



BUREAU OF INSURANCE

November 25, 1998

ADMINISTRATIVE LETTER 1998-16

TO: ALL INSURERS LICENSED TO WRITE ACCIDENT AND SICKNESS INSURANCE IN VIRGINIA, AND ALL HEALTH SERVICES PLANS AND HEALTH MAINTENANCE ORGANIZATIONS LICENSED IN VIRGINIA

RE: Medicare HMOs and Medicare Supplement Coverages

This letter serves to notify Medicare HMO and Medicare Supplement carriers currently operating or marketing in Virginia that the Bureau of Insurance (the "Bureau") will implement any and all procedures necessary to ensure that Virginia consumers are properly protected during this transitional period under which a number of Medicare HMOs are exiting the Virginia market. Consumer complaints and inquiries, company notifications and advertisements, and company underwriting and issue procedures will be monitored carefully to ensure that affected consumers have been notified of their options in a timely manner, and that Medicare Supplement carriers are issuing Medicare Supplement Plans A, B, C or F on a guaranteed basis in accordance with applicable provisions of the Balanced Budget Act of 1997 (BBA). The Bureau will promptly report allegations of noncompliance with federal requirements to the Health Care Financing Administration (HCFA). Violations of Virginia laws or regulations will be addressed by my staff expeditiously.

Questions relating to the above may be directed **IN WRITING** to:

Althelia P. Battle
Senior Insurance Market Examiner
Forms and Rates Section
Life and Health Division
Bureau of Insurance
P.O. Box 1157
Richmond, VA 23218

Yours truly,

Alfred W. Gross
Commissioner of Insurance

AWG/jkc