

COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION
BUREAU OF INSURANCE
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ADMINISTRATIVE LETTER
1992-13

TO: All Companies Licensed to Write Accident and Sickness Insurance in Virginia

RE: Mammogram Benefits in Medicare Supplement Policies

The Omnibus Reconciliation Act (OBRA) of 1990 requires the standardization of the benefits included in Medicare supplement insurance policies. OBRA provides, in part that "...the total number of different benefit packages that may be established in all the states and by all insurers shall not exceed 10." The content of the Medicare supplement benefit packages is specifically provided as required by federal law.

Policies delivered or issued for delivery in Virginia must conform with federal law. Any state law in conflict with federal law is pre-empted because of the supremacy of federal law over state law. As a result of standardization, Virginia's mandated benefit for mammography coverage (§38.2-3418.1) can no longer be applied to Medicare supplement policies because the benefit, to some degree, duplicates Medicare benefits and is therefore in conflict with federal law.

The Health Care Financing Administration (HCFA) required states to conform to the federal standard by July 30, 1992, after which Medicare supplement policies cannot be sold in Virginia if they do not comply with federal requirements. Each insurer has recently been sent a copy of the Commission's Revised Rules Governing Minimum Standards For Medicare Supplement Policies (Regulation No. 35), which became effective on that date. Compliance with the provisions of revised Regulation No. 35 will satisfy both state and federal requirements, and mammography benefits are addressed in Section 9.C.(9) of the regulation.

Sincerely,

Steven T. Foster
Commissioner of Insurance