DEPARTMENT OF LABOR AND REGULATION

DIVISION OF INSURANCE

INSTRUCTIONS FOR USE OF THE DISCLOSURE STATEMENTS

FOR HEALTH INSURANCE POLICIES SOLD TO

MEDICARE BENEFICIARIES THAT DUPLICATE MEDICARE

Chapter 20:06:13

APPENDIX E

SEE: § 20:06:13:31

 **Source:** 22 SDR 107, effective February 18, 1996; 23 SDR 236, effective July 13, 1997; 25 SDR 44, effective September 30, 1998; 31 SDR 214, effective July 6, 2005; 36 SDR 209, effective July 1, 2010; 39 SDR 10, effective August 1, 2012.

**APPENDIX E**

**DISCLOSURE STATEMENTS**

**Instructions for Use of the Disclosure Statements for**

**Health Insurance Policies Sold to Medicare Beneficiaries**

**that Duplicate Medicare**

1.  Section 1882 (d) of the federal Social Security Act [42 U.S.C. 1395ss] prohibits the sale of a health insurance policy (the term policy or policies includes certificates) that duplicate Medicare benefits unless it will pay benefits without regard to other health coverage and it includes the prescribed disclosure statement on or together with the application for the policy

2.  All types of health insurance policies that duplicate Medicare shall include one of the attached disclosure statements, according to the particular policy type involved, on the application or together with the application. The disclosure statement must be in substantially the same form and in no less than twelve-point type. For purposes of this section, "form" means the language, format, type size, type proportional spacing, bold character, line spacing, and usage of boxes around text.

3.  State and federal law prohibits insurers from selling a Medicare supplement policy to a person that already has a Medicare supplement policy except as a replacement.

4.  Property/casualty and life insurance policies are not considered health insurance.

5.  Disability income policies are not considered to provide benefits that duplicate Medicare.

6.  Long-term care insurance policies that coordinate with Medicare and other health insurance are not considered to provide benefits that duplicate Medicare.

7.  The federal law does not pre-empt state laws that are more stringent than the federal requirements.

8.  The federal law does not pre-empt existing state form filing requirements.

9.  Section 1882 of the federal Social Security Act was amended in subsection (d)(3)(A) to allow for alternative disclosure statements. The disclosure statements already in Appendix C remain. Carriers may use either disclosure statement with the requisite insurance product. However, carriers should use either the original disclosure statements or the alternative disclosure statements and not use both simultaneously.

[For policies that provide benefits for expenses incurred for an accidental injury only.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**

**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses that result from accidental injury. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when it pays**:

1. hospital or medical expenses up to the maximum stated in the policy

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

1. hospitalization
2. physician services
3. [outpatient prescription drugs if you are enrolled in Medicare Part D]
4. other approved items and services

**Before You Buy This Insurance**

l Check the coverage in **all** health insurance policies you already have.

l For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.

l For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[For policies that provide benefits for specified limited services.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**

**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance provides limited benefits, if you meet the policy conditions, for expenses relating to the specific services listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when**:

1. any of the services covered by the policy are also covered by Medicare

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

1. hospitalization
2. physician services
3. [outpatient prescription drugs if you are enrolled in Medicare Part D]
4. other approved items and services

**Before You Buy This Insurance**

l Check the coverage in **all** health insurance policies you already have.

l For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.

l For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[For policies that reimburse expenses incurred for specified disease(s) or other specified impairment(s). This includes expense-incurred cancer, specified disease and other types of health insurance policies that limit reimbursement to named medical conditions.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**

**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses only when you are treated for one of the specific diseases or health conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when it pays**:

1. hospital or medical expenses up to the maximum stated in the policy

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

1. hospitalization
2. physician services
3. hospice
4. [outpatient prescription drugs if you are enrolled in Medicare Part D]
5. other approved items and services

**Before You Buy This Insurance**

l Check the coverage in **all** health insurance policies you already have.

l For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.

l For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[For policies that pay fixed dollar amounts for specified disease(s) or other specified impairment(s). This includes cancer, specified disease, and other health insurance policies that pay a scheduled benefit or specific payment based on diagnosis of the conditions named in the policy.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**

**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance pays a fixed amount, regardless of your expenses, if you meet the policy conditions, for one of the specific diseases or health conditions named in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits because Medicare generally pays for most of the expenses for the diagnosis and treatment of the specific conditions or diagnoses named in the policy.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

1. hospitalization
2. physician services
3. hospice
4. [outpatient prescription drugs if you are enrolled in Medicare Part D]
5. other approved items and services

**Before You Buy This Insurance**

l Check the coverage in **all** health insurance policies you already have.

l For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.

l For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[For indemnity policies and other policies that pay a fixed dollar amount per day, excluding long-term care policies.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**

**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when**:

1. any expenses or services covered by the policy are also covered by Medicare

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

1. hospitalization
2. physician services
3. hospice
4. [outpatient prescription drugs if you are enrolled in Medicare Part D]
5. other approved items and services

**Before You Buy This Insurance**

l Check the coverage in **all** health insurance policies you already have.

l For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.

l For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[For policies that provide benefits for both an expense-incurred and fixed indemnity basis.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**

**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance pays limited reimbursement for expenses if you meet the conditions listed in the policy. It also pays a fixed amount, regardless of your expenses, if you meet other policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when:**

1. any expenses or services covered by the policy are also covered by Medicare; or
2. it pays the fixed dollar amount stated in the policy and Medicare covers the same event

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

1. hospitalization
2. physician services
3. hospice care
4. [outpatient prescription drugs if you are enrolled in Medicare Part D]
5. other approved items & services

**Before You Buy This Insurance**

l Check the coverage in **all** health insurance policies you already have.

l For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.

l For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[For other health insurance policies not specifically identified in the previous statements.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**

**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance provides limited benefits if you meet the conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when it pays**:

1. the benefits stated in the policy and coverage for the same event is provided by Medicare

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

1. hospitalization
2. physician services
3. hospice
4. [outpatient prescription drugs if you are enrolled in Medicare Part D]
5. other approved items and services

**Before You Buy This Insurance**

l Check the coverage in **all** health insurance policies you already have.

l For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.

l For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].