Arkansas
BlueCross BlueShield
An Independent Licensee of the Blue Cross and Blue Shield Association

Medi-Pak

Enrollment Regulations

01/01/2020

Contents

Introduction

The following regulations are to be used as a guideline. There will be discretionary exceptions made, as needed, by Arkansas Blue Cross and Blue Shield.

The following benefit plans have been approved for sale by Arkansas Blue Cross and Blue Shield:

Benefit Plans

Medi-Pak Plan Low	Closed Plan
Medi-Pak Standard	Closed Plan
Medi-Pak Plus	Closed Plan
Medi-Pak Plan A	Open and Closed Plan
Medi-Pak Plan B	Open and Closed Plan
Medi-Pak Plan C	Open and Closed Plan
Medi-Pak Plan D	Closed Plan
Medi-Pak Plan F	Open and Closed Plan
Medi-Pak Plan F-HD	Open Plan
Medi-Pak Plan G*	Open and Closed Plan
Medi-Pak Plan G-HD*	Open Plan
Medi-Pak Plan I	Closed Plan
Medi-Pak I w/o Rx	Closed Plan
Medi-Pak Plan J	Closed Plan
Medi-Pak Plan N	Open Plan

*A directive from the Arkansas Insurance Department requires that no policy or certificate that provides coverage of the Medicare Part B deductible may be advertised, solicited, delivered or issued for delivery in this state as a Medicare supplement policy or certificate to individuals newly eligible for Medicare on or after January 1, 2020. Plans C, F and F-HD will not be offered to these individuals; however, individuals Medicare eligible prior to 1/1/2020 may still select from plans A, C, F, F-HD, current G and N. Beginning 9/1/2019, ABCBS began marketing two new Medi-Pak plans (new G and G-HD) with a first available Effective Date of 1/1/2020. These new plans are available to individuals turning 65 on or after 1/2/2020 or who become eligible for Medicare for the first time on or after 1/1/2020.

Reference the individual **Medi-Pak** certificates for a complete description of each plan's benefits

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Eligibility

Acceptance and continuance of **Medi-Pak** is dependent upon meeting the following requirements:

1. Applicants must be legal resident of Arkansas. However, once the policy is issued, **Medi-Pak** members are allowed to keep their coverage even if they move out of Arkansas. Those in Modernized Plans will be moved to Service Area 3 (out-of-state).

2. The applicant must be enrolled in both Medicare Hospital Part A and Medicare Medical Part B benefits.

3. The applicant cannot be issued a **Medi-Pak** policy if on Medicaid (*).

    a. Applicants who have SLMB are eligible to apply for any of our modernized plans.

    b. All Medicaid applicants, per HCFA, should be told to do the following before they purchase a Medicare supplement:

        i. Talk to the Medicaid office about how a Medigap policy would affect existing Medicaid benefits.

        ii. Talk to the Seniors Health Insurance Information Program (SHIIP) through the Arkansas Insurance Department about Medicaid and Medigap benefits. Medicaid will not cover services if the beneficiary has other insurance that will pay for benefits Medicaid would otherwise cover.

4. An applicant who has a Medicare supplement policy in effect at the time of application must indicate on the **Medi-Pak** application the intention to cancel the previous policy if approved for **Medi-Pak. Medi-Pak** cannot be sold to an individual who has, and plans to keep, another Medicare supplement.

5. Applicants who indicate they have other health insurance that provides benefits which **Medi-Pak** would duplicate, and who do not intend to cancel the other insurance, may not be eligible to purchase a supplement. **Medi-Pak** Marketing will determine whether a product can be sold to the applicant. This determination will be made through policy comparisons and/or coordination with the Insurance Department.

6. Because Medicare Advantage is a replacement to Medicare, it is not legal for us to sell someone a

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Eligibility (cont.)

a Medi-Pak policy if we are able to determine that they are currently enrolled in a Medicare Advantage plan. We must ensure they are able to, and have, dis-enrolled from an Advantage plan before a Medi-Pak application is approved. CMS determines if a Medicare Advantage member has an approved disenrolled reason.

Effective January 1, 1993, individuals under age 65 may apply for Medi-Pak if they have both Medicare Hospital Part A and Medicare Medical Part B benefits.

Effective July 1, 2018, these Medicare disabled individuals are guaranteed issuance into Medi-Pak Plan B during an open enrollment window.

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Application/Premium Guidelines

1. A **Medi-Pak** application must be completed in its entirety, unless instructions to skip portions are indicated on the application. Applicants can call 1-800-392-2583 to speak with a Marketing Representative (licensed agent).

2. Premiums may be paid by monthly bank draft, monthly invoice or quarterly invoice.

    a. Each new member will receive bank draft information in the new customer kit. Bank draft can be set up for monthly bank draft only.

3. Applications received from Farm Bureau and Indpendent agents:

    a. If the applicant indicated in Section 11, Question 3 that they intend to replace their existing medical health policy with **Medi-Pak**, the agent must complete a Notice to Applicant Regarding Replacement of Medicare Supplement Insurance. Both the applicant and the agent must sign the form. A copy of the form should be given to the applicant, and a copy should be attached to the application.

4. An agent must also give the applicant copies of the Outline of Medicare Supplement Coverage and the Guide to Health Insurance for People with Medicare (*).

    The updated Outline of Medicare Supplement Coverage with Plan B benefit information is not yet available.

5. No agent commission will be paid on any contract in which the applicant has selected Medi-Pak Plan B.

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Medical Underwriting or Guaranteed Issue

1. Medical underwriting is utilized for **Medi-Pak**. Applicants must pass all underwriting requirements which are based upon the information supplied by the applicant. Underwriters may request an Attending Physician Statement (APS) for further information needed to process the application.

2. The following exceptions do not require medical underwriting and are guaranteed acceptance:

ABCBS Medi-Pak Supplement GI Rules
Quick-Reference Chart
Effective for Policy Effective Dates Beginning 1/1/2020
Updated August 2019

Scenario	Details	Time Period	Eligible Plans
OEP – 1	A Medicare beneficiary open enrollment period begins the first day of the month in which he is both age 65, enrolled in Part A, and enrolled in Medicare Part B and lasts for 6 months.	6 Months	Medicare eligible before 1/1/2020 A, C, F, HD-F, Old G, N Or (Medicare eligible after 1/1/2020) A, New G, G-HD,N
OEP – 2	If the beneficiary is 65 or older and deferred his Medicare Part B, he has this 6-month guarantee issue open enrollment period beginning with the date his Medicare Part B is effective.	6 Months	Medicare eligible before 1/1/2020 A, C, F, HD-F, Old G, N Or (Medicare eligible after 1/1/2020) A, New G, G-HD,N
OEP – 3	If Medicare-disabled, the beneficiary has this same 6-month guarantee issue open enrollment when he turns age 65.	6 Months	Medicare eligible before 1/1/2020 A, C, F, HD-F, Old G, N Or (Medicare eligible after 1/1/2020) A, New G, G-HD,N
OEP – 4	For those age 65 and younger. ***No commissions*** for this GI scenario. Effective July 1, 2018, beneficiary will have 6-month OEP surrounding their Medicare Part A and B effective date.	6 Months	Plan B
Losing Group Coverage (Not BCBS/HA Fully Insured)	A Medicare beneficiary is guaranteed issue, as long as he is age 65 or older and applies within 63 days of loss.	63 Days	Medicare eligible before 1/1/2020 A, C, F, HD-F Or (Medicare eligible after 1/1/2020) A, New G, G-HD
Losing fully insured ABCBS/HA Coverage**	Regardless of age. Must apply within 30 days, and there is not a lapse in coverage.	Apply within 30 days – Must purchase Med Supp retroactively to avoid lapse	Medicare eligible before 1/1/2020 A, C, F, HD-F Or (Medicare eligible after 1/1/2020) A, New G, G-HD
Initial "Trial Right"	A Medicare beneficiary who enrolls in a MA (or Select) plan when he first became eligible for Medicare at age 65 and disenrolls within the first 12 months.	63 Days	Medicare eligible before 1/1/2020 A, C, F, HD-F, Old G, N Or (Medicare eligible after 1/1/2020) A, New G, G-HD,N
"Trial Right" – Flip/Flop	Try an MA (or Select) plan for the first time after leaving a MediGap plan, have been in the MA plan for less than 12 months, and want to switch back to Medigap. Can only enroll in ABCBS if former Medigap plan no longer available.	63 Days	Medicare eligible before 1/1/2020 Same plan if still available or A, C, F, HD-F Or (Medicare eligible after 1/1/2020) Same plan if no longer available or A, New G, G-HD

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Medical Underwriting or Guaranteed Issue (cont.)

ABCBS Medi-Pak Supplement GI Rules
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MA (or Select) Plan Dissolves or Exits Markets – or the member leaves the service area.	Must apply within 63 days of the MA plan leaving the area, or of the individual leaving their current MA plan's service area.	63 Days	**Medicare eligible before 1/1/2020** A, C, F, HD-F **Or (Medicare eligible after 1/1/2020)** A, New G, G-HD
MA plan "drops ball"	The MA Plan didn't follow CMS rules, or misled beneficiary.	63 Days	**Medicare eligible before 1/1/2020** A, C, F, HD-F **Or (Medicare eligible after 1/1/2020)** A, New G, G-HD
Medigap plan cancels	Through no fault of their own (i.e. company goes bankrupt), the current Medigap plan ends.	63 Days	**Medicare eligible before 1/1/2020** A, C, F, HD-F **Or (Medicare eligible after 1/1/2020)** A, New G, G-HD
Other **Blue Plan** policies (group, individual major med or Medigap)	Guaranteed into select Medi-Pak plan with ABCBS. Must apply within 30 days and there is not a lapse in coverage.	30 Days – no lapse	**Medicare eligible before 1/1/2020** Same plan if still available or A, C, F, HD-F **Or (Medicare eligible after 1/1/2020)** Same plan if no longer available or A, New G, G-HD

**This scenario trumps OEP-4, and commissions are paid for this scenario unlike OEP-4.

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Effective Dates

The policy must become effective on the 1st of the month; however, if currently on the 15th of the month, the member can remain on that billing schedule. Once your application is approved, we will attempt to contact you to find out what effective date you would like. Rules for effective dates are:

- You cannot have an effective date prior to your Medicare Part A and Part B effective dates.
- You cannot have an effective date prior to your termination from a Medicare Advantage plan.
- You cannot have an effective date prior to your application submit date. If transferring from another Blue policy, we may be able to offer an effective date up to 30 days prior to submit date, in order to coordinate coverage.

Applications may be completed at age 64 ½ for an age 65 effective date. Thus, an effective date in these situations can be 6 months in advance.

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Changes in Coverage

1. Current **Medi-Pak** members may apply in writing for a change to **Medi-Pak Plan A, Medi-Pak Plan B, Medi-Pak Plan C, Medi-Pak Plan F, Medi-Pak Plan F-HD, Medi-Pak Plan G, or Medi-Pak Plan G-HD at any time**. A request to change from one plan to another plan requires underwriting.

2. New members still may request to change to any plan without medical underwriting if they are within their open enrollment window. Once payment has been received for the policy, a change form must be completed if the member is requesting a plan type change, while still within their open enrollment window.

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Reinstatement

a. Reinstatement requests must be received by ABCBS within 60 days of the cancellation date. The request should be sent to the manager of the Customer Service department. If the request to reinstate is received within 60 days of the cancellation date, the policy will be reinstated, a bill generated and mailed to the policyholder. Once the reinstatement approval has been communicated to the member, payment must be made within 24 hours. Claims payments will be suspended until premium is paid.

b. If the request to reinstate is received more than 60 days from the cancellation date, the request for reinstatement must be reviewed as an exception. Exceptions will only be made with ample justification.

c. If a **Medi-Pak** policy has been previously reinstated, bank draft may be required for reinstatement.

d. If policy has been reinstated within the last 12 months, the request to reinstate may be denied.

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Cancellation of Policies

a. Cancellation of a policy at the request of the Policyholder or an Agent will be made effective on the 1st or the 15th (depending on billing cycle) following receipt of a written request from the policyholder.

b. Refunds of premiums paid prior to receipt of the written request will not be allowed.

c. ABCBS is entitled to premiums due for the month in which written notice is received whether this is the first day of the month or the last day of the month.

d. Premium refund by ABCBS will not be allowed retroactively because a Policyholder has obtained coverage with another carrier with premiums that overlap ABCBS coverage.

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