

## **SHORT-TERM NURSING HOME INSURANCE FILING CHECKLIST**

2002 Ky. Acts ch 304 & 806 KAR 17:085E, Sections 1 through 6  
Rev 11/20/08

- ( ) Complies with the Basic Insurance Policy Checklist and  
Individual or Group Health Insurance Contract Checklist

### 806 KAR 17:085 Section 1 and 2 Definitions

- ( ) 1. Short-Term Nursing Home – must provide coverage for less than 12 consecutive months. Coverage provided for more than 12 months must meet the requirements of a LTC policy or certificate.
- ( ) 2. Adult day care – care provided during the day for four (4) or more individuals
- ( ) 3. Activities of daily living must be defined if the term is used.
- ( ) 4. Acute condition – medically unstable
- ( ) 5. Home health care services – medical and non-medical services in the home.
- ( ) 6. Medicare – **SHALL** be defined is the only one that must be defined
- ( ) 7. Mental or nervous disorder – cannot exclude Alzheimer’s disease as a mental disorder
- ( ) 8. Personal care – needs assistance in daily living activities
- ( ) 9. If the following terms are used they **SHALL be defined:**
  - Skilled Nursing care, intermediate care, personal care, home care
  - (define level of skill required, nature type of care and setting )
- ( ) 10. Providers of service – **SHALL** be defined (Section 2(17))

### Section 3 Policy Practices

- ( ) 1. Renewability – **SHALL** appear on the first page of policy and be:
  - guaranteed renewable (rates may be revised)
  - or
  - noncancellable (rates may not be revised )
- ( ) 2. Limitations and Exclusions allowed:
  - a. Preexisting condition - If used , the limitation **SHALL** appear as a separate paragraph labeled “Preexisting Conditions Limitations”
  - b. Mental or nervous disorders, except Alzheimer’s
  - c. Alcoholism and drug addiction
  - d. Conditions resulting from war, riot, armed forces, suicides, etc.

- e. Treatment in government facility, covered by Medicare, Workers' compensation, etc. (except Medicaid)
- f. Type of provider or territorial limitations
- g. Does not have to pay if immediate family

3. Continuation or Conversion (GROUP)

4. Premiums SHALL NOT increase due to:

- a. increasing age beyond age 65
- b. length of time the insured has been covered

#### Section 4 Unintentional Lapse

- 1. Notice of lapse Subsection (1) and (2).
- 2. Designation of at least one other person (1)(a)
- 3. Waiver of designation rights (1)(b).

#### Section 5 Required Disclosure Provisions

- 1. Renewability (1)
- 2. Premium rate change (1)(d)
- 3. Disclosure requirement: This is a short-term nursing home product that offers benefits for less than 12 months. This is not a LTC policy(1)(e).
- 4. Riders and Endorsements (2)
- 5. Payment of Benefits (3)
- 6. Other Limitations or Conditions on Eligibility for Benefits

If used, SHALL be labeled as such and give description of limitation or conditions, including number of days of confinement (Section 5(5))

- 7. Pre-existing condition requirements (Section 5 (4), (7), (8) and (9))
- 8. Inflation protection disclosure (Section 5(10))
- 9. Notice to buyer notice (Section 5(11))
- 10. Elimination period calculation (Section 5(14))

#### Section 6 Prohibition Against Post Claims Underwriting

- 1. a. If application asks whether the applicant has medication prescribed, it shall ask the applicant to list the medications.  
b. If the insurer should have known at the time of application that the medication listed directly relates to a medical condition, the policy or certificate shall not be rescinded for that condition.
- 2. Copy of the application to be delivered to applicant at the time of delivery of policy.

#### Section 7 Reserve Standards (Actuarial)

#### Section 8 Loss Ratio (Actuarial)

- 1. 60% for initial (Section 11(2))
- 2. 85% for rate increases (Section 11(3))

#### Section 9 Prohibition Against Preexisting Conditions and Probationary

- Replacing insurer SHALL waive preexisting and probationary periods if they have been satisfied under the original policy.

KRS 304.17-030(1) Consideration

KRS 304.17-030(2) Date and Duration

KRS 304.17-030(4) Undue prominence to any portion of text

KRS 304.17-030(5) Exceptions and reductions

KRS 304.17-030(6) Form number

KRS 304.17-050 Entire contract

KRS 304.17-060 Incontestability

KRS 304.17-070 Grace period

KRS 304.17-080 Reinstatement

KRS 304.17-090 Notice of claim

KRS 304.17-100 Claim form

KRS 304.17-110 Proof of loss

KRS 304.17-120 & KRS 304.12-235 Timely payment of claims

KRS 304.17-150 Legal Actions

KRS 304.14-370 & 417-050 Binding arbitration cannot be required, although it can be an option.

KRS 304.12-080, KRS 304.12-215 Discrimination

KRS 304.12-090, KRS 304.12-110 Rebates and illegal inducements

KRS 304.12-190 Illegal dealing in premiums

KRS 304.12-230 Unfair claims settlement practices

KRS 304.14-650 Definition

KRS 304.14-670 Thirty day free look

KRS 304.14-675 Requires any short-term nursing home policies which provides coverage for assisted living benefits to cover treatment in any assisted living community which meets the criteria of KRS 194A.700 to 194.729 and any administrative regulation promulgated under KRS 194A.700 to 194A.729.

Assisted Living requirements

KRS 194A.700 definitions

194A.700(3) Assisted living community that contains a series of living units on the same site, certified under KRS 304.707 to provide services to five (5) or more adult persons not related with the third degree of consanguinity to the owner or manager.

194A.700(2) Definition of assistance with self-administration of prescription drugs.

194A.705 Services for assisted living requirements.

194A.717 Staffing requirements

194A.719 Staffing education requirements

Health related services not offered in these facilities as defined in KRS 216B.015(13)

Requires any short-term nursing home policies which provide benefits for adult day care services to not contain any requirements that are more restrictive than what is required for certification. See KRS 205.950 or 216B.0443 and regulations promulgated under KRS 194A.700 to 194A.729.

Adult day care requirements

KRS 205.010(15) Adult day care centers provide care for 4 or more individuals not related to operator on a part time basis, day or night, but less than 24 hours.

KRS 205.010 Definitions

905 KAR 8:160 Section 5(2)(b) The adult day care center must operate a minimum of 4 hours per day, 3 days a week, excluding holidays and emergency closings.

910 KAR 1:230

Section 4 facility requirements

Section 5 staffing requirements

Health related services are not required in a certified adult day care facility.

806 KAR 17:010 Refund of premium upon death.

KRS 304.17-415 Refund of unearned premium due to cancellation.