Medicare Supplement household discount

Qualification guidelines

The Medicare Supplement[1] household premium discount is available in many states (but not all; the discount amount may vary by state). In those states where the discount is available, use the guidelines below to determine if the discount can apply:

- In most states, the two (Medicare eligible) individuals applying for coverage must be either:
  - Married,
  - Domestic Partners (civil union or partnership)[2], or
  - Individuals who have resided at the same residence for the last twelve (12) continuous months or more.
- Qualification criteria can vary by state. Refer to the appropriate application form for details regarding qualification based on the applicant's state of residence (policy issue state).
- Discount can only apply when the two (2) qualifying Medicare Supplement (MIPPA[3]) policies were:
  - Issued by an Aetna underwriting company or administered by an Aetna company (but not necessarily by the same underwriting company).
- The amount of discount is based on what was approved by the state authority for each underwriting company (legal entity). A policyholder will receive the discount rate (if any) that was approved by the state based on the underwriting company for which he/she is insured. Therefore, one of the two household members/policyholders may not receive a discount or they may not receive the same discount rate.
- For applicants who apply separately (such as when one spouse later becomes eligible for Medicare), the application form for the second applicant MUST include the existing policyholder's coverage information.
  - The household discount will apply on the effective date of the newly issued policy and on future premiums of the existing policyholder (that is, on the existing policyholder's next premium due date).
    - To qualify for the discount, the applicant MUST meet the eligibility rules stated above (and on the application form) AND
    - All questions on the application related to the discount MUST be completed and include the existing policyholder's coverage information.
- Policy effective date, plan options, premium modes, premium rates and banking account information can vary between the two applicants/policyholders.
- **Both applications MUST result in an issued qualifying Medicare Supplement policy.**
- Each policy is standalone and different policy numbers, ID cards, and premium notices will apply.

- Both policies must remain in force beyond the 30-day free look period to qualify.
    - Discount on the remaining policy will continue should one policyholder die or later terminate coverage (after the 30-day free look period).
- The household discount will apply to the total premium for each policy, including future rate adjustments AND for the life of each policy.
- One discount per household – a discount will NOT apply should a third Medicare Supplement policyholder reside in the household.

New business guidelines

- Inform the applicants that the initial premium will include the household discount.
    - Should one application be declined (or the policy issued but not taken or withdrawn) there will be a premium adjustment made to the issued policy. For initial premiums paid by:
        - EFT – the bank draft will include the total amount of premium due (no discount applied).
        - Check – a premium shortage letter will be mailed, along with a payment coupon. The policy and ID cards will be issued. No claims or commissions will be paid until the payment shortage is received.
- For applicants paying by check, it is preferred that EACH applicant submit a check (made payable to the appropriate underwriting company) for the amount of their initial premium with the discount applied and application fee included.
- The application fee applies to BOTH applicants/policies. (Fee varies by state and does not apply in all states.)
- New applicants must EACH complete a Replacement Form (when applicable), a HIPAA privacy form, and any state required forms; all required forms should be submitted together with their joint application form.
- EACH applicant who is applying under Guaranteed Issue provisions MUST provide (separate) loss of coverage notices and/or proof of creditable coverage.
- The household discount is applied at policy issue.
    - **Advise the joint applicants that neither policy is issued UNTIL both applications are processed through underwriting.**
        - If one is applying under the provisions of Open Enrollment, the policy will be issued once the second household member's application can be processed.
- Online reports (such as the pending new business reports) available on aetnaseniorproducts.com (agent side) will NOT show the Household Discount while the record is an application. Reports that pertain to issued policies (such as the Recent Issued report) WILL show the discount if it applies.

Guidelines for existing policyholders

- Existing policyholders who meet all criteria for qualification may request the policy discount by contacting Policyholder Services and/or by completing a **Household Eligibility Discount** request form.
    - Agents should be aware that in addition to the qualification criteria, the existing policies must have been issued by an Aetna underwriting company or administered by an Aetna company AND on policy forms (in a block of business) where the policy discount has been approved by the appropriate state authority. For example, a policy that became effective prior to June 1, 2010 (pre-MIPPA) would NOT qualify for the discount.

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[1]For Medicare Supplement policies underwritten by American Continental Insurance Company, Continental Life Insurance Company of Brentwood, Tennessee, Aetna Health and Life Insurance Company, Aetna Life Insurance Company, Coventry Health and Life Insurance Company and First Health Life and Health Insurance Company, all Aetna companies; and Medicare Supplement policies underwritten by Genworth Life Insurance Company and Genworth Life and Annuity Insurance Company administered by Aetna Life Insurance Company and its affiliated companies.

[2]Where allowed by state law. (Does not apply to applicants in Texas.)

[3]Discount applies to policies issued on or after June 1, 2010 by the appropriate underwriting company AND in a state where the discount has been approved.

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