August 21, 2018

John G. Franchini Commissioner Allan L. McVey

New Mexico Office of Insurance West Virginia Office of Insurance

Re: Medigap Outline of Coverage forms

Dear Superintendent Franchini and Commissioner McVey:

I am writing you to request the assistance of the Speed to Market Working Group on a matter that was raised during the recent meeting of the working group during the summer NAIC meeting in Boston. There is an urgent need for policy form filing guidance to implement the MACRA Medigap revisions.

Commissioner McVey suggested I contact Kris DeFrain to develop a draft template bulletin for states to consider adopting. I am attaching a draft template discussed with Ms. DeFrain for your consideration.

MACRA was signed into law on April 16, 2015. The Senior Issues Task Force (SITF) established a Medigap Subgroup to revise the Model Medicare Supplement Regulation. The revisions were adopted by the B Committee in April 2016 and by the NAIC later that year.

Part of the revisions to the Model Regulation included a revised one page benefit chart of Medigap plans offered and sold on or after January 1, 2020. That chart is included in Medigap Outlines of Coverage, a filed form in all states, except Virginia.

Insurers selling Medigap plans will need to revise their Outlines of Coverage forms to comply with MACRA. The revision may only be to substitute the existing 1 page Medigap plan benefit chart with the 1 page chart developed by SITF. This is the only change needed to comply with MACRA.

Therefore, we propose that insurers be allowed to revise their existing state-approved Outlines of Coverage with the MACRA revised chart without the

requirement of a new form filing. Since the NAIC approved chart is to be used verbatim, it’s hard to imagine any benefit is gained by insurers refiling and regulators re-reviewing previously approved forms. However, if an insurer wants to change some other aspect of their Outline of Coverage form or did not file the form in the past, it will have to be filed.

To facilitate communication, I’m attaching a draft bulletin for state regulators to consider. I’ve shared this bulletin with America’s Health Insurance Plans and United Healthcare. Both are supportive of this request.

We have also discussed this matter with Commissioner Julie Mix McPeak, the domestic commissioner of Aetna’s Medicare Supplement business. Tennessee has a hearing scheduled on September 14, 2018 to consider MACRA-related amendments to its laws regulating Medigap plans. We plan to bring this matter up again during the hearing as suggested by Commissioner McPeak and her staff.

We believe allowing industry to revise and use previously approved Outline of Coverage forms without refiling as outlined in this letter will save a significant amount of time and resources for both regulators and industry which is an efficient approach for Speed to Market. This is the intent of the attached draft bulletin.

We respectfully request the Working Group to consider recommending this action in a draft bulletin to all State regulators.

If you have any questions, please contact me.

Esigned by Michael Colliflower

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cc: Kris DeFrain

Attachment: Draft Bulletin