



CHESTER J. CULVER  
GOVERNOR

SUSAN E. VOSS  
COMMISSIONER OF INSURANCE

PATTY JUDGE  
LT. GOVERNOR

BULLETIN 07-02

TO: All Licensed Agents and Producers

FROM: Susan E. Voss, Commissioner

RE: Sales of Medicare Advantage Plans

DATE: May 14, 2007

The expansion of Medicare Advantage plans offered in Iowa has resulted in increased calls to the Iowa Insurance Divisions and in particular, the Division's Senior Health Insurance Information Program. It is important that agents and producers clearly and completely explain the policies to the consumers. We suggest that the following information be explained:

1. Agents and producers selling Medicare supplement policies to individuals enrolled in a Medicare Advantage (MA) plan need to be sure the individual understands that enrolling in the supplement does not disenroll them from the MA plan. To return to original Medicare, the individual must request disenrollment from the MA plan. The individual needs to know that the insurance agent cannot disenroll him/her from the MA plan.
2. Agents and producers selling Medicare Advantage plans need to explain to individuals that Medicare supplement policies will not pay benefits when an individual is enrolled in an MA plan. It is also important that they know that Iowa law does not require Medicare supplement providers to refund premium if the individual cancels the policy during the policy year.
3. Agents and producers selling Medicare Advantage plans need to accurately reflect provider acceptance of their plans.
4. Agents and producers need to be sure that individuals enrolling in Medicare Advantage plans understand that they are no longer in the original Medicare program but will receive their Medicare benefits from the MA plan.
5. Agents and producers selling Medicare Advantage plans should tell individual of their right to return to their former Medicare supplement policy (if they have dropped the policy) to enroll in a MA plan for the first time. A similar right applies to those individuals enrolling in Medicare for the first time. In both situations, the request must be made within the first twelve months of enrollment in the MA plan.

