State Guaranteed-Issue Rules When Leaving a Group

Each state handles leaving a group plan differently; there is no federal regulation requiring a guaranteed issue unless someone leaves a plan involuntarily. This does not apply if the individual delayed Part B enrollment when turning 65. There are certain things that will be required by most carriers, however, regardless of state rules:

* Written proof of voluntary termination
* Written proof of involuntary termination
* Certificate of group health plan coverage
* Additionally, IA, OK, VA and WV require proof that group coverage has been reduced to a 0certain level based on state guidelines. Reduction in benefits is defined as increased cost sharing — for example, increased deductibles and co-insurance including co-pays.

The following chart explains the rules for leaving a group voluntarily in the states that allow a guaranteed issue after doing so.

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| **State**  | **GI for Voluntarily Leaving a Group**  |
| ID, IL, IN, ME, NJ, OH, TX, IN, OH, MT, PA  | The employer plan must be primary to Medicare.  |
| AR, MO, LA, SD  | No requirements. It is always allowed.  |
| CA  | If the employer plans stops covering Part B co-insurance.  |
| IA  | Any reduction in employer plan benefits. There is no limit specified.  |
| OK, VA, WV, NM  | If there is a “substantial” reduction in employer plan benefits.  |
| WI  | If the annualized premium for the employer plan becomes more than 125% of the Basic plan’s annual premium for the applicant’s age, sex and tobacco use.  |