

1 Public Protection Cabinet
2 Department of Insurance
3 Division of Health, Life Insurance and Managed Care
4 (Amendment)

5 806 KAR 17:260. Conversion policy minimum benefits.

6 RELATES TO: KRS 304.17A, 304.18-114 [~~304.18-110~~] 304.18-120(2), 29 C.F.R
7 2590.715-2713(a), 29 C.F.R.2590.715-2713(b)

8 STATUTORY AUTHORITY: KRS 304.2-110(1), 304.18-120(2)

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes
10 [~~provides that~~] the Commissioner [~~executive director~~] of Insurance to promulgate [~~may make~~
11 ~~reasonable~~] administrative regulations necessary for or as an aid to the effectuation of any
12 provision of the Kentucky Insurance Code as defined in KRS 304.1-010 through KRS 304.99-
13 154. KRS 304.18-120(2) requires the department [~~office~~] to promulgate administrative
14 regulations to establish minimum benefits for a conversion policy issued pursuant to the
15 conversion privilege contained in a group health policy. The purpose of this [~~This~~] administrative
16 regulation is to establish [~~establishes~~] those requirements.

17 Section 1. Definitions. (1) "Conversion policy" means an individual health policy issued
18 to an insured person pursuant to a conversion privilege contained in a group health policy upon
19 termination of the insured person's coverage under the group policy.

20 (2) "FFS" means a fee-for-service product type.

1 (3) "Group policy" is defined by ~~in~~ KRS 304.18-110(1)(a). (4) "HMO" means a health
2 maintenance organization product type.

3 (5) "POS" means a point-of-service product type.

4 (6) "PPO" means a preferred provider organization product type.

5 (7) "Preventive Health Service" means the service described by 29 CFR 2590.715-
6 2713(a) and (b).

7 Section 2. Plan Cost Sharing and Minimum Benefits. (1) The out-of-pocket limit for
8 covered expenses incurred during a plan year for a converted policy issued pursuant to a
9 conversion privilege contained in a PPO, FFS, HMO or POS product shall be no more than:

10 (a) \$7,000 [~~\$6,000~~] for a single person; and

11 (b) \$14,000 [~~\$12,000~~] for a family.

12 [~~(2) The deductible and out-of-pocket limit for covered expenses incurred during a plan~~
13 ~~year for a converted policy issued pursuant to the conversion privilege contained in a group FFS~~
14 ~~or PPO product shall be no more than:-]~~

15 [~~(a) \$6,000 for a single person and an out-of-pocket limit of \$6,000 after the deductible;~~
16 ~~and]~~

17 [~~(b) \$12,000 for a family and an out-of-pocket limit of \$12,000 after the deductible.-]~~

18 [~~Section 3. Minimum Benefits. (1) A converted policy issued pursuant to the conversion~~
19 ~~privilege contained in a HMO or POS product shall include the following minimum benefits:~~

20 (a) ~~In hospital care:-]~~

21 [~~1. Inpatient hospital room and board benefits in a maximum copayment amount of~~
22 ~~\$1,000 per admission; and-]~~

1 ~~[2. Coverage benefits in a maximum copayment amount of \$1,000 per admission for~~
2 ~~transplants, including:-]~~

3 ~~[a. Kidney;-]~~

4 ~~[b. Cornea;-]~~

5 ~~[c. Bone marrow;-]~~

6 ~~[d. Heart;-]~~

7 ~~[e. Liver;-]~~

8 ~~[f. Lung;-]~~

9 ~~[g. Heart/lung; and]~~

10 ~~[h. Pancreas;-]~~

11 ~~[(b) Outpatient care: 1. Ambulatory outpatient surgery benefits in a maximum copayment~~
12 ~~amount of \$500 per visit;-]~~

13 ~~[2. Provider office visits benefits in a maximum copayment amount of thirty (30) dollars~~
14 ~~per visit; and]~~

15 ~~[3. Diagnostic tests benefits in a maximum copayment amount of thirty (30) dollars per~~
16 ~~testing session;-]~~

17 ~~[-(c) Emergency care: 1. Hospital emergency room benefits in a maximum copayment~~
18 ~~amount of \$150 per visit; and]~~

19 ~~[2. Ground ambulance benefits in a maximum copayment amount of seventy five (75)~~
20 ~~dollars per use;-]~~

21 ~~[-(d) Medicare hospice benefit;-]~~

22 (2) A converted policy issued pursuant to the conversion privilege contained in a group
23 HMO, POS, FFS or PPO product shall include the following minimum benefits:

- 1 (a) In hospital care:
- 2 1. Inpatient hospital room and board benefits in a maximum coinsurance amount of fifty
- 3 (50) percent; and
- 4 2. Coverage benefits in a maximum coinsurance amount of fifty (50) percent for
- 5 transplants, including:
- 6 a. Kidney;
- 7 b. Cornea;
- 8 c. Bone marrow;
- 9 d. Heart;
- 10 e. Liver;
- 11 f. Lung;
- 12 g. Heart/lung; and
- 13 h. Pancreas.
- 14 (b) Outpatient care:
- 15 1. Ambulatory outpatient surgery benefits in a maximum coinsurance amount of fifty
- 16 (50) percent;
- 17 2. Provider office visits benefits in a maximum coinsurance amount of fifty (50) percent;
- 18 and
- 19 3. Diagnostic tests and Laboratory benefits in a maximum coinsurance amount of fifty
- 20 (50) percent;
- 21 (c) Emergency care:
- 22 1. Hospital emergency room benefits in a maximum coinsurance amount of fifty (50)
- 23 percent; and

1 2. Ground ambulance benefits in a maximum coinsurance amount of fifty (50) percent.

2 (d) Medicare hospice benefits.

3 (e) Prescription drug benefits in a maximum coinsurance amount of fifty (50) percent;

4 (f) Maternity Benefits in a maximum coinsurance amount of fifty (50) percent;.

5 (g) Mental Health and Substance Abuse Benefits:

6 1. Inpatient Benefits in a maximum coinsurance amount of fifty (50) percent; and

7 2. Outpatient Benefits in a maximum coinsurance amount of fifty (50) percent;

8 (h) Rehabilitative and Habilitative Benefits in a maximum coinsurance amount of fifty

9 (50) percent;

10 (i) Preventive Health Service shall be covered at one hundred (100) percent; and

11 (j) Pediatric Benefits in a maximum coinsurance amount of fifty (50) percent;