



**The State of New Hampshire  
Insurance Department**

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**Roger A. Sevigny**  
Commissioner

**Alexander K. Feldvebel**  
Deputy Commissioner

**BULLETIN**

**Docket No.: INS No. 10-005-AB**

**TO:** All Carriers Issuing Medicare Supplement Policies

**FROM:** Roger A. Sevigny, Insurance Commissioner

A handwritten signature in black ink, appearing to read "RAS", is positioned above the date.

**DATE:** January 13, 2010

**RE: MIPPA (Medicare Improvements for Patients and Providers Act of 2008)  
Medicare Supplement Filings and Rating Issues**

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The Insurance Department amended INS 1900, effective October 13, 2009, so that it could enforce the federal requirements enacted via MIPPA. For the most part, the changes to INS 1905 are identical to those recommended by the National Association of Insurance Commissioners (NAIC). However, there are some notable differences between the New Hampshire regulation and the NAIC model. This bulletin will highlight these differences, address transition issues and respond to some of the questions that have been raised since the regulation's amendments have been adopted.

**Rate Guarantees**

New Hampshire requires that carriers maintain a constant rate table that does not vary throughout the calendar year. For a given calendar year, carriers are required to file their rate tables on or before the preceding November 1<sup>st</sup>.

New Hampshire also requires that carriers guarantee rates to individual policyholders<sup>1</sup> for twelve months. This means that rates can only be changed on the policy's anniversary date.

**For example**, consider an attained age rated policy issued on June 1, 2005 and with the rate guaranteed until May 31, 2006. The rate for that policy would have been filed on or before November 1, 2004 and apply to this example and to all policies written and issued during 2005. The company would file a new rate table on or before November 1, 2005, to be effective January 1, 2006 through December 31, 2006. The individual, who

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<sup>1</sup> Throughout this bulletin, references to individual policyholder shall include individual certificate holders. In other words, the Department makes no distinction between the requirements imposed on carriers in their treatment of individual insureds based on whether they were issued a group policy or an individual policy.

was issued a policy on June 1, 2005, would not have a rate change until June 1, 2006 based on the 2006 filed and approved rate table.

### **Open Enrollment (Disabled Rates)**

New Hampshire requires carriers to market all of their products to all individuals eligible for Medicare regardless of whether eligibility is due to age, End Stage Renal Disease or total disability. Carriers must offer their products, on a guaranteed issue basis, during a prescribed open enrollment period.

Special rules apply in New Hampshire for individuals whose Medicare eligibility was based on disability. Regardless of the age an individual was declared disabled, when that individual reaches Medicare eligibility based on age alone, then that individual will be afforded a new open enrollment period with rates based only on their age at issue, without regard to disability status.

Additionally, the Department will not approve proposed rates based on being eligible for Medicare due to a disability that exceed the highest rate being used by the carrier for those eligible for Medicare based on age under that plan.

The rate table applicable to those applying in their open enrollment period shall be submitted to the Department as a one page exhibit as prescribed, INS 1905.15 (c) (5).

### **Facilitating the Department's Review**

Carriers shall submit rate filings for all of the standardized plans, both pre-MIPPA and post-MIPPA, in one rate filing. While, the Department has accepted separate filings for different plans, e.g. Plan A separate from Plan B, this will no longer be an acceptable filing practice. It violates the intent of the provision prescribing the requisite one page exhibit of rates. All of the carrier's currently available plans shall be shown on a one page exhibit. In other words, no carrier shall file more than one one-page exhibit.

The filing of various plans in one filing allows the Department to review plan relativities and any proposed changes therein. Carriers shall take care to document and justify any changes to plan relativities, as this continues to be a focused area for review.

### **Issue Age Rating Required**

Effective with the new MIPPA requirements, all products must be sold with issue aged based rating methodologies. Pricing variations based on changes in the insured's attained age or policy duration, e.g. first year discounts, will not be approved.

Carriers are not required to vary rates by issue age. For example, a carrier might choose to community rate, e.g. all insureds would be charged the same rate for a given plan, regardless of their age at issue. Issue age based variations are simply a permitted rating characteristic.

### **Transition Year – Important Dates and Details**

- **June 1, 2010** is the first date on which a MIPPA policy can be issued and effective.

- **May 31, 2010** is the last date on which a pre-MIPPA policy can be issued and effective.
- The Department will publish a MIPPA buyer's guide on **May 1, 2010**.
- Only carriers with approved MIPPA rates on or before **April 15, 2010** will be in the published guide. The Department therefore requests that carriers submit their MIPPA forms and rates to the Department on or before **February 15, 2010** so that the Department will have 60 days to review the same.
- The Department will not begin reviewing MIPPA rates until 30 days after the date of this bulletin. This will give carriers who have submitted MIPAA rates a chance to amend their filings to comply with this bulletin. Once approved by the department, carriers may begin marketing MIPPA plans for a **June 1, 2010** and after effective date.
- The MIPPA rate filing shall include the currently approved pre-MIPPA rates, e.g. those approved for use for new issues dated January 1, 2010 through May 31, 2010 and renewals that occur anytime during **2010**. The MIPAA rate filing shall describe how the pre-MIPPA and MIPPA rates relate and how this relationship will be maintained going forward.
- The MIPPA rates will be effective for new issues dated **June 1, 2010** through **December 31, 2010**.
- On or before **November 1, 2010**, carriers shall file both MIPPA and pre-MIPPA rates that will be in effect during calendar year 2011. The pre-MIPPA rates will apply only to renewals occurring in 2011. The MIPPA rates will apply both for new issues and renewals occurring in 2011. Failure to file on or before November 1<sup>st</sup> will be sufficient cause for disapproval.

Questions regarding this bulletin should be addressed to David Sky, Life, Accident and Health Actuary, [david.sky@ins.nh.gov](mailto:david.sky@ins.nh.gov)