BULLETIN 21-03

To: All Health Insurers Writing Medicare Supplement Business in the State of Iowa

From: Doug Ommen, Iowa Insurance Commissioner

RE: Medicaid Enrollment Changes during the Public Health Emergency and Medicare Supplement Guaranteed Issue Eligibility

Date: April 26, 2021

The Commissioner directs all health insurers writing Medicare supplement business in Iowa to offer a guaranteed issue Medicare supplement plan to all applicants who have exhausted their Medicare supplement open enrollment period and who show verification of an Iowa Medicaid eligibility change.

The Iowa Department of Human Services ("IDHS") took action during the spring of 2020 to prevent persons enrolled in Medicaid from having a lapse in healthcare coverage. IDHS received approval from the Centers for Medicare and Medicaid Services ("CMS") to not disenroll Medicaid members during the Covid-19 public health emergency ("PHE") that is currently scheduled by CMS to run through the end of calendar year 2021.

Some Iowans receiving Medicaid, for example, those in the Iowa Health and Wellness Plan, would otherwise lose Medicaid eligibility at the end of the month prior to the month they turn 65 because they become eligible for Medicare. Although these Medicaid members will not be disenrolled during the PHE, IDHS is requiring Medicaid members who turn 65 to enroll in Medicare Part B.

Pursuant to Iowa Administrative Code rule 191—37.21(1), persons turning 65 who are enrolled in Medicare Part B receive a Medicare supplement "open enrollment" and "guaranteed issue" period of six months wherein carriers must offer a policy to applicants and cannot discriminate in the pricing of Medicare supplement policies due to the health status of the applicant. Medicaid members, however, are not able to purchase Medicare supplement plans because, under federal law, carriers are prohibited from selling Medicare supplement policies to individuals on Medicaid. *See* 42 U.S.C. § 1395ss(d)(3)(B)(iii). During the PHE, many Medicaid members who turned 65 and were enrolled in Medicare Part B have exhausted their six-month Medicare supplement open enrollment period.

CMS is now requiring the IDHS to move all Medicaid members who are 65 or older into Medicare savings programs if they fit within these programs' eligibility requirements. IDHS will begin moving these members to Medicare savings programs with a June 1, 2021 effective date.

Those Medicaid members who are not eligible for Medicare savings programs will stay in their current Medicaid plan until the end of the PHE.

The Medicaid members who will be moved into the Medicare saving program call the Specified Low-Income Medicare Beneficiary ("SLMB") program will not have their out-of-pocket Medicare costs paid by the IDHS and, depending on when they turned 65, may not have access to a guaranteed issue Medicare supplement plan that could aid with these out-of-pocket costs.

To ensure low-income Iowa seniors have access to an affordable Medicare supplement plan, the Commissioner directs all health insurers writing Medicare supplement business in Iowa to offer a guaranteed issue Medicare supplement plan to all applicants who have exhausted their open enrollment period as a result of their continued enrollment in Medicaid and who can show verification of an Iowa Medicaid eligibility change. Carriers should treat applicants as "eligible persons" pursuant to Iowa Administrative Code rule 191—37.36(3) and permit applicants to enroll in a Medicare supplement plan with a guaranteed issue period of 63 days starting on the date of a Medicaid eligibility change.

The Commissioner encourages carriers and applicants to contact Iowa's Senior Health Insurance Information Program ("SHIIP") with questions. SHIIP assistance is available at: shiip.iowa.gov or 800-351-4664.