



Since 1976

Minnesota Comprehensive Health Association

Disclosure Information and Summary of Benefits for the Basic Medicare Supplement Plan

From the
Minnesota Comprehensive Health Association (MCHA)
PO Box 9310
Minneapolis, Minnesota 55440-9310

Beginning January 1, 2006, the Minnesota Commissioner of Commerce has one Medicare Supplement plan available for new enrollment into the Minnesota Comprehensive Health Association (MCHA)

The **Basic Medicare Supplement Plan**

The premium rate for this plan is higher than rates for similar plans from other companies. If you have enrolled in Medicare Part B within the last 6 months, you may be able to purchase similar coverage at a lower price from another company. Before purchasing this policy, you should compare prices with other insurance companies.

NOTE: The eligibility definitions and the application procedures described in this brochure are required by law.

Benefits Summary for the Basic Medicare Supplement Plan

(Subject to Preexisting Conditions limitation)

ELIGIBLE SERVICES DURING EACH BENEFIT PERIOD	MEDICARE PAYS	BASIC MEDICARE SUPPLEMENT PLAN PAYS	YOU PAY
--	---------------	-------------------------------------	---------

Hospitalization – Medicare Part A

First 60 days	100% after Part A deductible	\$0	Part A deductible unless you added the Part A deductible rider
61st to 90th day	100% after Part A coinsurance	Part A coinsurance	\$0
After 90 days, for as long as your 60 lifetime reserve days last	100% after Part A coinsurance	Part A coinsurance	\$0
When Medicare benefits are exhausted	\$0	All eligible expenses not covered by Medicare	\$0

There is a 190-day lifetime limit for inpatient services in a psychiatric hospital. The 190-day limit does not apply to mental health services provided in a psychiatric unit of an acute care facility.

Medicare-Certified Skilled Nursing Facilities – Medicare Part A

First 20 days	100%	\$0	\$0
21st to 100th day	100% after Part A coinsurance	Part A coinsurance	\$0
After 100 days	\$0	\$0	All charges

Medical Expenses – Medicare Part B (Physician services and other covered services and supplies)

Part B deductible	\$0	\$0	Part B deductible unless you added the Part B deductible rider
Medicare's approved charge after the deductible is satisfied	80% of Medicare's approved amount after Part B deductible	20% of Medicare's approved amount.	Any remaining charges. Any remaining charges up to the allowed amount will be paid at 80% only if you added the U&C rider

Prescription Drug Coverage

Outpatient prescription drugs	\$0	\$0	All charges. Coverage for prescription drugs may be available in a Medicare Part D plan
-------------------------------	-----	-----	---

IMPORTANT INFORMATION

- 1. THE MCHA POLICY DOES NOT COVER ALL MEDICAL EXPENSES BEYOND THOSE COVERED BY MEDICARE. THE POLICY DOES NOT COVER ALL SKILLED NURSING HOME CARE EXPENSES AND DOES NOT COVER CUSTODIAL OR RESIDENTIAL NURSING CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH NURSING HOME FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY.**
- 2. Read your policy very carefully. This outline of coverage is only a summary, and the policy should be consulted to determine the governing contractual provisions. Additionally, this outline does not give all details of Medicare coverage. Please contact your local social security office or consult the Medicare Handbook for more specific details.**
- 3. The policy will not be cancelled or nonrenewed because of the deterioration of your health.**
4. The Minnesota Comprehensive Health Association reserves the right to change the charges for the policy term in accordance with the provisions of the policy. Premium rates for the policy are determined annually. Rates, as approved by the Commissioner of Commerce, will be effective July 1 of each year and are based on a survey of rates of insurers offering similar products in effect, or to be in effect, on April 1 of the same calendar year as dictated by state law. (*Minn. Stat. 62E.08*)
5. The policy provides an anticipated loss ratio of 85%. This means that on the average, a policyholder may expect that \$85 of every \$100 in premium will be returned as benefits to the policyholder over the life of the policy.
6. Counseling services may be available through the State of Minnesota to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program.
7. Generally, no benefits are payable during the first six months for expenses—including prescription drugs—connected with any condition, illness or injury that was diagnosed or treated during the

90 days preceding the date Medica received your application. If the policy is replacing another Medicare supplement policy, this preexisting condition limitation period will be waived to the extent of time spent under the prior policy.

However, the law provides for a number of waivers to this general policy. The waivers only apply if Medica receives your application within 90 days of the termination date of your prior coverage. Refer to the application for additional information.

8. Referring insurance agents are not authorized to interpret, amend, or alter the terms of the MCHA policy, nor are referring insurance agents authorized to bind MCHA in any way.

Who is Eligible?

You are eligible for MCHA if:

- You have been a resident of Minnesota for the six months immediately preceding your application for MCHA coverage and you have been rejected for health coverage or received a restrictive rider, rate-up or preexisting condition limitation within six months of application for coverage;
- You have been the “holder” of a policy or certificate of Medicare supplement coverage which has been terminated by an insurer for reason other than nonpayment of premium; or
- You have been treated within the last three years for one of the special “presumptive conditions” listed on the application form.

Also, if applying for the MCHA Basic Medicare Supplement plan you must be enrolled in both Part A and Part B of the federal Medicare program.

How to Apply for MCHA Coverage

For an MCHA application form, contact your local insurance agent or call MCHA’s Customer Service Department at 1-800-906-5432 or 952-992-2345, Monday through Thursday, 8:00 a.m. to 5:00 p.m., and Friday, 9:00 a.m. to 5:00 p.m. TTY users may receive assistance by contacting us at 952-992-3650 or toll free 1-800-234-8819.

Once you have submitted application materials that comply with all application requirements, you will be

advised within 30 days whether it has been accepted or declined.

An initial premium payment is required before coverage can begin. Make your check payable to MCHA. MCHA also offers an electronic monthly or quarterly payment mode, ACH, which automatically transfers the month's or quarter's premium from your checking or savings account. If you choose the monthly billing option, you will be required to use the ACH payment process.

SUMMARY OF COVERED EXPENSES

Generally, covered expenses do not include the cost of treatment for a condition during the first six months of coverage if the condition was diagnosed or treated during the 90 days immediately preceding the date Medica received your application. However, the preexisting condition waiting period can be waived under specific circumstances. See the application form for information.

As of January 1, 2006, MCHA offers one Medicare supplement plan: the Basic Medicare Supplement Plan.

Following is an outline of the coverage furnished by the policy.

"Illness," whenever used in this outline includes both sickness and injury.

A. MEDICARE PART A SUPPLEMENTAL COVERAGE

1. Hospital Confinement Benefits:

No coverage will be provided for the Medicare Part A deductible for each benefit period.

Coverage is provided for the Medicare Part A inpatient hospital coinsurance amounts and 100% of all Medicare Part A covered expenses for hospitalization not covered by Medicare after satisfying the Medicare Part A deductible, during any benefit period. There is a 190-day lifetime limit for inpatient services in a psychiatric hospital.

2. Skilled Nursing Facility Confinement Benefits:

Coverage is provided for 100% of the Medicare Part A coinsurance amounts for confinement in a Medicare certified Skilled

Nursing Facility from the 21st day through the 100th day of a benefit period.

B. MEDICARE PART B SUPPLEMENTAL COVERAGE

No coverage will be provided for the Medicare Part B calendar year deductible. After satisfying the Medicare Part B deductible, coverage is provided for 100% of the coinsurance expenses of the Medicare Part B approved amount and for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under Medicare Parts A and B, unless replaced in accordance with federal regulations or otherwise covered by the policy.

C. OPTIONAL ADDITIONAL COVERAGE

Coverage is available under optional riders at additional premium rates for the following:

1. Coverage for all of the Medicare Part A deductible amounts for each benefit period.
2. Coverage for 80% of the usual and customary charges that exceed the Medicare-approved amount for Part B covered services and supplies. (Does not include the Part B calendar year deductible amount.)
3. Coverage for 100% of the Medicare Part B calendar year deductible.

D. OTHER BENEFITS COVERED BY THE BASIC MEDICARE SUPPLEMENT PLAN

Coverage is furnished for:

1. Residential Treatment Program

Coverage for 80% of the allowed amount for services and supplies received in a hospital or residential program for the treatment of alcoholism or chemical dependency.

2. Non-Residential Treatment Program

Coverage for 80% of the allowed amount for services and supplies in a non-residential program for the treatment of alcoholism or chemical dependency.

NOTE: The following limits apply to Residential and Non-residential Treatment Programs:

a. Inpatient care is limited to 73 days/year

b. Outpatient care is limited to 130 hours/year

3. TMJ

Coverage for 80% of the allowed amount for temporomandibular and craniomandibular joint disorder.

4. Scalp hair prosthesis

Coverage for 80% of the allowed amount for scalp hair prosthesis. Hair loss must be due to alopecia areata. The maximum is \$350 per person per calendar year.

5. Cancer Screenings

Coverage for 100% of the allowed amount for routine screening procedures for cancer including mammograms, Pap smears, and prostate-specific antigen (PSA) tests for men.

6. Ventilator-Dependent Persons

Coverage for 80% of the allowed amount for services during the first 120 hours of confinement for services that are provided by a private-duty nurse for a ventilator-dependent person in a hospital licensed under Chapter 144. The private-duty nurse shall perform only the services of communicator or interpreter for the ventilator-dependent patient during the patient's transition, from home to the hospital, to assure adequate training of the hospital staff to communicate with the ventilator-dependent patient and to understand the unique needs of the patient.

7. Reconstructive and Restorative Surgery

Coverage for 80% of the allowed amount for services for reconstructive and restorative surgery. Reconstructive and restorative surgery means surgery that is necessary to rebuild or correct: a functional, physical defect which was present at birth and adversely affects the ability to perform routine activities; or a body part after surgery due to an injury, sickness or disease of the involved part of the body; or a physical defect which has a direct adverse affect on your physical health or function of the affected body part and which is medically necessary.

8. Immunizations

Coverage for 100% of the allowed amount for immunizations (excluding those eligible under Medicare Part D).

9. Management and Treatment of Diabetes

Coverage for 80% of the allowed amount for physician prescribed and medically appropriate and necessary equipment and supplies used for the management and treatment of diabetes, including blood/urine testing tabs and strips. Insulin, needles and syringes are excluded. Coverage for 80% of the allowed amount for a diabetic eye exam, including refractive eye exams. One diabetic eye exam is covered per year.

10. Lyme Disease

Coverage for 80% of the allowed amount for medical services and supplies received for treatment of diagnosed Lyme disease.

11. Foreign Travel

Coverage for 80% of the allowed amount for hospital and medical services and supplies received as a result of a medical emergency during travel outside the United States.

12. Port Wine Stain Treatment

Coverage for 80% of the allowed amount for medical services and supplies received for treatment to lighten or remove the coloration of a port wine stain.

13. Phenylketonuria ("PKU") Treatment

Coverage for 80% of the allowed amount for the dietary medical treatment of phenylketonuria ("PKU").

14. At-Home Recovery Services

Coverage for 100% of the actual charges for short-term at-home assistance with activities of daily living for those recovering from an illness, injury or surgery, to a maximum benefit of \$40 per visit. Coverage is limited to a maximum benefit of \$1,600 per year and 7 visits in any one week.

15. Kidney Dialysis Transportation That Is Not Eligible Under Medicare

Coverage of 80% to 100% for reasonable

mileage reimbursement up to \$0.30 per mile for transportation to a kidney dialysis center for treatment.

16. Outpatient Mental Health

Coverage for 50% of the allowed amount for outpatient mental health services.

EXCLUSIONS

A. General Exclusions

1. Preexisting conditions as described in this disclosure statement and the application form.
2. Any treatment service or supply which is not medically necessary.
3. Services covered under workers' compensation, or a similar law or under a no fault automobile insurance policy.
4. Cosmetic surgery or services, unless reconstructive.
5. Diagnostic admissions for services that could be performed on an outpatient basis.
6. Charges for therapeutic acupuncture, investigative services, marital or family counseling, recreational or educational therapy or services of the clergy.
7. Charges for confinement in a hospital which does not usually impose charges.
8. Any charge in excess of the "Allowed Amount" charge for a service or supply.
9. Any charge for services or supplies for mental illness or nervous disorder when patient is not confined in a hospital other than as specifically covered in the policy.
10. Any charge for eyeglasses, hearing aids, contacts, or examinations for eyeglasses, contact fittings, or hearing aids.
11. Any charge for a service or supply that is not within the scope of the provider's license.
12. Any charge for routine examinations not related to an illness other than as specifically identified in the policy.

13. Any charge for custodial care.
14. Any charge for dental care, other than as specifically covered in the policy.
15. Charges for professional services of a private-duty nurse, other than specifically identified in the policy.
16. Outpatient prescription or drug supplies except as covered by Medicare Part B.
17. Blood and blood derivatives other than as specifically covered in the policy.
18. Any charge covered under another insurance plan when that plan is primary.
19. Personal services or convenience items, such as television or barber shop service.
20. Charges by a member of your family.

The above is a summary of the principal exclusions of the policy. See the policy for a complete description of the exclusions and limitations.

RIGHT TO RETURN POLICY OR CERTIFICATE

If you find that you are not satisfied with your policy for any reason, you may return it to:

Minnesota Comprehensive Health Association
PO Box 9310
Minneapolis, Minnesota 55440-9310

If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments within ten (10) days.

POLICY OR CERTIFICATE REPLACEMENT

If you are replacing another health insurance policy or certificate, do **NOT** cancel it until you have actually received your new policy and are sure you want to keep it.

NOTICE

This policy may not fully cover all of your medical costs.

NEITHER THE MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION NOR ITS AGENTS ARE ASSOCIATED WITH MEDICARE.

COMPLETE ANSWERS ARE VERY IMPORTANT.

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. MCHA may cancel your policy and refuse to pay any claims if you leave out or falsify important medical information.

Review the application before you sign it. Be certain that all information has been properly recorded.

MEDICA®

PO Box 9310, Minneapolis, MN 55440-9310

© 2006 Medica. Medica® is a registered service mark of Medica Health Plans. "Medica" refers to the family of health plan businesses that includes Medica Health Plans, Medica Health Plans of Wisconsin, Medica Insurance Company, and Medica Self-Insured.

CHA1548-10805