

MISSOURI DEPARTMENT OF INSURANCE COMMENTS

Section 1 suggested edit

“... to eliminate provisions that may be misleading or confusing in connection with the purchase and renewal of the coverages ...”

Commented [WM1]: Would this addition be appropriate?

Section 3 suggested edit:

Applicability and Scope

- A. This regulation applies to all individual and group insurance policies and certificates providing hospital indemnity or other fixed indemnity, accident only, specified accident, specified disease, limited benefit health and disability income protection, referred to collectively in Section 1 of the Act and hereafter, as “supplementary health insurance,” delivered or issued for delivery in this state on and after [insert effective date] that are not specifically exempted from this regulation.
- B. This regulation **also** applies to short-term, limited-duration health insurance coverage delivered or issued for delivery in this state on and after [insert effective date], which, unless otherwise specified, is included in the **definition** of “short-term health insurance” under the Act.
- C. This regulation **shall apply applies** to limited scope dental coverage and limited scope vision coverage only as specified.

Section 5 suggested edits:

- A. ~~Except as provided in this regulation, a~~ **A supplementary health insurance policy, or short-term health insurance policy, limited scope dental policy, or limited scope vision policy** delivered or issued for delivery to any person in this state ~~and to which this regulation applies~~ shall contain definitions respecting the matters set forth below that comply with the requirements of this section.
- B. (2) The definition of the home or facility **is permitted but not required to** ~~may provide that the term shall not be inclusive of~~ **exclude:**
- D. (2) The definition of the term “hospital” **is permitted but not required to** ~~may provide that the term shall not be inclusive of~~ **exclude:**
- E. (1) “Injury” shall be defined as bodily injury resulting from an accident, independent of disease ~~or bodily injury~~, which occurs while the coverage is in force.
- E. (4) – strike entirely. What does disability have to do with the plain definition of injury?
- E. (5) – strike entirely. There are better ways to be sure a health insurance policy isn’t paying work comp or auto med pay claims.

Commented [WM2]: The suggested language is meant to reduce redundancy and provide precision and consistency.

Commented [WM3]: Is this more clear? The existing language is confusing.

Commented [WM4]: Why is bodily injury independent of bodily injury? Does this have to do with previously sustained injuries?

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G. ~~“Mental or nervous disorder” shall not be defined more restrictively than a definition including neurosis, psychoneurosis, psychosis, or mental or emotional disease or disorder of any kind.~~ “Mental health condition or substance use disorder” means any condition or disorder defined by categories listed in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders;

K. “Preexisting condition” shall not be defined more restrictively than the following: “Preexisting condition means ~~the existence of symptoms that would cause an ordinarily prudent person to seek diagnosis, care or treatment within a [two] year period preceding the effective date of the coverage of the insured person or~~ a condition for which medical advice or treatment was recommended by a physician or received from a physician within a [two-] year period preceding the effective date of the coverage of the insured person.”

L. “Residual disability” shall be defined in relation to the individual’s reduction in earnings and may be related either to the inability to perform some part of the “major,” “important” or “essential duties” of employment or occupation, or to the inability to perform all usual business duties for as long as is usually required. ~~A policy that provides for residual disability benefits may require a qualification period, during which the insured must be continuously totally disabled before residual disability benefits are payable. The qualification period for residual benefits may be longer than the elimination period for total disability.~~ In lieu of the term “residual disability,” the insurer may use “proportionate disability” or ~~other term of similar import~~ a similar term ~~that in the opinion of the commissioner adequately and fairly describes the benefit.~~

M. “Sickness” shall not be defined to be more restrictive than the following: “Sickness means sickness or disease of an insured person that first manifests itself after the effective date of insurance and while the insurance is in force.” ~~A definition of sickness may provide for a probationary period that shall not exceed thirty (30) days from the effective date of the coverage of the insured person.” The definition may be further modified to exclude sickness or disease for which benefits are provided under a worker’s compensation, occupational disease, employers’ liability or similar law.~~

General question: What is the difference between a probation period, an elimination period, and a waiting period? This model uses all three. If they mean something different, please define. If they all mean the same thing, then pick one and use it through out.

The definition of EB plans in Model 170 excludes STLD coverage. Should STLD plans be addressed separately in this model? STLD plans are handled differently from state to state: Some states limit coverage to 3 months; some prohibit STLD plans; others allow renewals up to 3 years, etc. Also EB plans have historically been designed to supplemental other in-force coverage. STLD typically is the primary payer because the insured has no other coverage in force. The STLD is intended to fill transient gaps in coverage. Also, STLD covered benefits are historically similar to major medical, which differs significantly from EB plans. We agree, this model should address STLD, but we believe these issues support open discussion of addressing STLD separately in the model.

On a related topic, how many states are seeing short term plans that are also EB plans? We see many in MO and are concerned that these plans are illusory coverage: Underwriting will eliminate anyone at risk

Commented [WM5]: This definition doesn’t tie the symptoms to the actual PEC. I could have a runny nose and 23 months later my colon cancer would be excluded under this definition.

Also, we suggest separate definitions for PEC for group vs. individual coverage. Group plans are not typically individually underwritten. Therefore, use of symptoms appears to be post claims underwriting.

Commented [WM6]: This doesn’t define the term. It refers to policy provisions. Remove from definition.

Commented [WM7]: This seems like antiquated legaleze. Legaleze doesn’t have to be unnecessarily wordy and difficult to understand.

Commented [WM8]: We suggest the close quotes go here, not after “coverage of the insured person”.

Commented [WM9]: This is a policy provision, not a definition. It’s not that a person is not sick for 30 days. It’s that benefits are not payable for 30 days. The policy can have a probation period, but being sick has no probation period. (If it did, I would make sure I got cured before I got “sick”.)

Commented [WM10]: There are better ways to exclude work comp and auto med pay.

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of needing the benefits. What is the insured paying for if coverage only lasts a short term? Model 170 defines STD as any health insurance. This includes major medical coverage, but also EB plans.

We would like an open discussion of whether states require coverage of mandated benefits if a short term plan exceeds the limit in state law (3 months, 6 months, 12 months, 3 years, other...), and how this model regulation should or shouldn't include this issue.