waiting Periods, Elimination Periods, and Probationary Periods in Replacement Policies or Certificates.

(A) If a Medicare supplement policy or certificate replaces another Medicare supplement policy or certificate, the replacing issuer shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy or certificate to the extent such time was spent under the original policy.

(B) If a Medicare supplement policy or certificate replaces another Medicare supplement policy or certificate which has been in effect for at least six (6) months, the replacing policy shall not provide any time period applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods.

\[(24)\] Prohibition Against Use of Genetic Information and Requests for Genetic Testing. This section applies to all policies with policy years beginning on or after May 21, 2009.

(A) An issuer of a Medicare supplement policy or certificate—

1. Shall not deny or condition the issuance or effectiveness of the policy or certificate (including the imposition of any exclusion of benefits under the policy based on a pre-existing condition) on the basis of the genetic information with respect to such individual; and

2. Shall not discriminate in the pricing of the policy or certificate (including the adjustment of premium rates) of an individual on the basis of the genetic information with respect to such individual.

(B) Nothing in subsection \[(24)\] shall be construed to limit the ability of an issuer, to the extent otherwise permitted by law, from—

1. Denying or conditioning the issuance or effectiveness of the policy or certificate or increasing the premium for a group based on the manifestation of a disease or disorder of an insured or applicant; or

2. Increasing the premium for any policy issued to an individual based on the manifestation of a disease or disorder of an individual who is covered under the policy (in such case, the manifestation of a disease or disorder in one (I) individual cannot also be used as genetic information about other group members and to further increase the premium for the group).

(C) An issuer of a Medicare supplement policy or certificate shall not request or require an individual or a family member of such individual to undergo a genetic test.

(D) Subsection \[(24)\] shall not be construed to preclude an issuer of a Medicare supplement policy or certificate from obtaining and using the results of a genetic test in making a determination regarding payment (as defined for the purposes of applying the regulations promulgated under part C of Title XI and section 264 of the Health Insurance Portability and Accountability Act of 1996, as may be revised from time to time) and consistent with subsection \[(24)\].

(E) For purposes of carrying out subsection \[(24)\], an issuer of a Medicare supplement policy or certificate may request only the minimum amount of information necessary to accomplish the intended purpose.

(F) Notwithstanding subsection \[(24)\], an issuer of a Medicare supplement policy may request, but not require, that an individual or a family member of such individual undergo a genetic test if each of the following conditions is met:

1. The request is made pursuant to research that complies with part 46 of Title 45, Code of Federal Regulations, or equivalent federal regulations, and any applicable state or local law or regulations for the protection of human subjects in research;

2. The issuer clearly indicates to each individual, or in the case of a minor child, to the legal guardian of such child, to whom the request is made that—

   A. Compliance with the request is voluntary; and

   B. Non-compliance will have no effect on enrollment status or premium or contribution amounts;

3. No genetic information collected or acquired under this subsection shall be used for underwriting, determination of eligibility to enroll or maintain enrollment status, premium rates, or the issuance, renewal, or replacement of a policy or certificate;

4. The issuer notifies the secretary in writing that the issuer is conducting activities pursuant to the exception provided for under this subsection, including a description of the activities conducted; and

5. The issuer complies with such other conditions as the secretary may by regulation require for activities conducted under this subsection.

(G) An issuer of a Medicare supplement policy or certificate shall not request, require, or purchase genetic information for underwriting purposes.

(H) An issuer of a Medicare supplement policy or certificate shall not request, require, or purchase genetic information with respect to any individual prior to such individual’s enrollment under the policy in connection with such enrollment.

(I) If an issuer of a Medicare supplement policy or certificate obtains genetic information incidental to the requesting, requiring, or purchasing of other information concerning any individual, such request, requirement, or purchase shall not be considered a violation of subsection \[(24)\].

(J) For the purposes of this section only:

1. “Issuer of a Medicare supplement policy or certificate” includes third-party administrator, or other person acting for or on behalf of such issuer;

2. “Family member” means, with respect to an individual, any other individual who is a first-degree, second-degree, third-degree, or fourth-degree relative of such individual;

3. “Genetic information” means, with respect to any individual, information about such individual’s genetic tests, the genetic tests of family members of such individual, and the manifestation of a disease or disorder in family members of such individual. Such term includes, with respect to any individual, any request for, or receipt
of, genetic services, or participation in clinical research which includes genetic services, by such individual or any family member of such individual. Any reference to genetic information concerning an individual or family member of an individual who is a pregnant woman, includes genetic information of any fetus carried by such pregnant woman, or with respect to an individual or family member utilizing reproductive technology, includes genetic information of any embryo legally held by an individual or family member. The term "genetic information" does not include information about the sex or age of any individual;

4. "Genetic services" means a genetic test, genetic counseling (including obtaining, interpreting, or assessing genetic information), or genetic education;

5. "Genetic test" means an analysis of human DNA, RNA, chromosomes, proteins, or metabolites, that detect genotypes, mutations, or chromosomal changes. The term "genetic test" does not mean an analysis of proteins or metabolites that does not detect genotypes, mutations, or chromosomal changes; or an analysis of proteins or metabolites that is directly related to a manifested disease, disorder, or pathological condition that could reasonably be detected by a health care professional with appropriate training and expertise in the field of medicine involved; and

6. "Underwriting purposes" means—
   A. Rules for, or determination of, eligibility (including enrollment and continued eligibility) for benefits under the policy;
   B. The computation of premium or contribution amounts under the policy;
   C. The application of any pre-existing condition exclusion under the policy; and
   D. Other activities related to the creation, renewal, or replacement of a contract of health insurance or health benefits.

Separability. If any provision of this rule or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances shall not be affected thereby.


PUBLIC COST: This proposed amendment will cost the Department of Insurance, Financial Institutions and Professional Registration less than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will cost private entities ten thousand six hundred and fifty dollars ($10,650) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Amy V. Hoyt, PO Box 690, Jefferson City, MO. To be considered, comments must be received within thirty (30) days of publication of this notice in the Missouri Register. A public hearing is scheduled for 9:00 a.m. on July 18, 2019, at the Harry S Truman State Office Building, Room 530, 301 West High Street, Jefferson City, Missouri.

SPECIAL NEEDS: If you have any special needs addressed by the Americans with Disabilities Act, please notify us at (573)751-2619 at least five (5) working days prior to the hearing.
FISCAL NOTE
PRIVATE COST

I. Department Title: Insurance, Financial Institutions and Professional Registration
Division Title: Life, Annuities and Health
Chapter Title: Medicare Supplement Insurance

<table>
<thead>
<tr>
<th>Rule Number and Title:</th>
<th>20 CSR 400-3.650 Medicare Supplement Insurance Minimum Standards Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Rulemaking:</td>
<td>Proposed Amendment</td>
</tr>
</tbody>
</table>

II. SUMMARY OF FISCAL IMPACT

<table>
<thead>
<tr>
<th>Estimate of the number of entities by class which would likely be affected by the adoption of the rule:</th>
<th>Classification by types of the business entities which would likely be affected:</th>
<th>Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>Medicare Supplement Carriers filing a new outline of coverage document</td>
<td>$7,800</td>
</tr>
<tr>
<td>19</td>
<td>Medicare Supplement Carriers currently selling High Deductible Plan F that may file to sell new High Deductible Plan G</td>
<td>$2,850</td>
</tr>
</tbody>
</table>

III. WORKSHEET

<table>
<thead>
<tr>
<th>Number of Carriers</th>
<th>Category</th>
<th>Cost of Filing (number x $150)</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>Carriers filing new outline of coverage</td>
<td>$7,800</td>
</tr>
<tr>
<td>19</td>
<td>Carriers filing to sell new High Deductible Plan G</td>
<td>$2,850</td>
</tr>
<tr>
<td>TOTAL AGGREGATE COST</td>
<td></td>
<td>$10,650</td>
</tr>
</tbody>
</table>

IV. ASSUMPTIONS

The increase in costs to carriers to comply with this proposed amendment is limited to costs of new filings that will be made in the first year of implementation. We assume all 52 carriers currently writing business in the Medicare Supplement market will file new "Outlines of Coverage" in order to comply with this proposed amendment. After the new "Outline of Coverage" is filed in the first year, carriers will not be required to make additional new filings in order to comply with this proposed amendment. Medicare
Supplement carriers are required to make product filings with the Department on an annual basis, so after the first year, the carriers' annual product filings will satisfy the filing requirement with no additional filings necessary due to this proposed amendment.

There are currently 19 carriers offering High Deductible Plan F plans. The Department assumes that all 19 of these carriers will want to also offer High Deductible Plan G plans, resulting in new product filings for these carriers. As noted above, these 19 new filings represent one-time new filings and carriers will not have to make additional filings in subsequent years due to this proposed amendment.
20 CSR 400-14.100 External Arbitration

PROPOSED RULE

PURPOSE: This rule outlines the procedures by which the department will ensure access to binding arbitration when there is a dispute related to a claim for unanticipated out-of-network care and outlines the criteria for approved arbitrators. This rule is promulgated pursuant to sections 374.045 and 376.690, RSMo.

(1) When a health carrier or a health care professional provides written notification to the director and the other party of its intent to initiate arbitration proceedings pursuant to section 376.690.2(5), RSMo, the health carrier or health care professional shall provide the following information to the director:

(A) The name and contact information for the health carrier;
(B) The name and contact information for the out-of-network health care professional;
(C) The billed amount charged by the out-of-network health care professional for the service that is the subject of the dispute;
(D) The amount of the final offer made by each party, and the date the final offer was made;
(E) An attestation affirming that the information provided by the health carrier or health care professional is true and accurate; and
(F) Any additional information requested by the director.

(2) Prior to commencing arbitration proceedings pursuant to section 376.690.2(5), RSMo, a health care professional and a health carrier must demonstrate they have completed the negotiation period described in section 376.690.2(1)-(3), RSMo.

(3) The director shall publish on the department’s website (www.insurance.mo.gov) a list of entities providing arbitration services.

(4) In order to qualify as a provider of arbitration services as described in section 376.690, RSMo, an entity or arbitrator must—

(A) Be currently engaged in arbitrating disputes between health carriers and health care professionals;
(B) Adhere to procedural rules outlined by the American Arbitration Association, the American Health Lawyers Association, or another entity with similar procedural rules, as determined by the director; and
(C) Have in place policies and procedures to avoid conflicts of interest.

(5) An arbitrator or entity seeking to be included on the list published by the department may submit such a request in writing to the director, outlining its qualifications. The director has sole discretion to determine whether or not to include an arbitrator or arbitration entity on the list published by the department, and may amend or revise the list from time-to-time as he or she deems necessary.


PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars ($500) in the aggregate.
Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 600—Statistical Reporting
Chapter 3—Reporting Data on Residential and Auto Insurances

PROPOSED AMENDMENT

20 CSR 600-3.100 [Required] Format to be Used in Reporting Data on Residential Insurance Coverages and Private Passenger Automobile Insurance. The director is amending the rule title, the purpose statement, and sections (1), (2), (3), (4), and (6), deleting section (5), subsections (3)(A), (3)(B), and (3)(C), renumbering as necessary, and deleting the reporting instructions and transmittal form which follow the rule as appendices A and B in the Code of State Regulations.

PURPOSE: This proposed amendment clarifies and modernizes the rule by updating statutory references, simplifying filing procedures, and utilizing modern technology. The proposed amendment also clarifies whether the data submitted are open or closed records.

PURPOSE: This rule states the format [in which] to be used by an insurer [is required to file] when filing with the Department of Insurance its report of all premium and loss data in accordance with sections 374.405 and 374.455, RSMo.

(1) [Each] To comply with sections 374.405 and 374.455, RSMo, insurers [annually,] shall file with the Department of Insurance on or before March 1 of each year, shall file electronically by three and one-half inch (3 1/2") diskette, tape, cartridge or a combination thereof, with the Department of Insurance its data in an electronic format for the previous calendar year regarding premium and losses under those policy types defined pursuant to section 374.400, RSMo as homeowners’ insurance, dwelling owners’ insurance, renters’ or tenants’ insurance, or residential fire insurance and defined pursuant to section [374.455] 374.450, RSMo as private automobile insurance. Insurance products known as farmowners insurance and mobile home insurance are also included within these defined policy types.

(2) The data [shall be that data] is to pertain[ing] to the basic primary coverage without inclusion of data regarding any endorsement attached to an insurance policy, unless otherwise specified in the reporting instructions [which are attached to this rule as Appendix A] set forth on the department's website.

(3) The [format in which the data is to be filed is as follows:] reporting instructions set forth on the department’s website are to be followed.

(A) The data shall be reported by five (5) digit zip code for the principal garaging location or the location of the property insured;

(B) The reporting instructions as stated in Appendix A of this rule shall be followed; and

(C) The Transmittal Form as shown in Appendix B of this rule shall be attached with each filing made pursuant to this rule.

(4) If an insurer [or group of insurers, or both,] has less than five hundred (500) annual exposures in this state during the calendar year, then that insurer [or group of insurers or both,] need not report data as [required] set forth by this rule; provided, however that the insurer [shall] maintain accurate data in the format [required] provided by this rule and make that data available to the department upon request.

(5) If an insurer fails to timely file the data in the format as required by this rule, the insurer shall be subject to penalty including, but not limited to, those penalties provided in section 374.215.1, RSMo. If an insurer files data required by this rule which is materially false, the insurer shall be subject to penalty including, but not limited to those penalties provided in sections 374.210 and 374.215.2, RSMo.

(6) The data reported pursuant to this rule and sections 374.405 and 374.455, RSMo shall be deemed records which are open to the inspection of the public in accordance with sections 374.070 and 610.011, RSMo. Any insurance company claiming that this data constitutes a trade secret or proprietary information shall comply with the procedures as set forth in 20 CSR 10-2.400(3)[L]. Each reporting insurer’s data are deemed trade secrets and closed records. However, data in aggregate form are deemed open records available for public inspection.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for 9:00 am, July 18, 2019, at 301 W. High Street, Room 530, Jefferson City, Missouri 65101.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 700—Insurance Licensing
Chapter 1—Insurance Producers

PROPOSED AMENDMENT

20 CSR 700-1.170 Licensing Procedures and Standards for Limited Lines Self-Service Storage Insurance Producers. The director is amending sections (1)–(4).

PURPOSE: This amendment streamlines the existing rule and adds provisions regarding license renewals. The director is amending sections (1) through (4).

(1) [Application and Fees. Application] Applicants for a limited lines self-service storage insurance producer license shall [include the following:] submit to the department a
Proposed Rules

20 CSR 2220-2.016 Pharmacy Operating Procedures During Declared Disasters. The board is amending section (2).

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language and to clarify disaster procedures for Missouri pharmacies.

(2) In cases where a disaster as defined in section (1) has been declared, any pharmacy located within the disaster area may arrange to move to a temporary location to better serve the public or provide pharmacy services from a mobile unit that is under the control and management of the pharmacist-in-charge.

(A) [The following constitutes requirements for maintaining temporary or mobile facilities] Temporary or mobile facilities must comply with the following:

1. Temporary or mobile pharmacy facilities shall only be located within the disaster area or adjacent county;

2. Temporary facilities may be maintained by a pharmacy operation for a period of up to six (6) months without applying for a change of location. [Any pharmacy wishing to have the authority to change location shall have the authority to do so by applying for a change of location.] Temporary or mobile pharmacy facilities shall cease services once the immediate disaster is over;

3. Mobile pharmacy operations must cease services once the immediate disaster is over;

4. Temporary or mobile pharmacy facilities must inform the board of their location and provide an estimate of the time period for which the temporary or mobile pharmacy operation will be needed; and

5. The executive director [shall have the authority to] may approve or disapprove temporary or mobile pharmacy facilities and shall make arrangements for appropriate monitoring and inspection of the pharmacy on a case-by-case basis.

A. Approval of this type of operation will be based on the need, type, and scope of disaster, as well as the ability of the pharmacy to comply with state and federal drug laws in addition to section 338.240, RSMo.

B. Temporary or mobile pharmacy facilities shall cease operations [under the provisions of this rule] if any previous approval is withdrawn.

C. Any decision made concerning the approval of a temporary or mobile pharmacy [shall] does not interfere with any rights or

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Terra Sapp, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for July 18, 2019 at 9 a.m. at 301 W. High, Room 530, Jefferson City, Missouri 65101.
privileges of a pharmacy permit holder at the original location of operation or prevent a permit holder from applying for a change of location as outlined in [4 CSR 220-2.020(4)] the board’s rules.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@gpr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 2220—State Board of Pharmacy
Chapter 2—General Rules

PROPOSED AMENDMENT

20 CSR 2220-2.050 Public Complaint Handling and Disposition Procedure. The board is amending sections (1)–(7).

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language and to clarify the board’s complaint handling procedures.

(1) [The State Board of Pharmacy shall receive and process each complaint made against any licensee or registrant or other person or entity, which complaint alleges certain acts or practices which may constitute one (1) or more violations of the provisions of Chapter 338, RSMo.] Any member of the public, the profession or any federal, state, or local official may make and file a complaint with the board. [Complaints shall be received from sources outside Missouri and will be processed in the same manner as those originating within Missouri.] No member of the State Board of Pharmacy shall file a complaint with this board while s/he holds that office, unless that member excuses him/herself from further board deliberations or activity concerning the matters alleged within that complaint. Any staff member or employee of the board may file a complaint pursuant to this rule in the same manner as any member of the public.

(2) Complaints should be mailed or delivered to the following address: State Board of Pharmacy, 3605 Missouri Blvd., PO Box 625, Jefferson City, MO 65102. [However, actual receipt of the complaint by the board at its administrative offices in any manner shall be sufficient.] Complaints may be based upon personal knowledge or upon information and belief, reciting information received from other sources.

(3) Except as otherwise authorized by the board or executive director, [A]ll complaints shall be made in writing and [shall fully] identify their maker by name and address. Complaints may be made on forms provided by the board, which [shall be] are available upon request. Complaints need not be made by affidavit, but oral or telephone communications will not be considered or processed as complaints unless otherwise authorized by the board or the executive director. [Any person attempting to make an oral or telephone complaint against an individual will be provided with a complaint form and requested to complete it and return it to the board.] Any staff member or employee of the board may make and file a complaint based upon information and belief, in reliance upon oral, telephone, or written but unsigned communications received by the board, unless those communications are believed by that staff member or employee to be false.

(4) Each complaint received under this rule shall be recorded by the board. [Complaints shall be logged] in consecutive order as received. The record shall contain each complainant’s name and address; the name and address of the subject(s) of the complaint; the date each complaint is received by the board; a brief statement of the acts complained of, and the ultimate disposition of the complaint. This record shall be a closed record of the board.

(5) The complainant shall be informed in writing as to whether the complaint has been dismissed by the board or is being referred to legal counsel for legal action. The complainant may be notified of the ultimate disposition of the complaint, excluding judicial appeals and may be provided with a copy of the decisions (if any) of the Administrative Hearing Commission and the board. The provisions of this section [shall do] not apply to complaints filed by staff members or employees of the board, based upon information and belief, acting in reliance on third-party information received by the board.

(6) Both the complaint and any information obtained as a result of the complaint investigation [shall be considered] are a closed record of the board and shall not be available for inspection by the public.

(7) This rule [shall not be deemed to] does not limit the board’s authority to file a complaint with the Administrative Hearing Commission or with a court, charging a licensee, permittee, or other person or entity with any actionable conduct or violation, whether or not this complaint exceeds the scope of the acts charged in a preliminary public complaint file by the board with whether or not any public complaint has been filed with the board.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@gpr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.
Proposed Rules

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 2220—State Board of Pharmacy
Chapter 2—General Rules

PROPOSED AMENDMENT

20 CSR 2220-2.060 Gold Certificates. The board is amending section (1) and deleting section (2).

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language and to clarify the board’s procedures for issuing gold certificates.

(1) The Missouri Board of Pharmacy shall issue gold certificates to all pharmacist licensees who have been regularly licensed as pharmacists in Missouri for fifty (50) years. These gold certificates shall be distinctive in coloration and text from other documentary licenses issued by the board and shall be designed to appropriately recognize each recipient pharmacist for his/her half century of professional practice without charge to the recipient. Gold certificates are honorific in nature and confer no right to practice pharmacy upon the recipient.

[The awarding of gold certificates shall be made by the Missouri Board of Pharmacy routinely and without charge to the recipient.]


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

20 CSR 2220-2.080 Electronic Prescription Records. The Board is amending sections (2), (4), (8), (12), and (13) of this rule.

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language and to modernize rule language governing electronic prescription records.

(2) EDP systems shall comply with the requirements of section 338.100, RSMo, and shall be capable of storing and retrieving the following information concerning the original filling or refilling of any prescription:

(Q) Any other change or alteration made in the original prescription based on contact with the prescriber to show a clear audit trail. This shall include including, but is not limited to, a change in quantity, directions, number of refills, or authority to substitute a drug.

(4) Except as otherwise provided by 20 CSR 2220-2.083, prescription hard copies must be maintained and filed by either the sequential prescription label number or by a unique readily retrievable identifier. For verbal, telephone, or electronic [data transmission] prescriptions, a hard copy representation of the prescription shall be made and filed which contains all of the information in section (2). Prescription hard copies must be retrievable at the time of inspection, except as otherwise provided by 20 CSR 2220-2.010(1)(J). For purposes of this subsection an “electronic [data transmission] prescription” shall be defined as provided in 20 CSR 2220-2.085.

(8) An auxiliary record-keeping system shall be established for the documentation of refills if the EDP system is inoperative for any reason. The auxiliary system shall ensure that all refills are authorized by the original prescription or prescriber. When this EDP system is restored to operation, the information regarding prescriptions filled and refilled during the inoperative period shall be entered into the EDP system within seven (7) working days. However, nothing in this section shall preclude precludes the pharmacist from using his/her professional judgment for the benefit of a patient’s health and safety.

(12) The EDP system shall be able to provide a listing of drug utilization by date for any drug for a minimum of the preceding twenty-four (24-) month period. Drug utilization information shall be available by date(s), that includes the specific drug product, patient name, or practitioner. If requested to do so, the pharmacy shall have three (3) working days to provide the report.

(13) The provisions of this rule shall not conflict with do not preempt any federal laws or regulations. If any part of this rule is declared invalid by a court of law, that declaration shall not affect the other parts of the rule.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.
PROPOSED AMENDMENT

20 CSR 2220-2.150 Mandatory Reporting Rule. The board is deleting sections (1), (4), and (5), amending sections (2) and (3), and renumbering as necessary.

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language.

[(1) The board of pharmacy shall receive and process any report from a hospital or ambulatory surgical center concerning any disciplining action against a licensed pharmacist or the voluntary resignation of any licensed pharmacist against whom any complaints or reports have been made which might have led to final disciplinary action.]

[(2) Reports to the board from a hospital or ambulatory surgical center concerning any disciplining action against a licensed pharmacist or the voluntary resignation of any licensed pharmacist against whom any complaints or reports have been made which might have led to final disciplinary action shall comply with the minimum requirements as set forth in] section 383.133, RSMo and this rule. This information shall include, but not be limited to and include at a minimum:

(A) The name, address and telephone number of the person making the report;

(B) The name, address and telephone number of the person who is the subject of the report;

(C) A brief description of the facts which gave rise to the issuance of the report, including the dates of occurrence deemed to necessitate the filing of the report;

(D) If court action is involved and known to the reporting agent, the identity of the court, including the date of filing and the docket number of the action;

(E) A statement as to what final action was taken by the institution; and

(F) That the report is being submitted in order to comply with the reporting provisions of Chapter 383, RSMo.

[(3) The director of pharmacy or pharmacist-in-charge shall report any actions as described in section (1) to the chief executive officer (CEO) or his/her designee.] Any activity that is construed to be a cause for disciplinary action according to section 338.055, RSMo or results in potential or actual harm to the public shall be deemed reportable to the board. [Nothing in this rule shall be construed as limiting or prohibiting] This rule does not limit or prohibit any pharmacist from reporting a violation of the Pharmacy Practice Act directly to the Missouri Board of Pharmacy.

[(4) In response to an inquiry from a hospital or ambulatory surgical center regarding reports received by the board on a specific pharmacist, the board shall provide the following information:

(A) Whether any reports have been received;

(B) The nature of each report; and

(C) The action which the board took on each report or if the board has taken action on the report.

(5) Each report received shall be acknowledged in writing. The acknowledgment shall state that the report is being reviewed by the board or is being investigated and shall be referred to the board or an appropriate board subcommittee for consideration. The institution subsequently shall be informed in writing as to whether the report has been dismissed by the board or is being referred to legal counsel for filing with the Administrative Hearing Commission or for other legal action. The institution may be notified of the ultimate disposition of the report excluding judicial appeals and may be provided with a copy of the decisions (if any) of the Administrative Hearing Commission and the board.]

[(6)(3) The provisions of this rule are declared severable. If any portion of this rule is held invalid by a court of competent jurisdiction, the remaining provisions of this rule shall remain in full force and effect, unless otherwise determined by a court of competent jurisdiction.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 2220—State Board of Pharmacy
Chapter 2—General Rules

PROPOSED AMENDMENT

20 CSR 2220-2.180 Public Records. The board is amending sections (1) and (3) and deleting sections (4)-(6).

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language and to correct a rule citation.

(1) All public records of the State Board of Pharmacy [shall] will be open for inspection and copying by any member of the general public during normal business hours, holidays excepted, except for those records closed pursuant to section 610.021, RSMo. All public meetings of the Board of Pharmacy not closed pursuant to the provisions of section 610.021, RSMo will be open to any member of the public.

(3) When a request for inspection of public records is made and the individual inspecting the records requests copies of the records, the board will collect the appropriate fee for costs for inspecting and copying of the records, as outlined in the board’s fee rule, 14 CSR 220-4.020/20 CSR 2220-4.100. The board may require payment of the fees prior to making available any public records.

[(4) When a request for access to public records is made and the custodian believes that access is not required under the
provisions of Chapter 610, RSMo, the custodian shall inform the individual or entity making the request that compliance with the request cannot be made, specifying in particular what sections of Chapter 610, RSMo require that the record remain closed. Any such correspondence or documentation of the denial made for access to records shall be copied to the Board of Pharmacy general counsel. Whenever the custodian denies access to the records, the custodian also shall inform the individual requesting the records that s/he may appeal directly to the Board of Pharmacy for access to the records requested. The appeal and all information pertaining to the appeal shall be placed on the meeting agenda of the Board of Pharmacy for its next regularly scheduled meeting. In the event that the board decides to reverse the decision of the custodian, the board shall direct the custodian to so advise the person requesting access to the information and supply the access to the information during regular business hours at the convenience of the requesting party.

(5) The custodian shall maintain a file which will contain copies of all written requests for access to records and responses to the requests. These requests shall be maintained on file with the board for a period of one (1) year and will be maintained as a public record of the board open for inspection by any member of the general public during regular business hours.

(6) Pursuant to section 620.111, RSMo any complaints, investigation reports and accompanying documents or exhibits that are considered closed documents under Chapter 610 or 620, RSMo, and are possessed by the board or any of its agents shall not be disclosed to any member of the public or to a licensee until the investigation is completed.

(A) Federal or state agency documents shall not be released without the written consent of the federal or state agency involved.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 2220—State Board of Pharmacy
Chapter 2—General Rules

PROPOSED AMENDMENT

20 CSR 2220-2.300 Record Confidentiality and Disclosure. The Board is amending sections (2) and (4).

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language and to authorize disclosure of confidential records as allowed by state and federal law.

(2) Confidential records [shall not be released to anyone except] may only be released to—

(A) The patient;
(B) A health care provider involved in treatment activities of the patient;
(C) Lawful requests from a court or grand jury;
(D) A person authorized by a court order;
(E) Any other person or entity authorized by a patient to receive such information;
(F) For the transfer of medical or prescription information between pharmacists as provided by law;
(G) Government agencies acting within the scope of their statutory authority; or
(H) A person or entity to whom such information may be disclosed under 45 CFR Parts 160, 164 and 165 (the Privacy Standards of the Health Insurance Portability and Accountability Act of 1996) or other applicable state/federal law.

(4) Methods to access, transmit, store, analyze, or purge confidential information shall be implemented using procedures generally recognized as secure by experts qualified by training and experience. Procedures shall be in place to ensure that purged confidential information cannot be misused or placed into active operation without appropriate authorization as provided in this rule. Internet connectivity or remote access tied directly to systems containing confidential information must be secure as provided for in 4 CSR 220-2.085(2)(B).


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.
PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language.

PURPOSE: This rule [incorporates the provisions of SB 141 and] defines minimum standards for a Class F: Renal Dialysis Pharmacy.

(1) A Class F pharmacy (renal dialysis) shall be limited in scope to the provision of dialysis products and supplies to persons with chronic kidney failure for self-administration at the person’s home or specified address. Pharmacy services and dialysis supplies and products provided by a Class F pharmacy shall be limited to the distribution and delivery of drugs and devices as provided within this rule. All drugs and devices must be ordered by an authorized prescriber for administration or delivery to a person with chronic kidney failure for self-administration at the person’s home or specified address. All dialysis supplies and products provided by a Class F pharmacy shall be prepackaged and [shall be] covered by an approved New Drug Application (NDA) or 510(k) application issued by the Food and Drug Administration (FDA).

(2) A Class F pharmacy shall maintain a pharmacist-in-charge on a consultant basis who shall review pharmacy operations at least weekly. [The pharmacist-in-charge of a Class F pharmacy will be responsible for the following requirements] Class F pharmacies shall ensure:

(A) [Ensure that the use] Use of legend drugs and devices that are provided to a person for the treatment of chronic kidney disease for self-administration at the person’s home or specified address [shall be] are under the professional supervision of an appropriate practitioner licensed under Missouri law.

(B) [Ensure that o]Only drugs and devices that have been ordered by an authorized prescriber and are included on the list of approved formulary drugs and devices are provided to patients; [Ensure that n]No drugs or devices [shall be] are dispensed to a patient until adequate training in the proper use and administration of such products has been completed;

(D) [Ensure that p]Proper documentation of drug and device distributions and deliveries are maintained by the Class F pharmacy and are made available upon request to practitioners involved in the care of the patient and to board of pharmacy representatives;

(E) [Maintain a] A policy and procedure manual [that shall be] is maintained that is available for inspection by board of pharmacy personnel. The manual shall include a quality assurance program with which to monitor the qualifications, training and performance of personnel; and

(F) The pharmacist-in-charge [shall be] is responsible for the drug/device delivery system and [shall establish] for establishing a written protocol for the implementation of the delivery system including methods for supervising drug/device deliveries to patients of the pharmacy.

1. Any written protocols shall be available for inspection by board of pharmacy personnel.

2. Any changes to the policy and procedure manual or to written protocols must be approved by the pharmacist-in-charge.

[(3) Drug Formulary List/Device List. The pharmacy shall submit a list of drugs and/or devices which must be approved by the board of pharmacy.]

[(4)](3) A Class F pharmacy [shall] may deliver products to a person with chronic kidney failure only upon the receipt of a valid prescription from an authorized prescriber specifying or including:

(A) Documents that the intended recipient will require such products for the appropriate treatment of the disease and that the intended recipient has been trained in home dialysis therapy;

(B) The duration of the prescriber’s order, not to exceed one (1) year, including all authorized refills; and

(C) The name and product code of each product prescribed and the quantity prescribed.

[(5)](4) Personnel of the pharmacy shall assemble the products to be delivered pursuant to the prescriber’s order(s). In assembling such products for delivery, the pharmacy shall take steps necessary to assure the following:

(A) The code numbers and quantities of the products assembled match the code numbers identified in the prescriber’s order(s);

(B) Any products bearing an expiration date have a minimum of three (3) full months of shelf-life remaining;

(C) A visual inspection is completed of all drugs and devices for compliance with the prescriber’s order(s) and with all labeling requirements as set forth in 338.059, RSMo. Manufacturer sealed case lots shall be labeled with the name of the patient, date, and a control number that serves as a unique patient identifier number; and

(D) Products ordered by a prescriber and provided to patients of the pharmacy shall be delivered either by personnel of the pharmacy or by a carrier authorized by the pharmacy.

1. Upon the delivery to patients of any drugs/devices, pharmacy personnel or the approved carrier shall confirm receipt by the patient or the patient’s designee and that the number of units delivered equals the number of units identified by documentation supplied by the pharmacy.

[(6)](5) Class F pharmacies shall [comply with all of the following] ensure:

(A) The license of the pharmacy [shall be] is displayed in plain view at the pharmacy location;

(B) The pharmacy [shall be] is open such hours as are necessary to safely and effectively dispense and deliver supplies to those persons designated by the applicable prescriber;

(C) The pharmacy [must maintain] maintains sufficient space and storage capabilities as necessary to carry out its operations; and

(D) All drugs and/or devices shall be properly identified and any outdated, misbranded or adulterated items shall be segregated from the active inventory within a clearly separate and defined area and [shall be] held separately until the item is destroyed or returned to a licensed drug distributor.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 6502, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.
Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 2220—State Board of Pharmacy
Chapter 2—General Rules

PROPOSED AMENDMENT

20 CSR 2220-2.800 Vacuum Tube Drug Delivery System. The board is amending section (2).

PURPOSE: This rule is being amended pursuant to Executive Order 17-03 to remove unnecessary/duplicative rule language and to correct a rule citation.

(2) [All vacuum tube delivery systems installed after September 1, 1998, shall comply with the minimum standards set forth in this rule.] Any vacuum tube delivery system already installed in a pharmacy prior to September 1, 1998, will not be required to comply with this rule; except that, should the vacuum tube delivery system or any part thereof require replacement, change, or upgrading after September 1, 1998, the system or any part of the system being replaced, changed or upgraded shall comply with the minimum standards set forth in this rule. This exemption does not relieve a pharmacy of its duty to maintain adequate security measures as required by 4 CSR 220-2.010(1)(H) Chapter 195, RSMo, 19 CSR 30-1, or the rules of the board; nor does it relieve pharmacists from their duty to provide patient counseling as required by 4 CSR 220-2.190/20 CSR 2220-2.190.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri State Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
Division 2220—State Board of Pharmacy
Chapter 7—Licensing

PROPOSED AMENDMENT

20 CSR 2220-7.080 Pharmacist License Renewal and Continuing Pharmacy Education. The board is amending section (12).

PURPOSE: This amendment eliminates the mandatory delinquent fee and incorporates a graduated delinquent fee schedule.

(12) The board may audit a licensee to assess the authenticity and validity of continuing education hours submitted for relicensure. Failure to provide proof of completion of the required continuing education credits when requested to do so by the board shall be considered a violation.

(A) In accordance with section 338.060, RSMo, any licensee that has not completed and retained the required evidence of all required continuing education shall complete any outstanding continuing education and pay [any delinquent fees as prescribed by the board] a delinquent fee as provided by this rule and may be subject to disciplinary action pursuant to section 338.055, RSMo. The board may also audit past renewal periods and/or require that proof of continuing education credits be submitted with the licensee’s renewal application.

(B) The following continuing education delinquent fees are applicable:

1. Less than one (1) hour missing one hundred dollars ($100);
2. Two (2) to ten (10) hours missing five hundred dollars ($500);
3. Eleven (11) to fifteen (15) hours missing seven hundred fifty dollars ($750); or
4. Sixteen (16) or more hours missing one thousand dollars ($1,000).


PUBLIC COST: This proposed amendment will result in a decrease of approximately thirty-nine thousand dollars ($39,000) biennially to
the Missouri Board of Pharmacy. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@opr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this rule in the Missouri Register. No public hearing is scheduled.
FISCAL NOTE
PUBLIC COST

I. Department Title: Department of Insurance, Financial Institutions and Professional Registration
Division Title: State Board of Pharmacy
Chapter Title: Licensing

<table>
<thead>
<tr>
<th>Rule Number and Name:</th>
<th>20 CSR 2220-7.080 Pharmacist License Renewal and Continuing Pharmacy Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Rulemaking:</td>
<td>Proposed Amendment</td>
</tr>
</tbody>
</table>

II. SUMMARY OF FISCAL IMPACT

<table>
<thead>
<tr>
<th>Affected Agency or Political Subdivision</th>
<th>Estimated Fiscal Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Board of Pharmacy</td>
<td>$39,000 (Biennial Revenue Decrease)</td>
</tr>
</tbody>
</table>

III. WORKSHEET

<table>
<thead>
<tr>
<th>Estimated # of Applicants/Licensees</th>
<th>Affected Agency</th>
<th>Description of Costs</th>
<th>Calculation of Estimates</th>
<th>TOTAL REVENUE DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>Board of Pharmacy</td>
<td>Pharmacist Continuing Education Delinquent Fee</td>
<td>$1,000 delinquent continuing education fee x 52 delinquent pharmacists biennially decreased by 75%</td>
<td>$39,000 biennially</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED COSTS (Projected biennial revenue decrease) $39,000

IV. ASSUMPTIONS

1. Missouri pharmacists renew biennially in even-numbered years.
2. The Board estimates approximately fifty-two (52) pharmacists will be required to remit the delinquent continuing education fee each renewal period based on an average of delinquent continuing education fees received in FY15, FY17, and FY19 to date. Of the fifty-two (52) estimated pharmacists, the Board estimates a 75% reduction in the amount of fees owed based on the proposed graduated fee scale and Board historical data on the number of hours typically deficient (52 pharmacists x $1,000 decreased by 75% = $39,000).
3. Actual revenue decreases may vary based on the number of pharmacists who fail to complete the required continued education requirements.
4. The projected revenue decrease will result in a net savings to Missouri pharmacists.
5. The total revenue decrease is estimated to recur biennially for the life of the rule.
PROPOSED AMENDMENT

20 CSR 2230-1.010 General Organization. The board is amending sections (6) and (8).

PURPOSE: This rule is being amended to update information relating to the board.

(6) The board [shall] will have at least one (1) regularly scheduled annual meeting and such other meetings as determined by the board. [The time and location for each meeting may be obtained by contacting the board office at PO Box 423, Jefferson City, MO 65102-0423 or by visiting the board’s website at http://pr.mo.gov/podiatrists.asp.]

(8) Members of the public may obtain information from the board or make submissions to the board, by writing the board office at PO Box 1335, Jefferson City, MO 65102-1335, by calling (573) 751-0873, sending a fax to (573) 751-6301, sending an email to podiatry@pr.mo.gov, or by visiting the board’s website at http://pr.mo.gov/podiatrists.asp.


PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Board of Podiatric Medicine, PO Box 1335, Jefferson City, MO 65102, by facsimile at 573-751-6301, or via email at podiatry@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.