

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

**550.1498 Medicare supplement certificate form; filing and approval; use or change of premium rates; filing more than 1 form of certificate prohibited; exception; availability for purchase; discontinuance; compliance with social security act; "type" defined.**

Sec. 498. (1) A health care corporation shall not deliver or issue for delivery a medicare supplement certificate to a resident of this state unless the certificate form has been filed with and approved by the commissioner in accordance with filing requirements and procedures prescribed by the commissioner.

(2) A health care corporation shall not use or change premium rates for a medicare supplement certificate unless the rates, rating schedule, and supporting documentation have been filed with and approved by the commissioner in accordance with the filing requirements and procedures prescribed by the commissioner.

(3) Except as provided in subsection (4), a health care corporation shall not file for approval more than 1 form of a certificate for each group and nongroup standard medicare supplement benefit plan.

(4) With the approval of the commissioner, a health care corporation may offer up to 4 additional certificate forms of the same type for the same standard medicare supplement benefit plan, 1 for each of the following cases:

- (a) The inclusion of new or innovative benefits.
- (b) The addition of either direct response or agent marketing methods.
- (c) The addition of either guaranteed issue or underwritten coverage.
- (d) The offering of coverage to individuals eligible for medicare by reason of disability.

(5) Except as provided in subsection (6), a health care corporation shall continue to make available for purchase any medicare supplement certificate form issued after the effective date of this part that has been approved by the commissioner. A medicare supplement certificate form shall not be considered to be available for purchase unless the health care corporation has actively offered it for sale in the previous 12 months.

(6) A health care corporation may discontinue the availability of a medicare supplement certificate form if the health care corporation provides to the commissioner in writing its decision to discontinue at least 30 days prior to discontinuing the availability of the form of the medicare supplement certificate. After receipt of the notice by the commissioner, the health care corporation shall no longer offer for sale the medicare supplement certificate form in this state.

(7) A health care corporation that discontinues the availability of a medicare supplement certificate form pursuant to subsection (6) shall not file for approval a new medicare supplement certificate form of the same type for the same standard medicare supplement benefit plan as the discontinued form for a period of 5 years after the health care corporation provides notice to the commissioner of the discontinuance. The period of discontinuance may be reduced if the commissioner determines that a shorter period is appropriate.

(8) The sale or other transfer of medicare supplement business to another insurer, health maintenance organization, or health care corporation shall be considered a discontinuance for the purposes of this section.

(9) Each health care corporation that issues medicare supplement certificates for delivery in this state shall comply with sections 1842 and 1882 of title XVIII of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395u and 1395ss, and shall certify that compliance on the medicare supplement experience reporting form.

(10) For the purposes of this section, "type" means a group certificate, a nongroup certificate, a group medicare select certificate, or a nongroup medicare select certificate.

**History:** Add. 1994, Act 40, Imd. Eff. Mar. 14, 1994.

**Popular name:** Blue Cross-Blue Shield

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