



INFORMATIONAL MEMORANDUM

OIR-05-012M

ISSUED

August 24, 2005

Florida Office of Insurance Regulation

Kevin M. McCarty, Commissioner

To All Life and Health Insurers in the State of Florida

Medicare Modernization Act of 2003 – Requirements for Medicare Supplement Carriers

Pursuant to the provisions of the Federal Medicare Modernization Act of 2003 (MMA) and Florida Rule 69O-156, F.A.C., companies are reminded that pre-standardized and standardized Medicare Supplement forms which contain outpatient prescription drug benefits must provide for those benefits to be removed for those policyholder/certificateholders, issued or renewed in Florida, who enroll in Medicare Part D (effective with their Part D coverage date) on or after January 1, 2006. The company must file and obtain the office's approval of any necessary endorsements to Medicare Supplement forms and adjustments to premium rates required to strip out these benefits on a timely basis in preparation for this deadline.

Under section 104(a) of the MMA, insurers are required to send a notice to policyholders/certificateholders who have prescription drug coverage during the period of September 15 through November 14, 2005, disclosing whether or not their prescription drug coverage is creditable and the premium reduction associated with the removal of the drug coverage should the insured enroll in Medicare Part D, along with other specified information. The inclusion of the policyholder/certificateholder specific premium reflecting the removal of the drug benefits may suffice as the 45 day premium change notice required by Section 627.6043(1), F.S., for notices sent within the required timeframe. Please see <http://www.cms.hhs.gov/medicarerereform/CCguidances.asp>.

Insurers that fail to make all filings and conform to the necessary provisions will be subject to administrative action.

If you have any questions regarding the reporting process, please contact Monica Rutkowski in Life & Health Product Review at (850) 413-5110.