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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

April 13, 2000

Honorable M. Diane Koken, Commissioner
Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Re: IRRC Regulation #11-193 (#2000)
Insurance Department
Medicare Supplement Insurance Minimum Standards

Dear Commissioner Koken:

The Independent Regulatory Review Commission approved the subject regulation at its April 13, 2000 public meeting. Our Order is enclosed and is available on our website at <http://www.irrc.state.pa.us>.

We appreciate the joint effort that went into producing a regulation that met the criteria and intent of the Regulatory Review Act.

Sincerely,


Alvin C. Bush
Vice Chairman

wbg
Enclosure
cc: Pete Salvatore

INDEPENDENT REGULATORY REVIEW COMMISSION

14th Floor, 333 Market Street
Harrisburg, PA 17101

Commissioners Voting:

Public Meeting Held April 13, 2000

John R. McGinley, Jr., Chairman – by proxy
Alvin C. Bush, Vice Chairman
Arthur Coccodrilli
Robert J. Harbison, III
John F. Mizner

Insurance Department
Medicare Supplement Insurance
Minimum Standards

Regulation No. 11-193

BY ORDER OF THE COMMISSION

On January 27, 1999, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Insurance Department. This rulemaking amends 31 Pa. Code Chapter 89. The authority for this regulation is Sections 206, 506, 1501, and 1502 of the Administrative Code of 1929 (71 P.S. §§ 66, 186, 411, and 412). The proposed regulation was published in the February 6, 1999 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on March 1, 2000. The final-form regulation was withdrawn and resubmitted on March 8, 2000.

This regulation establishes minimum requirements for a new category of medical coverage in Pennsylvania called "Medicare Select" policies. Medicare Select policies use a network of specific hospitals, and possibly specific doctors, that must be used to receive full benefits, except in case of emergency.

Medicare Select policies expand healthcare policy choices for consumers. The Department believes these policies will result in the availability of policies with lower premiums than standard Medicare supplement policies. This regulation meets the criteria of the Regulatory Review Act.

THEREFORE, IT IS ORDERED THAT:

1. Regulation No. 11-193 from the Insurance Department, as submitted to the Commission on March 8, 2000, is approved; and
2. The Commission will transmit a copy of this Order to the Legislative Reference Bureau.


Alvin C. Bush, Vice Chairman

