

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

550.1465 Outline of coverage.

Sec. 465. (1) A health care corporation that offers a medicare supplement certificate shall provide an outline of coverage to the applicant at the time of application and, except for direct response solicitation certificates, shall obtain an acknowledgment of receipt of the outline of coverage from the applicant. The outline of coverage provided to applicants pursuant to this section shall consist of the following 4 parts:

- (a) A cover page.
- (b) Premium information.
- (c) Disclosure pages.
- (d) Charts displaying the features of each benefit plan offered by the health care corporation.

(2) If an outline of coverage is provided at the time of application and the medicare supplement certificate is issued on a basis that would require revision of the outline, a substitute outline of coverage properly describing the certificate shall be delivered with the certificate and contain the following statement, in no less than 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) An outline of coverage under subsection (1) shall be in the language and format prescribed in this section and in not less than 12-point type. The A through J letter designation of the plan shall be shown on the cover page and the plans offered by the health care corporation shall be prominently identified. Premium information shall be shown on the cover page or immediately following the cover page and shall be prominently displayed. The premium and method of payment shall be stated for all plans that are offered to the applicant. All possible premiums for the applicant shall be illustrated. The following items shall be included in the outline of coverage in the order prescribed below and in substantially the following form, as approved by the commissioner:

(Health Care Corporation Name)

Medicare Supplement Coverage

Outline of Medicare Supplement Coverage-Cover Page:

Benefit Plan(s) _____ [insert letter(s) of plan(s) being offered]

Medicare supplement coverage can be sold in only 10 standard plans plus 2 high deductible plans. This chart shows the benefits included in each plan. Every health care corporation shall make available Plan "A". Some plans may not be available in your state.

BASIC BENEFITS:Included in All Plans.

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (20% of Medicare-approved expenses) or, for hospital outpatient department services under a prospective payment system, applicable copayments.

Blood: First three pints of blood each year.

	A	B	C	D	E	F	G	H	I	J
Basic Benefits	x	x	x	x	x	x	x	x	x	x
Skilled Nursing Co-Insurance			x	x	x	x	x	x	x	x
Part A Deductible		x	x	x	x	x	x	x	x	x
Part B Deductible			x			x				x
Part B Excess						x 100%	x 80%		x 100%	x 100%
Foreign Travel Emergency			x	x	x	x	x		x	x
At-Home Recovery				x			x		x	x
Drugs								x \$1,250 Limit	x \$1,250 Limit	x \$3,000 Limit
Preventive Care					x					x

PREMIUM INFORMATION

We (insert health care corporation's name) can only raise your premium if we raise the premium for all certificates like yours in this state. (If the premium is based on the increasing age of the member, include information specifying when premiums will change).

DISCLOSURES

Use this outline to compare benefits and premiums among policies, certificates, and contracts.

READ YOUR POLICY VERY CAREFULLY

This is only an outline describing your certificate's most important features. The certificate is your contract. You must read the certificate itself to understand all of the rights and duties of both you and your health care corporation.

RIGHT TO RETURN CERTIFICATE

If you find that you are not satisfied with your certificate, you may return it to (insert health care corporation's address). If you send the certificate back to us within 30 days after you receive it, we will treat the certificate as if it had never been issued and return all of your payments.

CERTIFICATE REPLACEMENT

If you are replacing another health insurance policy, contract, or certificate, do not cancel it until you have actually received your new certificate and are sure you want to keep it.

NOTICE

This certificate may not fully cover all of your medical costs.

[For agent issued certificates]

Neither (insert health care corporation's name) nor its agents are connected with medicare.

[For direct response issued certificates]

(Insert health care corporation's name) is not connected with medicare.

This outline of coverage does not give all the details of medicare coverage. Contact your local social security office or consult "the medicare handbook" for more details.

COMPLETE ANSWERS ARE VERY IMPORTANT

When you fill out the application for the new certificate, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your certificate and refuse to pay any claims if you leave out or falsify important medical information. [If the certificate is guaranteed issue, this paragraph need not appear.]

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

[Include for each plan offered by the health care corporation a chart showing the services, medicare payments, plan payments, and member payments using the same language, in the same order, and using uniform layout and format as shown in the charts that follow. A health care corporation may use additional benefit plan designations on these charts pursuant to section 461(4). Include an explanation of any innovative benefits on the cover page and in the chart, in a manner approved by the commissioner. The health care corporation issuing the certificate shall change the dollar amounts each year to reflect current figures. No more than 4 plans may be shown on 1 chart.] Charts for each plan are as follows:

***** **TABLE MISSING** *****

***** **SEE PUBLIC ACT 559 OF 2002** *****

COMPILER'S NOTE: DUE TO LIMITATIONS OF CURRENT SOFTWARE CAPABILITIES, THE TABLE CONTAINING *MEDICARE BENEFITS, PLANS A THROUGH J*, CANNOT BE REPRODUCED HERE. PLEASE SEE ACT 559 OF 2002 AT www.mileg.org FOR THE TEXT OF THIS TABLE.

History: Add. 1994, Act 40, Imd. Eff. Mar. 14, 1994;—Am. 2002, Act 559, Imd. Eff. Sept. 27, 2002.

Popular name: Blue Cross-Blue Shield

Popular name: Act 350