

Administrative Bulletin 2014-3

**Date:** November 14, 2014  
**To:** Minnesota Health Plan Companies  
**From:** Commissioner Mike Rothman  
**Subject:** Transition of Medicare-Eligible MCHA Enrollees to Supplement Plans

Background

Coverage available through the Minnesota Comprehensive Health Association (MCHA) will end on December 31, 2014. The Commissioner of Commerce (Commerce) has the responsibility to ensure the least amount of disruption to enrollees in MCHA as they transition to new coverage.

In evaluating the status of the transition of MCHA enrollees, MCHA has identified enrollees who are Medicare-eligible but currently have traditional deductible plans through MCHA rather than Medicare Supplement plan coverage. Unlike MCHA enrollees who currently have Medicare Supplement coverage, federal and state laws do not grant enrollees in a traditional deductible plan a special enrollment period when their MCHA coverage ends to allow them to find Medicare Supplement coverage without being subject to underwriting. In addition, current federal law does not allow carriers or MNsure to accept these applicants into standard individual plans.

Special Enrollment Rights for Medicare-Eligible MCHA Enrollees

Commerce has determined it is in the public interest to allow enrollees in MCHA deductible plans to purchase appropriate Medicare Supplement coverage without being subject to underwriting restrictions. Therefore, Medicare-eligible MCHA enrollees whose coverage under a traditional deductible plan ends on December 31, 2014, should be granted the same special enrollment rights as those whose MCHA coverage under a Medicare Supplement plan ends.

All Medicare-eligible MCHA enrollees, including those in traditional deductible plans, transitioning to Medicare Supplement coverage in the private market must be allowed to purchase a new policy through March 4, 2015 on a guaranteed issue basis. This aligns with the 63-day special enrollment period available under federal law to enrollees who lose Medicare Supplement coverage. These enrollees may wish to purchase new Medicare Supplement coverage prior to January 1, 2015 to avoid a lapse in coverage.

Commissioner Authority

The Commissioner of Commerce has broad authority related to the appropriate termination of coverage through the Minnesota Comprehensive Health Association (“MCHA”) and to regulate insurance in Minnesota.

**Laws of Minnesota 2013, Chapter 9, Section 15:**

**Sec. 15. MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION TERMINATION.**

The commissioner of commerce, in consultation with the board of directors of the Minnesota Comprehensive Health Association, has the authority to develop and implement the phase-out and eventual appropriate termination of coverage provided by the Minnesota Comprehensive Health Association under Minnesota Statutes, chapter 62E. The phase-out of coverage shall begin no sooner than January 1, 2014, or upon the effective date of the operation of the Minnesota Insurance Marketplace and the ability to purchase qualified health plans through the Minnesota Insurance Marketplace, whichever is later, and shall, to the extent practicable, ensure the least amount of disruption to the enrollees' health care coverage. The member assessments established under Minnesota Statutes, section 62E.11, shall take into consideration any phase-out of coverage implemented under this section.

**Minnesota Statutes section 60A.03 subdivision 2:**

**Subd. 2. Powers of commissioner.**

The commissioner shall have and exercise the power to enforce all the laws of this state relating to insurance, and shall enforce all the provisions of the laws of this state relating to insurance in the manner provided by the laws defining the powers and duties of the commissioner of commerce, or, in the absence of any law prescribing the procedure, by any reasonable procedure the commissioner prescribes.

Questions

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**Signed**



Mike Rothman  
Commissioner