

# **COST EFFECTIVE INSURANCE**

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## **Premiums That May be Reimbursable**

Premiums may be reimbursable for other health care coverage offered through an employer or group, individual plan or retiree plan. This includes premiums for dental or vision coverage or long-term care premiums a client is required to pay during an elimination period.

When information indicating these types of other health care coverage is available, follow directions on the Cost Effective Insurance Review Worker Steps, DHS-2841E, to determine if the policy is cost effective.

## **Premiums Not Reimbursable**

The following types of policies are not considered cost effective so should be denied for payment of insurance premiums:

- Minnesota Comprehensive Health Association (MCHA) policies.
  - Minnesota statute prohibits MA from paying MCHA premiums.
  - MA enrollees may carry MCHA coverage at their own expense.
- Limited Medical Benefit Plans offered by small group employers. These policies or plans cap annual benefits at low amounts and are typically not licensed as health insurance in Minnesota.
- High-deductible health plans with an associated Health Savings Account (HSA), Flexible Spending Arrangement (FSA), or Voluntary Employee's Beneficiary Association (VEBA) account.
  - An exception exists for these accounts which may allow them to be considered cost effective, please see the HCPM for additional information on this exception.
- Medicare Supplement (also known as Medigap) policies for clients who are eligible for MA and Medicare.
- Medicare Part C (Medicare Advantage) products, with or without prescription drug coverage, for people age 65 or older.
- Medicare Part B premiums for MA-EPD enrollees with income greater than 200% FPG. Do not count spousal income in this calculation.
- For people age 65 and over who are MA and Medicare eligible, group health insurance products, such as those offered by employers, unions or retiree plans that either:
  - Do not include prescription drug coverage.
  - Include prescription drug coverage that is not considered creditable drug coverage.
- Long-term care and hospital indemnity policies that provide cash payments for each day in a hospital or nursing facility and the client is not currently collecting benefits. These payments are considered TPL.