EMERGENCY ORDER REPEALING, RENUMBERING RENUMBERING AND AMENDING, AMENDING, REPEALING AND RECREATING AND CREATING A RULE

publication.
In addition to the emergency rule, the office issued a manent rule for sections Ins 3.39 and 3.55, Wis. Adm. Code, IR 19-036 that was submitted to the legislature on August 12,

1. Statutes interpreted. ss. 185.983 (1m), 600.03, 601.01 (2), 609.01 (1g) (b), 625.16, 628.34 (12), 628.38, 631.20 (2), 632.73 (2m), 632.76 (2) (b) and 632.81, 632.84, 632.895 (2), (3), (4), and (6), Wis. Stats.

2.81, 632.84, 032.030 (2), Statutory authority: ss. 601.41 (3), 625.16, 628.34 (12), 628.38, 632.73 (2m) and (b), 632.76 (2) (b), 632.81, Wis. Stats. Explanation of OCI's authority to promulgate the

oner to promulgate rules regulating various to promulgate rules governing disclosure requirements and unfai marketing practices for disability policies that includes Medicare

quired the National Association of Insurance Commissioners C) to make conforming changes to the Medicare supplement nodel revision in order to continue regulating the Medicare

have incorporated the NAIC model into states insurance laws or regulations. To date Wisconsin has passed NAIC model appendices that this proposed rule modifies to implemen plain language analysis and summary

s. Ins 3.39 (4), Wis. Adm. Code. All appendices and subsections that apply to policies issued to groups or individuals who were first eligible for Medicare on or after June 1, 2010, and prior to January 1, 2020, appear as a number with the letter "m" following the subsection number, i.e. s. Ins 3.39 (4m), Wis. Adm. Code For the new plans that will be issued to groups or individuals who are newly eligible for Medicare on or after January 1, 2020, all appendices and subsections appear as a number with the letter "t" following the subsection number, i.e. s. Ins 3.39 (4t), Wis. Adm. Code. Finally, there are citation corrections within cross references to existing or newly created s. Ins 3.39, Wis. Adm. Code, provisions within the insurance administrative code. Summary of and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed

This proposed rule will permit Wisconsin to continue to have jurisdiction and control over Medicare supplement, select and cost products offered in this state. Wisconsin is a waived state so Wisconsin consumers are not subjected to the federal plan listings typically associated with Medicare supplemental plans

that are enumerated by letters that frequently change. Further, Wisconsin developed a standardized set of basic coverage inclusive of applicable mandates and a finite number of riders prior to 1990. This approach allows consumers to easily compare "apple to apple" coverage and options available for their apple to apple osupple osupplemental needs. ppermental needs.
Summary of any public comments and feedback on the statement of scope of the proposed rule that the agency received at any preliminary public hearing and comment period held under s. 227.136, Stat., and a description of

how and to what extent the agency took those comments and that feedback into account in drafting the proposed The office gave notice of a preliminary public hearing on a statement of scope for s. Ins 3.39 and 3.55, Wis. Adm. Code, relating to amending Medicare supplemental insurance and the statement of the manufacture of the manu reporting requirements. The notice was published in the Wisconsin Administrative Register on July 30, 2018, in Register No. 751B. A public hearing was held on August 9, 2018 at 11:00 am. Notice as also published on the office's website. The public

am. Notice as also published on the onlice's website. In e public could provide oral or written testimony and a public comment period was open until 4:00 pm on August 20, 2018.

Testimony was received by OCI that addressed areas of potential confusion between the NAIC model and the federal MACRA law. Specifically, testimony highlighted that the key decision point for what coverage a person who is Medicare eligible

decision point for what coverage a person who is Medicare eligible may receive through a Medicare supplemental product is tied to the date the individual first became eligible for Medicare. The testimony provided highlighted that although MACRA required insurers to not offer the Medicare Part B medical deductible rider to persons first eligible for Medicare on or after January 1, 2020, insurers could continue offering the rider to persons eligible for Medicare prior to January 1, 2020. Additionally, it was noted that given Medicare supplemental products are guaranteed renewable for life thus necessitating insurers to continue to renew the Medicare Part B medical deductible rider coverage. The office, in the supplemental by the proposition of the production of the produ drafting the permanent rule, incorporated the suggestions raised in oral testimony into the drafted rule. Com0 OCI Illinois: 50 III. Adm. Code 2008, Minimum Standards for Individual and Group Medicare Supplément Insurance. Effective November 26, 2018. Please note that as Wisconsin is a waived

November 26, 2018. Please note that as wisconsin is a waived state for Medicare supplemental insurance there are no similar rules in adjacent states.

lowa: IA ADC 191-37 (514D). Effective May 15, 2019 implementing MACRA. Please note that as Wisconsin is a waived state for Medicare supplemental insurance there are no similar rules is ediagonal estate. rules in adjacent states

Michigan: M.C.L.A 500.3801-3861. Effective March 20, 2019 Please note that as Wisconsin is a waived state for Medicare supplemental insurance there are no similar rules in adjacent

Minnesota: Minnesota Statutes s. 62A.3099 to 62A.44 being revised by 2019 Legislative Bill HF2051 and SF2313. The proposed bills will implement the MACRA changes. Please note that as Wisconsin is a waived state for Medicare supplemental

insurance there are no similar rules in adjacent states.

9. A summary of the factual data and analytical methodologies that OCI used in support of the proposed

rule and how any related findings support the regulatory approach chosen for the proposed rule:

OC's review of complaints, NAIC models, insurer's financial information, and CMS data indicates that Medicare currently covers 60 million Americans, 1,143,459 of whom are Wisconsin Medicare beneficiaries are covered by Medicare supplement policies. Nationally the net nerson personal health care spending

policies. Nationally, the per person personal health care spending for the 65 and older population was \$18,988 in 2012. Information collected by the OCI indicates that 48 insurance companies offer Medicare supplement, Medicare cost or Medicare select policies to Wisconsin consumers eligible for Medicare due to age or disability. In addition, there are 34 insurance companies

that have Medicare supplement policyholders although the companies no longer actively market Medicare supplement coverage in Wisconsin. At year-end 2017, there were 289,662 Wisconsin Medicare beneficiaries with Medicare supplement policies.

10. Any analysis and supporting documentation that OCI used in support of OCI's determination of the rule's effect on small businesses under s. 227.114:

by life, accident and health insurers and determined that none qualify as a small business. Wisconsin currently has 48 insurance companies actively marketing offering Medicare supplement, Medicare cost and Medicare select insurance policies and an additional 34 companies supporting guaranteed renewable

A description of the Effect on Small Business

A copy of the full text of the proposed rule changes, analysis and fiscal estimate may be obtained from the web site under Rule-Making Information at: https://oci.wi.gov/Pages/RegulationHome.aspx

or by contacting Karyn Culver, Paralegal, at:
Phone:
(608) 267-9586
Email:
karyn.culver@wisconsin.gov
Address:
125 South Webster St – 2nd Floor, Madison WI 53703-3474 PO Box 7873. Madison. WI 53707-

14. Place where comments are to be submitted and deadline for submission:
The deadline for submitting comments is 4:00 y 21, 2019.

Legal Unit - OCI Rule Comment for Rule Ins 3.39 and 3.55. Wis. Adm. Code. Office of the Commissioner of Insurance Madison WI 53707-7873

Legal Unit - OCI Rule Comment for Rule Ins 3.39 and 3.55, Wis. Adm. Code. Office of the Commissioner of Insurance

125 South Webster St – 2nd Floor Madison WI 53703-3474

Julie.Walsh@wisconsin.gov Web site: http://docs.legis.wisconsin.gov/code

when wedicare eligible consumer to make an imbirined criotice when purchasing disability insurance, but also to assure the fledicare eligible persons of this state that the commissioner will of approve a policy or certificate as "Medicare supplement" or as "Medicare replacement cost" unless it meets the requirements Neurona (Sp.)

Nis section.

SECTION 4. INS 3.39 (1) (c) is repealed.

SECTION 5. INS 3.39 (1) (d) is amended to read:

INS 3.39 (1) (d) Wisconsin statutes interpreted and elemented by this rule are ss. 185.983 (1m), 600.03, 601.01, 601.42, 609.01 (1g) (b), 625.16, 628.34 (12), 628.38, 631.02, 632.73 (2m), 632.76 (2) (b), 632.81, 632.895 (2), (3), (4) and end (9), Stats.

-and (9), Stats. SECTION 6. INS 3.39 (2) (a) (intro.), 1. and 3. are amended

SECTIÓN 6. INS 3.39 (2) (a) (intro.), 1. and 3. are amended to read:

INS 3.39 (2) (a) Except as provided in pars. (d) and (e), this section applies to any group or individual Medicare supplement policy or certificate, or Medicare select policy or certificate as defined described in s. 600.03 (28r), Stats., or any Medicare replacement cost policy as defined described in s. 600.03 (28r), Stats., or any Medicare replacement cost policy as defined described in s. 600.03 (28p) (a) and (c), Stats., including all of the following:

1. Any Medicare supplement policy, Medicare select policy, or Medicare replacement cost policy issued by a voluntary sickness care plan subject to ch. 185, Stats.;

2. Any certificate issued under a group Medicare supplement policy or group Medicare replacement select policy;

3. Any individual or group policy sold in Wisconsin redominantly to individuals or groups of individuals who are 65 years of age or older which that offers hospital, medical, surgical, or other disability coverage, except for a policy which that offers solely nursing home, hospital confinement indemnity, or specified disease coverage; and;

SECTION 7 INS 3.39 (2) (a) 4 is repeated

solely nursing home, hospital confinement indemnity, or specified disease coverage;—and;

SECTION 7. INS 3.39 (2) (a) 4. is repealed.

SECTION 8. INS 3.39 (2) (a) 5. and (b) are amended to read: INS 3.39 (2) (a) 5. Any individual or group policy or certificate sold in Wisconsin to persons under 65 years of age and eligible for medicare Medicare by reason of disability which—that offers hospital, medical, surgical or other disability coverage, except a policy or certificate which that offers solely nursing home, hospital confinement indemnity or specified disease coverage.

(b) Except as provided in pars. (d) and (e), subs. (9) and (1) apply to any individual disability policy sold to a person eligible for Medicare which—that is not a Medicare supplement, Medicare select, or a Medicare replacement cost policy as described in pars. (a).

SECTION 9. INS 3.39 (2) (c) (intro.) and 2. are consolidated d renumbered INS 3.39 (2) (c) and, as renumbered, are tended to read:

ed to read:
3.39 (2) (c) Except as provided in par. (e), sub. (10)

pplies to:

2-Any any individual or group hospital or medical policy which at continues with changed benefits after the insured becomes gible for Medicare.

SECTION 10. INS 3.39 (2) (c) 1. is repealed.

SECTION 11. INS 3.39 (2) (d) (intro.) is amended to read:
INS 3.39 (2) (d) Except as provided in subs. (10) and (13), this sction does not apply to any of the following:
SECTION 12. INS 3.39 (2) (d) 4. is repealed.

SECTION 13. INS 3.39 (2) (e) (intro.) and 1. are amended read:

read: INS 3.39 (2) (e) This section does not apply to either of the

INS 3.39 (2) (e) This section does not apply to eitner or the following:

1. A policy providing solely accident, dental, vision, disability income, or credit disability income coverage; er.

SECTION 14. INS 3.39 (3) (c) (intro.) and 1, (ce), (e) and (f) are amended to read:

INS 3.39 (3) (c) "Applicant" means either of the following:

1. In the case of an individual Medicare supplement, Medicare select, or Medicare replacement cost policy, the person who seeks to contract for insurance benefits.

(ce) "Balance bill" means seeking: to bill, charge, or collect a deposit, remuneration or compensation from; to file or threaten to file with a credit reporting agency; or to have any recourse against an enrollee insured or any person acting on the enrollee's insured's behalf for health care costs for which the enrollee's insured so not affect the liability of an enrollee insured for any deductibles, coinsurance or copayments, or for premiums owed under the policy or certificate.

(e) "CMS" means the Centers for Medicare & Medicaid "CMS" means the Centers for Medicare & Medicaid es within the U.S. department of health and human

services.

(f) "Certificate" means, eny in this section, a certificate delivered or issued for delivery in this state under a group Medicare supplement policy or under a Medicare select policy in this state under a group hasis in employer retiree group.

Medicare supplement policy or under a Medicare select policy that is issued on a group basis, i.e. employer retiree group.

SECTION 15. INS 3.39 (3) (fm) is created to read:
INS 3.39 (3) (fm) "Certificateholder" means an individual member of a group that is receives a certificate that identifies the individual as a participant in the group Medicare supplement policy or the group Medicare select policy issued in this state.

SECTION 16. INS 3.39 (3) (g) is amended to read:
INS 3.39 (g) "Certificate form" means, in this section, the form on which the certificate is delivered or issued for delivery by the issuer to a group that receives insurance coverage through a group Medicare supplement policy, or a group Medicare select policy.

olicy.

SECTION 17. INS 3.39 (3) (gm) is created to read:
INS 3.39 (3) (gm) "Complaint" means any dissatisfaction pressed by an individual concerning a Medicare select issuer its polyadry providers. ts network providers. SECTION 18. INS 3.39 (3) (i) 1. c. and d., and 5. a. are

amended to read:
INS 3.39 (3) (i) 1. c. Part A or Part B of Title XVIII of the Secial Security Act (Medicare);
d. Title XIX of the Secial Security Act social security act (Medicard), other than coverage consisting solely of benefits under section 1928;

<u>Surity act;</u> SECTION 19. INS 3.39 (3) (jm), and (pm) are created to

INS 3.39 (3) (im) "Grievance" means dissatisfaction with he administration, claims practices or provision of services concerning a Medicare select issuer or its network providers that

expressed in writing by a policyholder or certificateholder under Medicare select policy or certificate.

(pm) "MACRA" means the Medicare Access and CHIP eauthorization Act of 2015, PL 114-10, signed April 16, 2015. SECTION 20. INS 3.39 (3) (r) (intro.) is renumbered INS .39 (3) (r) and amended to read:
INS 3.39 (3) (r) "Medicare Advantage plan" means a plan of overage for health benefits under Medicare Part C as defined 142 USC 1395w-28 (b) (1), as amended, and includes any of the following:

read:
INS 3.39 (3) (ve) "Medicare select certificate" means
policy that is issued to a group that provides Medicare
pelement coverage to the group's members when services
obtained through network medical providers selected by

SECTION 24. INS 3.39 (3) (ve), (vm), and (vs) are created

up coverage.

SECTION 25. INS 3.39 (3) (w) is amended to read:
INS 3.39 (3) (w) "Medicare supplement coverage"

edicare supplement insurance" means coverage that me
definition in s. 600.03 (287), Stats., as interpreted by sub.

read:
INS 3.39 (3) (we) "Medicare supplement policy" means a icy that is issued to an individual or policyholder that provides dicare supplement coverage.

(wm) "Network provider," means a provider of health care, or benefits to an insured under a Medicare select policy or Medicare

1. The person has attained age 65 on or after January 1, 2020.
2. The person, by reason of entitlement to benefits under Medicare Part A pursuant to section 226 (b) or 226A of the social security act, or who is deemed to be eligible for benefits under SECTION 27. INS 3.39 (3) (y) and (za) are amended to read: INS 3.39 (3) (y) "Outline of coverage" means a printed statement as defined by s. Ins 3.27 (5) (L), which that meets the requirements of sub-subs. (4) (b) (4m) (b), or (4t) (b), as

applicable.

(za) "PACE" means Program of All-Inclusive Care for the Elderly (PACE) under section 1894 of the Social Security Act social security act 42 USC 1302 and 1395. ial security act 42 USC 1302 and 1395. SECTION 28. INS 3.39 (3) (zag) and (zar) are created to INS 3.39 (3) (zag) "Policyholder" has the meaning provided at

IND 3.39 (3) (zeay) solonomers solonomers (37), Stat. (zar) "Policy or certificate forms of the same type" means, for purposes of calculating loss ratios, rates, refunds or premium credits, each type of form filed with the commissioner including; individual Medicare supplement policy forms, individual Medicare select policy forms, individual Medicare cost policy forms, individual Medicare cost policy forms. SECTION 29, INS 3.39 (3) (zb) is amended to read:

INS 3.39 (3) (zbm) "Restricted network provision." means any

and are applicable in addition to any provision in this section that generally pertains to Medicare eligible persons.

3. For persons first eligible for Medicare Part A and B on or after January 1, 2020, MACRA designated Medicare eligible persons as "newly eligible" to distinguish them from a person eligible por to January 1, 2020. For these newly eligible persons, eligible por to January 1, 2020. For these newly eligible persons, eligible por to January 1, 2020. For these newly eligible persons, eligible por to January 1, 2020. For these newly eligible persons, eligible person and to a supplicable in addition to any provision in this section that generally pertains to Medicare eligible persons.

(b) Medicare supplement policies and certificates and Medicare select policies and certificates are guaranteed renewable for life. Therefore, a Medicare eligible person can, at his or her choice, elect to receive benefits and coverage under a policy that may have fewer riders available. An insurer may not require the Medicare eligible person to replace existing coverage with coverage reflecting recent changes, including changes due to MACRA. This means insurers may no longer actively market the Medicare eligible person who is first eligible for Medicare prior to January 1, 2020, may elect the Medicare Part B medical deductible rider for Medicare prior to January 1, 2020, may elect the Medicare Part B medical deductible rider coverage at any time, provided an insurer is offering that coverage, If an insured was eligible for Medicare prior to January 1, 2020 and elected the Medicare Part B medical deductible rider in accordance with the terms of the Medicare supplement policy or certificate that person shall be eligible to continue to receive benefits provided by the Medicare Part B medical deductible rider in accordance with the terms of the Medicare supplement policy or certificate or Medicare select policy or certificate. SECTON 31. INS 3.39 (4) (Hebicare Erecoursment) Eor Policies AND (EERIFICATE) of Persons Instribu

it the policy or certificate complies, as applicable, with all of the following: following:

(a) The Medicare supplement policy and certificate. Medicare select policy or certificate, or the Medicare cost policy complies, as applicable, with all the following requirements:

1. Provides only the coverage set out in sub. (5), (7), or (30) and applicable statutes and contains no exclusions or limitations other than those permitted by sub. (8). No issuer may issue a Medicare cost policy. Medicare supplement policy or certificate, or Medicare select policy or certificate without prior approval from the commissioner and compliance with subs. (5), (7) and (30), respectively

or Medicare select policy or certificate without prior approval from the commissioner and compliance with subs. (5), (7) and (30), respectively.

2. Discloses on the first page any applicable pre-existing prexisting conditions limitation, contains no pre-existing prexisting conditions limitation, contains no pre-existing prexisting condition waiting period longer than 6 months and shalf does not define a pre-existing prexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within 6 months before the effective date of coverage.

3. Contains no definitions of terms such as "Medicare eligible expenses." "accident," "sickness," "mental or nervous disorders," "skilled nursing facility," "hospital," "nurse," "physician," "Medicare approved expenses," "benefit period," "convalescent nursing home," or "outpatient prescription drugs" that are worded less favorably to the insured person than the corresponding Medicare definition or the definitions contained in sub. (3), and defines "Medicare" as in accordance with sub. (3) (q).

4. Does not indemnify against losses resulting from sickness on a different basis from losses resulting from accidents,

5. Is "guaranteed renewable" and does not provide for termination of coverage of the insured, other than the nonpayment of premium. The Medicare supplement policy or certificate, Medicare select policy or certificate, or Medicare cost policy shall not be cancelled or nonrenewed by the insurer on the grounds of deterioration of health. The Medicare supplement policy or certificate, Medicare select policy or certificate, or Medicare cost policy is issued by a health maintenance organization as defined by s. 609.01 (2), Stats., the policy or certificate may, in addition to the above reasons, be cancelled or nonrenewed by the issuer if the insured ower out of the service area;

6. Provides that termination of a Medicare supplement policy or the insured of the service area;

by s. 609.01 (2), Stats., the policy or certificate may, in addition to the above reasons, be cancelled or nonrenewed by the issuer if the insured moves out of the service area; 6. Provides that termination of a Medicare supplement policy or certificate, Medicare select policy or certificate, or Medicare cost policy or certificate was in force, although the extension of benefits may be predicated upon the continuous total disability of the insured-policyholder, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits shall not be considered in determining a continuous loss.

7. Contains statements on the first page and elsewhere in the Medicare supplement policy or certificate, Medicare select policy or certificate, or Medicare cost policy which-that satisfy the requirements of s. Ins 3.13 (2) (c), (d) or (e), and clearly states on the first page or schedule page the duration of the term of coverage for which the policy or certificate is issued and for which it may be renewed, (the The renewal period cannot be less than the greater greatest of the following: 3 months, the period for which it has paid the premium, or the period specified in the policy): or certificate.

9. Prominently, discloses any limitations on the choice of

in the policy); or certificate.

9. Prominently discloses any limitations on the choice of providers or geographical area of service;

SECTION 26. INS 3.39 (3) (we), (wm), and (ws) are created

erage not been suspended. SECTION 34. INS 3.39 (4) (b) (intro.), and 1. to 7., (c), (e) INS 3.39 (4) (b) The outline of coverage for the Medicare

3. Is substituted to properly describe the Medicare

7. Contains a listing of the required coverage sub. (5) (c) and the optional coverages as set out and the annual premiums therefor, for each select

licy or certificate form: 1. Is computed on the basis of anticipated incurred claims or incurred health care expenses where coverage is provided by a health maintenance organizations on a service rather than reimbursement basis and earned premiums for the entire period.

INS 3.39 (3r) OPEN ENROLLMENT. (a) An issuer may not

following:

(a) The policy or certificate shall comply with all of the (a) The policy or certificate snall comply with all of the following requirements:

1. Provides only the coverage set out in sub. (5m), (7), or (30m) and applicable statutes and contains no exclusions or limitations other than those permitted by sub. (8). No issuer may issue a Medicare cost policy or Medicare select policy or certificate without prior approval from the commissioner and compliance with sub. (30m).

3. Contains no definitions of terms such as "Medicare elicible".

3. Contains no definitions of terms such as "Medicare eligible expenses," accident, "eickness," "mental or nervous disorders," skilled nursing facility," "hospital," "nurse," "physician," "Medicare approved expenses," "benefit period," "convalescent nursing home," or "outpatient prescription drugs" that are worded less favorably to the insured person than the corresponding Medicare definition or the definitions contained in sub. (3), and defines "Medicare" as in accordance with sub. (3) (q).

6. Provides that termination of a Medicare supplement policy or certificate, Medicare select policy or certificate, or Medicare cost policy or certificate was in force lass that commenced while the policy or certificate was in force.

or ceruncate, Medicare select policy or certificate, or Medicare cost policy or certificates shall be without prejudice to a continuous loss that commenced while the policy or certificate was in force, although the extension of benefits may be predicated upon the continuous total disability of the insured, limited to the duration of the policy or certificate benefit period, if any, or payment of the maximum benefits. Receipt of the Medicare Part D benefits may not be considered in determining a continuous loss.

11. Contains text that is plainly printed in black or blue ink the size of which and has a font size that is uniform and not less than 10-point type with a lower-case unspaced alphabet length not less than 120-point type.

12. Contains a provision describing the review and appeal precedure for denied claims required by s. 632.84, Stats., and a provision describing any grievance rights as required by s. 632.83, Stats., applicable to Medicare supplement policies and certificates and Medicare replacement cost policies or certificates.

SECTION 37. INS 3.39 (4s) (a) 21. (intro.) is repealed.

SECTION 38. INS 3.39 (4s) (a) 21. (intro.) and 21s. and amended to read:

INS 3.39 (4m) (a) 21e. Max-No Medicare supplement policies.

and, except in the case of direct response insurance, the issuer obtains written acknowledgement from the applicant that the outline was received:
2. Complies with s. Ins 3.27, including s. Ins 3.27 (5) (L) and

etion for the appropriate category and printed in no less n 12-point type; 6. Summarizes or refers to the coverage set out in applicable

by a health maintenance organizations on a service rather than reimbursement basis and earned premiums for the entire period for which the policy form provides coverage, in accordance with accepted actuarial principles and practices; and

2. Is submitted to the commissioner along with the policy or certificate form and is accompanied by rates and an actuarial demonstration that expected claims in relationship to premiums comply with the loss ratio standards in under sub. (16) (d). The policy or certificate form will not be approved by the commissioner unless the anticipated loss ratio along with the rates and actuarial demonstration show compliance with sub. (16) (d).

(g) As-regards-For subsequent rate changes to the policy or certificate form, the insurer shall do all of the following:

1. Files such-File the rate changes on a rate change transmitted form-in a format specified by the commissioner.

2. Includes-Include in its-the filing under subd. (1, an actuarially sound demonstration that the rate change will not result in a loss ratio over the life of the policy or certificate which-that would violate the requirements under sub. (16) (d).

SECTION 35. INS 3.39 (4m) is renumbered INS 3.39 (3r) and INS 3.39 (3r) (a), (b) and (d) as renumbered, are amended to read:

INS 3.39 (3r) OPEN ENROLLMENT. (a) An issuer may not

INS 3.39 (3r) OPEN ENROLLMENT. (a) An issuer may not deny nor condition the issuance or effectiveness of, or discriminate in the pricing of, basic Medicare supplement eoverage policies or certificates, Medicare cost policy, or Medicare select policies or certificates, Medicare cost policy, or Medicare select policies or certificates permitted, as applicable, under subs. (5), (5m), (5t), (7), and-(30), (30m), (30m), or riders permitted under sub. (5) (1), (5m) (e), or (5t) (e), for which an application is submitted prior to or during the 6-month period beginning with the first month in which that an individual first enrolled for benefits under Medicare Part B or the month in which that an individual who was first enrolled in Medicare Part B when under the age of 65 on any of the following grounds:

(b) Except as provided in pars. (c) and (d), and sub. (34), this section shall not prevent the application of any pre-existing preexisting condition limitation that is in compliance with sub. (4) (a) 2.

(d) If the applicant qualifies under sec.

(a) Z. (b) If the applicant qualifies under par. (a) and submits an application during the time period referenced in par. (a) and, as of the date of application, has had a continuous period of creditable coverage that is less than 6 months, the issuer shall reduce the

the date of application, has had a continuous period of creditable coverage that is less than 6 months, the issuer shall reduce the period of any pre-existing preexisting condition exclusion by the aggregate of the period of creditable coverage applicable to the applicant as of the enrollment date. The Secretary secretary shall specify the manner of the reduction under this paragraph.

SECTION 36. INS 3.39 (4s) (intro.), (a) (intro.), and 1. to 20. are renumbered INS 3.39 (4m) (title), (intro.), (a) (intro.), and 1. to 20. and INS 3.39 (4m) (title), (intro.), (a) (intro.), and 1. to 20. and INS 3.39 (4m) (title), (intro.), (a) (intro.), and 1. to 20. and INS 3.39 (4m) MEDICARE SUPPLEMENT POLICY AND CERTIFICATE. MEDICARE SELECT POLICY AND CERTIFICATE. AND CERTIFICATE AREQUIREMENTS FOR POLICIES AND CERTIFICATE OF A POLICIES AND CERTIFIC

3. Contains no definitions of terms such as "Medicare eligible

nended to read:
INS 3.39 (4m) (a) 21e. May No Medicare supplement policy or difficate, Medicare select policy or certificate, or Medicare cost