

From: [DMHC Licensing eFiling](#)
Subject: CORRECTED: APL 20-025 (OPL) – Guidance Regarding New or Innovative Benefits
Date: Wednesday, July 1, 2020 4:56 PM
Attachments: [APL 20-025 \(OPL\) - Medicare Supplement Guidance \(7.1.2020\).pdf](#)

Dear Health Plan Representative:

Please find the attached CORRECTED: APL 20-025 in regard to guidance for new or innovative benefits. Please note the correction is located on the second paragraph of the first page.

OLD:

“This Guidance and the attached *Notice of New or Innovative Benefits Form* is effective through **December 31, 2020**, or until the director adopts and effects regulations through the Administrative Procedure Act, whichever occurs first. The Department may amend or supplement this Guidance upon further notice.”

NEW:

“This Guidance and the attached *Notice of New or Innovative Benefits Form* is effective through **December 31, 2022**, or until the director adopts and effects regulations through the Administrative Procedure Act, whichever occurs first. The Department may amend or supplement this Guidance upon further notice.”

Thank you.



Gavin Newsom, Governor
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ALL PLAN LETTER

DATE: July 1, 2020

TO: All Health Care Service Plans offering Medicare Supplement Plans

FROM: Nancy Wong, Acting Deputy Director
Office of Plan Licensing

SUBJECT: APL 20-025 Guidance Regarding New or Innovative Benefits

Senate Bill 407 (Stats 2019, ch. 549), amends Health and Safety Code section 1358.91 of the Knox Keene Health Care Service Plan Act of 1975 (Act), among other changes.¹ Section 1358.91(f), subdivisions (2) and (3), require the Department of Managed Health Care (Department) to collaborate with the California Department of Insurance (CDI), consumer group representatives, and “issuers” to develop and implement policies and issue this Guidance on or before July 1, 2020.

This Guidance and the attached *Notice of New or Innovative Benefits Form* is effective through December 31, 2022, or until the director adopts and effects regulations through the Administrative Procedure Act, whichever occurs first. The Department may amend or supplement this Guidance upon further notice.

A. Guidance

Pursuant to section 1358.91, subdivisions (f)(2)(A) and (f)(2)(C), health care service plans (Plans) offering Medicare Supplement plans must provide certain information to current and prospective enrollees of any Medicare Supplement plan with new or innovative benefits approved for sale. In addition, all notices to current and prospective enrollees of a Medicare Supplement plan with new or innovative benefits must follow the standards set forth in this guidance for purposes of consumer comparison of benefits, out-of-pocket costs, and premiums.

1. A Plan that offers a Medicare Supplement plan with new or innovative benefits shall notify its current enrollees of the benefits provided by including the Notice of New or Innovative Benefits Form described in paragraph 4 and attached to this APL in the annual notice required by section 1358.11(h)(1). The Plan shall complete the form

¹ Hereinafter all references are to the Health and Safety Code unless otherwise noted.

to provide information to the enrollees regarding the benefits, costs, and premiums of the new or innovative benefits.

2. A Plan that offers a Medicare Supplement plan with new or innovative benefits shall notify a prospective enrollee of the availability of the plan and the benefits provided by attaching the Notice of New or Innovative Benefits Form to notices and information required by sections 1358.17(j)(2) and 1358.18. The Plan shall complete the form to provide information to the prospective enrollee regarding the benefits, costs, and premiums of the new or innovative benefits.
3. The Plan shall provide the Department with the opportunity to review the Notice of New or Innovative Benefits Form, consistent with requirements in section 1358.15(i). The Plan shall submit the form through the Department's eFiling system as a Notice of Material Modification 30 days prior to inclusion of the form in notices described in paragraphs 1. and 2. above.
4. In the Notice of New or Innovative Benefits, the Plan shall list all new or innovative benefits. The Plan must list the name of the new or innovative benefit, a detailed description of the new or innovative benefit, and the enrollee's out-of-pocket costs. The out-of-pocket costs for an out-of-network provider may be left blank if not applicable. The Plan should add rows to the chart as necessary, ensuring information on all new or innovative benefits provided is included.
5. If the premium is subject to rating factors, in the Notice of New of Innovative Benefits, the Plan may attach a rate sheet rather than listing the portion of the premium attributable to the new or innovative benefits. The rate sheet shall separate the premium for the new or innovative benefits from the policy premium.

B. Notice of New or Innovative Benefits Form (Attached)



Attachment

Notice of New or Innovative Benefits

THE PURPOSE OF THIS FORM IS TO NOTIFY CONSUMERS OF THE AVAILABILITY OF MEDICARE SUPPLEMENT PLANS OFFERED FOR SALE BY [INSERT INSURER NAME], WHICH, IN ADDITION TO THE STANDARDIZED COVERAGE OFFERED BY THE PLAN, INCLUDE NEW OR INNOVATIVE BENEFITS. FOR ADDITIONAL DETAILS, PLEASE CONTACT [INSERT CONTACT DETAILS].

NEW OR INNOVATIVE BENEFITS ADDED TO MEDICARE SUPPLEMENT PLAN [INSERT MEDICARE SUPPLEMENT PLAN NAME/INFORMATION]		
DESCRIPTION	YOUR OUT-OF-POCKET COSTS (In-Network Provider)	YOUR OUT-OF-POCKET COSTS (Out-of-Network Provider)
[New or Innovative Benefit Name]:		
[Detailed Description, including any limitations]:	\$	\$
[New or Innovative Benefit Name]:		
[Detailed Description, including any limitations]:	\$	\$
Total annual premium for new or innovative benefits only:	\$[XX.XX] [or "See attached rate sheet"].	\$[XX.XX] [or "See attached rate sheet"].