

### **Subrogation**

Personal Health Plan has a subrogation feature. Subrogation means that Medical Mutual requests payment from a third party. For example, if a subscriber incurs covered hospital, physician or other medical expenses in connection with the treatment of an illness or injury caused by the negligence or wrongful act of a third party, Medical Mutual has the right to subrogate the claim. Medical Mutual will subrogate the claim against the third party, the third party's insurer, or against the employer's /member's uninsured, under-insured or medical payment policy.

### **Coinsurance Carryover**

Personal Health Plans do **not** carry over coinsurance met under another carrier's coverage or another program's coverage.

### **4<sup>th</sup> Quarter Deductible Carryover**

All Standard Personal Health Plans (including the Short-Term plan) carryover deductible amounts incurred during the fourth quarter of a policy year (October – December) to the following policy year.

HSA Compatible plans do not allow 4<sup>th</sup> Quarter Deductible carryover per Department of Treasury guidelines.

### **Pre-Existing Condition Clause**

For Contracts with effective dates on or before 12/31/04 - If a pre-existing condition existed at any time during the six-month period immediately preceding an applicant's effective date, Medical Mutual will not provide benefits for covered services relating to the pre-existing condition until the subscriber has been enrolled in a Personal Health Plan for nine months. A pre-existing condition is a condition for which an ordinarily prudent person would seek medical advice, diagnosis, care or treatment; or for which the applicant/dependent incurred medical expenses, received medical treatment, used a prescription drug or was advised by a physician or other medical professional to receive treatment.

For Contracts with effective dates on or after 1/1/05 – If a pre-existing condition existed at any time during the six-month period immediately preceding an applicant's effective date, Medical Mutual will not provide benefits for covered services relating to the pre-existing condition until the subscriber has been enrolled in a Personal Health Plan for twelve months. A pre-existing condition is a condition for which an ordinarily prudent person would seek medical advice, diagnosis, care or treatment; or for which the applicant/dependent incurred medical expenses, received medical treatment, used a prescription drug or was advised by a physician or other medical professional to receive treatment.

### **Creditable Coverage**

If the applicant had applicable healthcare coverage prior to their effective date, and he/she did not experience a significant break in coverage, then their prior coverage will be credited toward the pre-existing condition exclusion period. A significant break in coverage (including the Short-Term plan) is a period of at least 63 consecutive days during which the applicant did not have any other health insurance coverage.

Therefore, if an applicant currently has insurance or has been enrolled in another health plan until recently, then it is very important to complete the creditable coverage section of the application. Medical Mutual will not credit an individual's pre-existing clause if the application is not completed with this information at the time of application submission.

Please note: Medical Mutual reserves the right to request a HIPAA letter (also called a Certificate of Creditable Coverage) from the prior carrier.