



ADMINISTRATIVE RULES OF MONTANA

6.6.5079F CREDITABLE COVERAGE AND METHODS OF COUNTING

- (1) Periods of creditable coverage must be counted for individuals previously covered under any health coverage set forth in 33-22-140(4) (a) , MCA, and for coverage under the association plan or the association portability plan as set forth in Title 33, chapter 22, part 15, MCA.
- (2) For purposes of reducing any preexisting condition exclusion period, as provided under 33-22-514 and 33-22-1811, MCA, a group health plan, and a health insurance issuer offering group health coverage, must determine the amount of an individual's creditable coverage by using the standard method described in (3) , except that the plan, or issuer, may use the alternative method under (4) with respect to any or all of the categories of benefits described under (4) (b) .
- (3) Under the standard method, a group health plan, and a health insurance issuer offering group health insurance coverage, shall determine the amount of creditable coverage without regard to the specific benefits included in the coverage.
 - (a) Subject to (4) (d) , for purposes of reducing the preexisting condition exclusion period, a group health plan, and a health insurance issuer offering group health insurance coverage, shall determine the amount of creditable coverage by counting all the days that the individual has under one or more types of creditable coverage. Accordingly, if on a particular day, an individual has creditable coverage from more than one source, all the creditable coverage on that day is counted as one day. Further, any days in a waiting period for a plan or policy are not creditable coverage under the plan or policy.
 - (i) Days of creditable coverage that occur before a significant break in coverage are not required to be counted.
 - (ii) A significant break in coverage means a period of 63 consecutive days during all of which the individual does not have any creditable coverage, except that neither a waiting period nor an affiliation period is taken into account in determining a significant break in coverage.
 - (iii) Notwithstanding any other provisions of (3) , for purposes of reducing a preexisting condition exclusion period using the standard method, but not for purposes of issuing a certificate under ARM 6.6.5079G, a group health plan, and a health insurance issuer offering group health insurance coverage, may determine the amount of creditable coverage in any other manner that is at least as favorable to the individual as the method set forth in (3) , subject to the requirements of other applicable law.
- (4) Under the alternative method, a group health plan, or a health insurance issuer offering group health insurance coverage, shall determine the amount of creditable coverage based on coverage within any category of benefits described in (4) (b) and not based on coverage for any other

benefits. The plan or issuer may use the alternative method for any or all of the categories. The plan may apply a different preexisting condition exclusion period with respect to each category, and may apply a different preexisting condition exclusion period for benefits that are not within any category. The creditable coverage determined for a category of benefits applies only for purposes of reducing the preexisting condition exclusion period with respect to that category. An individual's creditable coverage for benefits that are not within any category for which the alternative method is being used is determined under the standard method of (3) .

- (a) A plan or issuer using the alternative method is required to apply it uniformly to all participants and beneficiaries under the plan or policy. The use of the alternative method must be set forth in the plan.
- (b) The alternative method for counting creditable coverage may be used for coverage for any of the following categories of benefits:
 - (i) Mental health;
 - (ii) Substance abuse treatment;
 - (iii) Prescription drugs;
 - (iv) Dental care;
 - (v) Vision care;
- (c) If the alternative method is used, the plan is required to:
 - (i) State prominently that the plan is using the alternative method of counting creditable coverage in disclosure statements concerning the plan, and state this to each enrollee at the time of enrollment under the plan; and
 - (ii) Include in these statements a description of the effect of using the alternative method, including an identification of the categories used.
- (d) With respect to health insurance coverage offered by an issuer in the small or large group market, if the insurance coverage uses the alternative method, the issuer shall state prominently in any disclosure statement concerning the coverage, and to each employer at the time of the offer or sale of the coverage, that the issuer is using the alternative method, and include in such statements a description of the effect of using the alternative method. This applies separately to each type of coverage offered by the health insurance issuer.
- (e) Statements under (4) (c) and (d) must be in writing.
- (f) Under the alternative method, the group health plan or issuer must count creditable coverage within a category if any level of benefits is provided within the category. Coverage under a reimbursement account or arrangement, such as a flexible spending arrangement (as defined in section 106(c) (2) of the Internal Revenue Code) , does not constitute coverage within any category. In counting an individual's creditable coverage under the alternative method, the group health plan, or issuer, shall first determine the amount of the individual's creditable coverage that may be counted under (3) , up to a total of 365 days of the most recent creditable coverage (546 days for a late enrollee in the case of an individual in a small group plan) . The period over which this creditable coverage is determined is referred to as the "determination period". Then, for the category specified under the alternative method, the plan or issuer must count within the category all days of coverage that occurred during the determination period (whether or not a significant break in coverage for that category

occurs) , and must reduce the individual's preexisting condition exclusion period for that category by that number of days. The plan or issuer may determine the amount of creditable coverage in any other reasonable manner, uniformly applied, that is at least as favorable to the individual.

Authorizing statute(s): Sec. 33-22-143 and 33-22-1822, MCA

Implementing statute(s): Sec. 33-22-141, MCA

History: NEW, 1998 MAR p. 1698, Eff. 6/26/98.