

Medigap Underwriting Guidelines

To Our Valued Producers:

We appreciate your interest in representing Rocky Mountain Health Plans (RMHP) and our Medigap Medicare Supplement plans. These guidelines are designed to assist you in determining insurability of applicants and to provide instruction on submitting complete applications for underwriting review. For questions regarding Medigap enrollment, please call RMHP at 888-334-7886. These guidelines are subject to any applicable State of Colorado mandates and are subject to change without notice. These guidelines and instructions are not part of the Member's Medigap Policy. Only the actual policy will control.

Overview

Rocky Mountain HealthCare Options, Inc. (RMHCO) is the underwriter of the Medigap plans. We will refer to RMHCO and Rocky Mountain Health Plans (RMHP) as appropriate throughout these guidelines.

Medigap applicants who are in their "open enrollment" period or who have guaranteed issue rights for a Medigap policy are not subject to medical underwriting. All other applicants are subject to medical underwriting. Smoking and non-smoking rates are provided. The rates are age-banded and differ by gender. The underwriting process includes the assessment of any factors that cause risk exposure to RMHCO. Eligibility for enrollment in Medigap is determined by factors such as medical history and condition, utilization patterns, current medical treatment, surgical intervention, and health status. Our underwriting guidelines have been established to provide coverage based on an "accept or decline" basis.

RMHP offers Medigap plans A, C, F, G, and N

An optional dental rider may be purchased during the applicant's open enrollment period or during the Medicare Annual Enrollment Period for a January 1st effective date. The dental rider is not subject to medical underwriting.

Licensing Requirements

Producers representing RMHP must be licensed by the State of Colorado to market health care plans available through RMHP. All producers must be in good standing with the State of Colorado and carry errors and omissions (E & O) professional liability insurance with limits no less than \$500,000. A Producer Agreement must be signed and submitted, along with a copy of your current state license and E & O coverage, before new business will be issued. Annual verification of your continued licensure and E & O coverage is required.

Commissions

Commissions for the Medigap product will be paid monthly. All commissions are calculated on fully billed and collected premiums.

Eligibility

General Eligibility Requirements

- Applicants with Medicare Parts A and B are eligible. They **must** reside in Colorado.

Other Insurance

- Applicants are restricted from holding more than one Medigap plan at the same time.

Rates and Billing of Initial Premium

- Rates are based on the geographic area, age and gender of each enrollee. Rates are available for “Tobacco User” and “Non-Tobacco User.” To qualify as a non-tobacco user, applicants must certify that they have not used tobacco products for 12 months prior to the application.
- The first month’s premium payment must be submitted at the time of application submission.
- Premiums for the Medigap plans can be paid on a monthly basis via automatic bank withdrawal from a checking or savings account or by credit card or debit card.
- All premium checks should be made payable to Rocky Mountain HealthCare Options. A broker’s check, agency check or post-dated check will not be accepted.

Payment Frequency	Payment Method
Monthly	Automatic bank withdrawal, credit card
Quarterly*	Automatic bank withdrawal, credit card, check, cash
<i>* Quarterly billing is calculated on a fiscal quarter billing cycle; mid-quarter enrollees will be billed monthly until new fiscal quarter starts.</i>	

- If the subscriber’s birthday results in movement to a new age category, the premium will increase at the same time as any rate change following the birthday.
- If the subscriber moves to a different county, any impact to premium will become effective on the first day of the month following notification of address change.

Completing the Application

- Applicants can submit a Medigap plan application by completing the paper application. Facsimile copies of the application are accepted as long as a hard copy of the application is received before the 15th of the month of the effective date.
- All application questions and the *Account Deduction Authorization* form (if applicable) should be answered completely **by the applicant**. Missing or incomplete information will result in the return of the application in its entirety to either the applicant or producer, depending on the information needed. A copy of the letter that accompanies the returned application will be sent to the producer.

- When an applicant has completed the application, please check each answer, in the presence of the applicant, to make certain that:
All blank spaces are filled in and each *Yes* or *No* answer has been checked;
The applicant has read and understands the application, specifically Sections 5 & 6;
The applicant has signed the application; and,
The first month premium payment in the form of a check or credit card payment authorization is included.
- If an error is made on the application, the applicant should cross through the word or line with a single stroke, then initial and date the correction.
- Producers are only to complete the required producer certification paperwork.
- Producers are responsible for providing current applications and materials to their clients. Please contact RMHP for current materials.
- Processing Time — Applications shall be received by the 20th of the month for following month effective. Additional processing time will occur if the application is missing information.
- Voluntary or involuntary termination from an employer group plan ensures a Guarantee Issue Period. This period begins on the later of the date they get a notice of termination or the date they lose coverage. Applicant must submit evidence of the date of termination or disenrollment. There is no obligation on the part of RMHP to enroll the applicant prior the later of the dates above.

Underwriting Guidelines

Underwriting of Health Conditions

The following is a list of underwriting questions. An affirmative answer on any of the questions below will result in application denial. Rocky Mountain Health Plans reserves the right to revise these guidelines at its discretion.

- Are you currently bedridden, or are you currently hospitalized, admitted to a nursing facility, or other care facility, or do you need the assistance of a walker or wheelchair?
- Has admission to a hospital, nursing facility or other care facility been recommended by a health care professional?
- Has the use of a walker or wheelchair been prescribed to you by a health care professional?
- In the past 2 years, have you been advised to have kidney dialysis, joint replacement or surgery for the heart, arteries or intestines which has not yet been done?
- Within the past 2 years, have you been hospitalized 2 times or more, or been confined to a nursing home for 2 weeks or longer?
- Within the past 2 years, have you ever experienced, been told you had, consulted for treatment, sought treatment, had treatment recommended, received treatment (included drug therapy) or been hospitalized for: internal cancer, leukemia, Hodgkin's disease,

coronary artery disease, heart attack, nephritis, kidney failure (or any form of kidney disease), stroke, or brain disorder?

- Within the past 5 years, have you ever experienced, been told you had, consulted for treatment, sought treatment, had treatment recommended, received treatment (included drug therapy) or been hospitalized for: AIDS/ARC, Alzheimer's disease, senility, dementia, Parkinson's disease, Multiple Sclerosis, neuromuscular disorders, congestive heart failure, heart valve replacement, open heart surgery, or angioplasty, organ transplant (except cornea), chronic renal failure, polycystic kidney disease (or any form of kidney disease), cirrhosis of the liver or complications of diabetes such as amputation or loss of sight?

Prescription Drug Coverage

Prescription drugs are not covered by the Medigap plans, therefore applicants who desire prescription drug coverage may want to purchase a standalone Part D plan. RMHP also offers Part D plans to Medicare beneficiaries.

Pre-Existing Conditions

- RMHP will exclude coverage of services related to pre-existing conditions for a period of six (6) months following the effective date of coverage, unless one of the following conditions exists:
 - The beneficiary has applied for RMHP Medigap coverage during the Open Enrollment Period (i.e., during the first six months of eligibility for Medicare Part B services), but had creditable coverage from a prior insurer that terminated no more than 63 days from the date of application to RMHP.
 - The beneficiary was enrolled in Medigap coverage from another insurance carrier that applied a pre-existing condition exclusion or wait period prior to applying for Medigap coverage from RMHP.
 - The beneficiary has applied for RMHP Medigap coverage pursuant to a Qualifying Event, which creates a special Guaranteed Issue Period, as applicable under state and federal laws.

In such cases, RMHP will waive the six (6) month pre-existing condition exclusion altogether, or reduce it on a month-for-month basis to reflect the prior amount of creditable coverage, as applicable.

- Creditable coverage includes health care coverage provided under Medicare, Medicaid, an employee welfare benefit plan or group health insurance or health benefit plan, an individual health benefit plan, or a state health benefit risk pool (including but not limited to the CoverColorado Health Insurance Plan). An applicant can provide information on their creditable coverage by completing the applicable section of the application. A certificate of medical coverage from the prior carrier, including Medicaid, must be provided as supportive documentation to avoid delays in claim payment.

Approval

- If application for coverage is approved, coverage will begin on the first of the month following the approval date.
- If an applicant has a change in their health status between the approval date and the effective date, the applicant must report this information to RMHP. Underwriting may defer the approval of coverage until further review of the condition or situation. This review may delay the original effective date and may cause a reversal of the applicant's approval for coverage.

Denial

- If an applicant is not accepted because of medical underwriting, the specific reason(s) will be provided in writing to the applicant. A separate letter will be sent to the producer advising of the denial for coverage.
- If denied, the applicant will receive information regarding the CoverColorado plan.

Policy Administration on Existing Medigap Enrollment

Requests for changes in Plan coverage (i.e. change from Plan C to Plan F) are subject to Medigap enrollment rules and underwriting approval, unless the applicant is within their open enrollment period or a guaranteed issue period. Members must complete a new application to apply for a Medigap plan change.

If approved, new coverage will begin on the first of the month following the approval date. Existing Medigap members may purchase an optional dental rider during the Medicare Annual Enrollment period for a January 1st effective date. The dental rider is not subject to medical underwriting.

Termination

Applicants who fraudulently misrepresent information on the enrollment application or otherwise fraudulently provide false or misleading information in any material respect will be terminated back to the effective date of initial enrollment.

Voluntary terminations shall be effective the last day of the month in which premium has been paid.