

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

550.1427 Summary of benefits.

Sec. 427. A health care corporation that offers nongroup long-term care coverage shall provide to a prospective applicant before application, and upon request before renewal, a summary of benefits and shall obtain an acknowledgment of receipt of the summary on the application form or renewal form by obtaining the signature of the applicant. A health care corporation using direct sales response shall provide the summary of benefits to an applicant in conjunction with the initial application and upon request before renewal. The summary of benefits shall be in substantially the following form:

LONG-TERM CARE CERTIFICATE SUMMARY OF BENEFITS

<u>Category</u>	<u>Definition</u>	<u>Company Benefits</u>
Skilled nursing care	Requires daily attendance, monitoring, evaluation and/or observation by licensed health personnel in a licensed skilled nursing care facility	\$_____ per day
Maximum days payable		____ days
Intermediate/basic/custodial nursing care	Is care that includes assistance in activities of daily living that can be provided by persons without medical skill in a licensed intermediate or skilled nursing care facility	\$_____ per day
Maximum days payable		____ days
Home health benefits:	Will this certificate cover home care and what are the restrictions?	____ Yes ____ No \$____ per day ____ No. of days
—Daily benefit		
—Maximum days payable		
—Restrictions		
Prior hospitalization	Certificates may not require that you be placed in a hospital for a certain number of days before you can receive coverage for nursing home care	
Day benefits begin	After you have entered the nursing home, when will the certificate start to pay for coverage?	
Preexisting conditions waiting period	If you have been treated in the last 6 months for a condition, will this certificate cover your treatment? Does this certificate cover you only after a waiting period? How long is the waiting period?	____ Yes ____ No ____ Yes ____ No _____
Prior approval for coverage	Is prior approval needed before your certificate will give you coverage?	____ Yes ____ No
Motor vehicle accidents	Will this certificate provide coverage for long-term care needed as a result of a motor vehicle accident?	____ Yes ____ No
Evidence of insurability	Is a physical examination required? Do you have to answer a series of health questions?	____ Yes ____ No ____ Yes ____ No
Guaranteed renewal	As long as you pay your premiums on time, will the corporation continue to cover you?	____ Yes ____ No

Waiver of premium Are there circumstances under ____ Yes ____ No
which you receive coverage, but do
not have to pay the premium?

I have read this summary and understand that this summary is for my own use and is mine to keep.

Prospective Applicant's Signature
Date _____

History: Add. 1989, Act 305, Imd. Eff. Jan. 3, 1990.

Popular name: Blue Cross-Blue Shield

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