

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 31.
INSURANCE AND SECURITIES.

CHAPTER 37.
MEDICARE SUPPLEMENT INSURANCE.

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DISTRICT OF COLUMBIA OFFICIAL CODE
CHAPTER 37. MEDICARE SUPPLEMENT
INSURANCE.

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CHAPTER 37. MEDICARE SUPPLEMENT INSURANCE.

SUBCHAPTER I. GENERAL.

§ 31-3701. DEFINITIONS.

For the purposes of this subchapter, the term:

(1) "Applicant" means:

(A) In the case of an individual Medicare supplement policy, the person who seeks to contract for insurance benefits; and

(B) In the case of a group Medicare supplement policy, the proposed certificate holder.

(2) "Certificate" means any certificate delivered or issued for delivery in the District of Columbia under a group Medicare supplement policy.

(3) "Certificate form" means the form on which the certificate is delivered or issued for delivery by the insurer.

(4) "Issuer" means an insurance company, a fraternal benefit association, a health care service plan, a health maintenance organization, and any other entity delivering or issuing for delivery in the District of Columbia Medicare supplement policies or certificates. The term "issuer" includes Group Hospitalization and Medical Services, Incorporated.

(5) "Medicare" means the health insurance program established pursuant to the Health Insurance for the Aged Act (42 U.S.C. § 303 et seq.).

(6) "Medicare supplement policy" means a group or individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations, other than a policy issued pursuant to a contract under § 1876 of the Social Security Act (42 U.S.C. § 1395mm), or an issued policy under a demonstration project specified in 42 U.S.C. § 1395ss(g)(1), which is advertised, marketed, or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare.

(7) "Policy form" means the form on which the policy is delivered or issued for delivery by the issuer.

(Oct. 1, 1992, D.C. Law 9-170, § 2, 39 DCR 5825; Apr. 9, 1997, D.C. Law 11-202, § 2(a), 43 DCR 6054; Mar. 24, 1998, D.C. Law 12-81, § 35(a), 45 DCR 745.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2611.

Temporary Addition of Section

For temporary (225 day) addition of §§ 35-2611 through 35-2620 comprising Chapter 26 of Title 35 [1981 Ed.], see §§ 2 to 11 of Medicare Supplement Insurance Minimum Standard Temporary Act of 1992 (D.C. Law 9-133, July 22, 1992, law notification 39 DCR 5814).

Emergency Act Amendments

For temporary amendment of section, see § 2(a) of the Medicare Supplement Insurance Minimum Standards Emergency Amendment Act of 1996 (D.C. Act 11-244, April 11, 1996, 43 DCR 2119), § 2(a) of the Medicare Supplement Insurance Minimum Standards Legislative Review Emergency Amendment Act of 1996 (D.C. Act 11-396, October 9, 1996, 43 DCR 5684), § 2(a) of the Medicare Supplement Insurance Minimum Standards Congressional Review Emergency Amendment Act of 1996 (D.C. Act 11-416, October 28, 1996, 43 DCR 6078), § 2(a) of the Medicare Supplement Insurance Minimum Standards Second Congressional Review

Emergency Amendment Act of 1996 (D.C. Act 11-474, December 30, 1996, 44 DCR 198), and see § 2(a) of the Medicare Supplement Insurance Minimum Standards Congressional Review Emergency Amendment Act of 1997 (D.C. Act 12-49, March 31, 1997, 44 DCR 2112).

Legislative History of Laws

Law 9-170, the "Medicare Supplement Insurance Minimum Standards Act of 1992," was introduced in Council and assigned Bill No. 9-459, which was referred to the Committee on Human Services and reassigned to the Committee on Consumer and Regulatory Affairs. The Bill was adopted on first and second readings on June 2, 1992, and July 7, 1992, respectively. Signed by the Mayor on July 23, 1992, it was assigned Act No. 9-268 and transmitted to both Houses of Congress for its review. D.C. Law 9-170 became effective on October 1, 1992.

Law 11-202, the "Medical Supplement Insurance Minimum Standards Amendment Act of 1996," was introduced in Council and assigned Bill No. 11-627. The Bill was adopted on first and second readings on July 3, 1996, and July 17, 1996, respectively. Signed by the Mayor on August 5, 1996, it was assigned Act No. 11-367 and transmitted to both Houses of Congress for its review. D.C. Law 11-202 became effective on April 9, 1997.

Law 12-81, the "Technical Amendments Act of 1998," was introduced in Council and assigned Bill No. 12-408, which was referred to the Committee of the Whole. The Bill was adopted on first and second readings on November 4, 1997, and December 4, 1997, respectively. Signed by the Mayor on December 22, 1997, it was assigned Act No. 12-246 and transmitted to both Houses of Congress for its review. D.C. Law 12-81 became effective on March 24, 1998.

Delegation of Authority

Delegation of authority under D.C. Act 9-199, the Medicare Supplement Insurance Minimum Standards Emergency Act of 1992, see Mayor's Order 92-92, July 20, 1992.

Delegation of authority under D.C. Law 9-170, the Medicare Supplement Insurance Standards Act of 1992, see Mayor's Order 93-60, May 12, 1993.

§ 31-3702. APPLICABILITY AND SCOPE.

(a) Except as otherwise specifically provided, this subchapter shall apply to:

(1) All Medicare supplement policies delivered or issued for delivery in the District of Columbia on or after October 1, 1992; and

(2) All certificates issued under group Medicare supplement policies, which certificates have been delivered or issued for delivery in the District of Columbia.

(b) This subchapter shall not apply to a policy for 1 or more employers or labor organizations, or of the trustees of a fund established by 1 or more employers or labor organizations, or combination thereof, for employees or former employees or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations.

(c) Except as otherwise specifically provided in § 31-3706(d), the provisions of this subchapter are not intended to prohibit or apply to insurance policies or health care benefit plans, including group conversion policies, provided to Medicare eligible persons, which policies are not marketed or held to be Medicare supplement policies or benefit plans.

(Oct. 1, 1992, D.C. Law 9-170, § 3, 39 DCR 5825; Apr. 9, 1997, D.C. Law 11-202, §§ 2(b)-(c), 43 DCR 6054.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2612.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Emergency Act Amendments

For temporary amendment of section, see § 2(b) and (c) of the Medicare Supplement Insurance Minimum Standards Emergency Amendment Act of 1996 (D.C. Act 11-244, April 11, 1996, 43 DCR 2119), § 2(b) and (c) of the Medicare Supplement Insurance Minimum Standards Legislative Review Emergency Amendment Act of 1996 (D.C. Act 11-396, October 9, 1996, 43 DCR 5684), § 2(b) and (c) of the Medicare Supplement Insurance Minimum Standards Congressional Review Emergency Amendment Act of 1996 (D.C. Act 11-416, October 28, 1996, 43 DCR 6078), § 2(b) and (c) of the Medicare Supplement Insurance Minimum Standards Second Congressional Review Emergency Amendment Act of 1996 (D.C. Act 11-474, December 30, 1996, 44 DCR 198), and see § 2(b) and (c) of the Medicare Supplement Insurance Minimum Standards

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 11-202, see Historical and Statutory Notes following § 31-3701.

§ 31-3703. STANDARDS FOR POLICY PROVISIONS AND AUTHORITY TO PROMULGATE REGULATIONS.

(a) No Medicare supplement policy or certificate in force in the District of Columbia shall contain benefits that duplicate benefits provided by Medicare.

(b) Notwithstanding any other provision of law of the District of Columbia, a Medicare supplement policy or certificate shall not exclude or limit benefits for losses incurred more than 6 months from the effective date of coverage because it involved a preexisting condition. The policy or certificate shall not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within 6 months before the effective date of coverage.

(c) The Mayor shall issue reasonable regulations to establish specific standards for policy provisions of Medicare supplement policies and certificates. These standards shall be in addition to and in accordance with applicable laws of the District of Columbia. No requirement of District of Columbia law relating to minimum required policy benefits, other than the minimum standards contained in this subchapter, shall apply to Medicare supplement policies and certificates. The standards may cover, but not be limited to:

- (1) Terms of renewability;
- (2) Initial and subsequent conditions of eligibility;
- (3) Nonduplication of coverage;
- (4) Probationary periods;
- (5) Benefit limitations, exceptions, and reductions;
- (6) Elimination periods;
- (7) Requirements for replacement;
- (8) Recurrent conditions; and
- (9) Definition of terms.

(d) The Mayor shall issue reasonable regulations to establish minimum standards for benefits, claims payment, marketing practices, compensation arrangements, and reporting practices for Medicare supplement policies and certificates.

(e) The Mayor may issue reasonable regulations necessary to conform Medicare supplement policies and certificates to the requirements of federal law and regulations promulgated thereunder, including, but not limited to:

- (1) Requiring refunds or credits if the policies or certificates do not meet loss ratio requirements;
- (2) Establishing a uniform methodology for calculating and reporting loss ratios;
- (3) Assuring public access to policies, premiums, and loss ratio information of issuers of Medicare supplement insurance;
- (4) Establishing a process for approving or disapproving policy forms and certificate forms and proposed premium increases;
- (5) Establishing a policy for holding public hearings prior to approval of premium increases; and
- (6) Establishing standards for Medicare select policies and certificates.

(f) The Mayor may issue reasonable regulations that specify prohibited policy provisions not otherwise specifically authorized by statute, which, in the opinion of the Mayor, are unjust, unfair, or unfairly discriminatory to any person insured or proposed to be insured under a Medicare supplement policy or certificate.

(Oct. 1, 1992, D.C. Law 9-170, § 4, 39 DCR 5825; May 23, 2000, D.C. Law 13-122, § 2, 47 DCR 2048.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2613.

D.C. Law 13-122 in subsec. (b), in the first sentence, substituted "exclude" for "include".

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

Law 13-122, the "Medicare Supplement Insurance Minimum Standards Amendment Act of 2000," was introduced in Council and assigned Bill No. 13-258, which was referred to the Committee on Human Services. The Bill was adopted on first and second readings on January 4, 2000, and February 1, 2000, respectively. Signed by the Mayor on February 23, 2000, it was assigned Act No. 13-288 and transmitted to both Houses of Congress for its review. D.C. Law 13-122 became effective on May 23, 2000.

§ 31-3704. LOSS RATIO STANDARDS.

Medicare supplement policies shall return to policyholders benefits which are reasonable in relation to the premium charged. The Mayor shall issue reasonable regulations to establish minimum standards for loss ratios of Medicare supplement policies on the basis of incurred claims experience, or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis, and earned premiums in accordance with accepted actuarial principles and practices.

(Oct. 1, 1992, D.C. Law 9-170, § 5, 39 DCR 5825.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2614.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

§ 31-3705. DISCLOSURE STANDARDS.

(a) In order to provide for full and fair disclosure in the sale of Medicare supplement policies, no Medicare supplement policy or certificate shall be delivered in the District of Columbia unless an outline of coverage is delivered to the applicant at the time application is made.

(b) The Mayor shall prescribe the format and content of the outline of coverage required by subsection (c) of this section. For purposes of this section, the term "format" means style, arrangements, and overall appearance, including such items as the size, color, and prominence of type and arrangement of text and captions. The outline of coverage shall include:

- (1) A description of the principal benefits and coverage provided in the policy;
- (2) A statement of the renewal provisions, including any reservation by the issuer of a right to change premiums, and disclosure of the existence of any automatic renewal premium increases based on the policyholder's age; and
- (3) A statement that the outline of coverage is a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions.

(c) The Mayor may prescribe by regulation a standard form and the contents of an informational brochure for persons eligible for Medicare, which is intended to improve the buyer's ability to select the most appropriate coverage and improve the buyer's understanding of Medicare. Except in the case of the direct response insurance policies, the Mayor may require by regulation that the informational brochure be provided to any prospective insured eligible for Medicare concurrently with delivery of the outline of coverage. With respect to direct response insurance policies, the Mayor may require by regulation that the prescribed brochure be provided upon request to any prospective insured eligible for Medicare, but in no event later than the time of policy delivery.

(d) The Mayor may issue regulations for captions or notice requirements, determined to be in the public interest and designed to inform prospective insureds that particular insurance coverages are not Medicare supplement coverages, for all accident and sickness insurance policies sold to persons eligible for Medicare, other than:

- (1) Medicare supplement policies; or
- (2) Disability income policies.
- (3) Repealed.
- (4) Repealed.

(e) The Mayor may issue reasonable regulations to govern the full and fair disclosure of the information in connection with the replacement of accident and sickness policies, subscriber contracts, or certificates by persons eligible for Medicare.

(Oct. 1, 1992, D.C. Law 9-170, § 6, 39 DCR 5825; Apr. 9, 1997, D.C. Law 11-202, §§ 2(d)-(f), 43 DCR 6054; Mar. 24, 1998, D.C. Law 12-81, § 35(b), 45 DCR 745.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2615.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Emergency Act Amendments

For temporary amendment of section, see § 2(d) through (f) of the Medicare Supplement Insurance Minimum Standards Emergency Amendment Act of 1996 (D.C. Act 11-244, April 11, 1996, 43 DCR 2119), § 2(d) through (f) of the Medicare Supplement Insurance Minimum Standards Legislative Review Emergency Amendment Act of 1996 (D.C. Act 11-396, October 9, 1996, 43 DCR 5684), § 2(d) through (f) of the Medicare Supplement Insurance Minimum Standards Congressional Review Emergency Amendment Act of 1996 (D.C. Act 11-416, October 28, 1996, 43 DCR 6078), § 2(d) through (f) of the Medicare Supplement Insurance Minimum Standards Second Congressional Review Emergency Amendment Act of 1996 (D.C. Act 11-474, December 30, 1996, 44 DCR 198), and see § 2(d) through (f) of the Medicare Supplement Insurance Minimum Standards Congressional Review Emergency Amendment Act of 1997 (D.C. Act 12-49, March 31, 1997, 44 DCR 2112).

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 11-202, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 12-81, see Historical and Statutory Notes following § 31-3701.

§ 31-3706. FILING REQUIREMENTS; MASTER POLICY AND CERTIFICATE.

(a) Except as provided in subsection (b) of this section, any insurer who provides group Medicare supplement insurance benefits to a resident of the District shall file the master policy and certificate, as provided by rule issued pursuant to § 31-3710.

(b) An insurer shall not be required to file the master policy and certificate within the 30-day period following the date that the insurance is provided if the policy is a master policy issued for delivery outside the District.

(Oct. 1, 1992, D.C. Law 9-170, § 7, 39 DCR 5825.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2616.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

§ 31-3707. NOTICE OF FREE EXAMINATION.

Medicare supplement policies and certificates shall have a notice prominently printed on the 1st page of the policy or certificate, or attached thereto, stating in substance that the applicant shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the applicant is not satisfied for any reason. Any refund made pursuant to this section shall be paid directly to the applicant by the issuer in a timely manner.

(Oct. 1, 1992, D.C. Law 9-170, § 8, 39 DCR 5825.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2617.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

§ 31-3708. FILING REQUIREMENTS FOR ADVERTISING.

(a) The Mayor shall establish, by rule, standards for advertising Medicare supplement insurance and benefits in the District.

(b) Each insurer, health care service plan, or other entity that provides Medicare supplement insurance or benefits in the District shall provide the Mayor, for review, a copy of any Medicare supplement advertisement intended for use in the District.

(Oct. 1, 1992, D.C. Law 9-170, § 9, 39 DCR 5825.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2618.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

§ 31-3709. REMEDIES.

In addition to any other applicable penalty for a violation of the insurance laws of the District, the Mayor may require an insurer who violates this subchapter, or rules issued pursuant to this subchapter, to cease marketing in the District any Medicare supplement policy or certificate that is related directly or indirectly to a violation, or may require the issuer to take any actions necessary to comply with the provisions of this subchapter, or both.

(Oct. 1, 1992, D.C. Law 9-170, § 10, 39 DCR 5825.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2619.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

§ 31-3710. RULES.

(a) The Mayor shall issue proposed rules to implement the provisions of this subchapter within 180 days of October 1, 1992. The proposed rules shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution within this 45-day period, the proposed rules shall be deemed approved. Nothing in this section shall affect any requirements imposed upon the Mayor by subchapter I of Chapter 5 of Title 2.

(b) The Mayor may issue emergency rules without prior Council approval, which shall be effective for not more than 120 days.

(Oct. 1, 1992, D.C. Law 9-170, § 11, 39 DCR 5825.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 35-2620.

Temporary Addition of Section

See Historical and Statutory Notes following § 31-3701.

Legislative History of Laws

For legislative history of D.C. Law 9-133, see Historical and Statutory Notes following § 31-3701.

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.

Resolutions

Resolution 16-394, Medicare Supplement Insurance Minimum Standards Approval Resolution of 2005", was approved effective November 26, 2005.

Resolution 16-788, the "Medicare Supplement Insurance Minimum Standards Approval Resolution of 2006", was approved effective August 11, 2006.

Resolution 18-298, the "Medicare Supplement Insurance Minimum Standards Approval Resolution of 2009", was approved effective November 3, 2009.

SUBCHAPTER II. REPEALED PROVISIONS.

§§ 31-3751 TO 31-3760. DEFINITIONS; APPLICABILITY AND SCOPE; STANDARDS FOR POLICY PROVISIONS; FILING REQUIREMENTS; MASTER POLICY AND CERTIFICATE; LOSS RATIO STANDARDS; DISCLOSURE STANDARDS; OUTLINE OF COVERAGE; NOTICE OF FREE EXAMINATION; FILING REQUIREMENTS FOR ADVERTISING; REMEDIES; RULES.[REPEALED]

(Oct. 1, 1992, D.C. Law 9-170, § 12, 39 DCR 5825.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., §§ 35-2601 to 35-2610.

Temporary Amendments of Section

For temporary (225 day) repeal of §§ 35-2601 to 35-2610 [1981 Ed.], see § 2 of Medicare Supplement Insurance Minimum Standard Temporary Act of 1992 (D.C. Law 9-133, July 22, 1992, law notification 39 DCR 5814).

Legislative History of Laws

For legislative history of D.C. Law 9-170, see Historical and Statutory Notes following § 31-3701.