**20:06:13:17.08.  Reinstitution of coverage following loss of eligibility for Medicaid.** If suspension of Medicare supplement coverage occurs for a period of eligibility for Medicaid and if the policyholder or certificateholder loses entitlement to Medicaid, the policy or certificate shall be automatically reinstituted effective as of the date of termination of entitlement if the policyholder or certificateholder provides notice of loss of entitlement to Medicaid within 90 days after the date of the loss and pays the premium attributable to the period, effective as of the date of termination of entitlement.

Reinstitution of Medicare supplement coverage must comply with the following requirements:

(1)  The coverage may not provide for any waiting period for treatment of preexisting conditions;

(2)  The coverage must be substantially equivalent to coverage in effect before the date of suspension. If the suspended policy or certificate provided coverage for outpatient prescription drugs, reinstitution of the policy or certificate for Medicare part D enrollees shall be without coverage for outpatient prescription drugs and shall otherwise provide substantially equivalent coverage to the coverage in effect before the date of suspension; and

(3)  The coverage must provide for classification of premiums on terms at least as favorable to the policyholder or certificateholder as the premium classification terms that would have applied to the policyholder or certificateholder had the coverage not been suspended. This section applies to 1990 standardized Medicare supplement benefit plans as well as 2010 standardized Medicare supplement benefit plans.

**Source:** 18 SDR 225, effective July 17, 1992; 31 SDR 214, effective July 6, 2005; 35 SDR 183, effective February 2, 2009.

**General Authority:** SDCL 58-17A-2.

**Law Implemented:** SDCL 58-17A-2.