

2740.9992 EXAMPLE II.**Subpart 1. Use of actuarial equivalence test.**

A. Question: Is the following plan actuarially equivalent to any Minnesota qualified plan?

Hospital: \$170 per day, 365 days; 80 percent of miscellaneous extras, the cost of anesthesia is included. The policy does not pay for private room even if medically necessary.

Surgery: \$3,000 maximum surgical schedule. Add 15 percent for the administration of anesthesia.

In hospital physicians calls: \$25 per day - 365 day maximum

Maternity: Any complications

X-ray and lab tests (out of \$500 maximum - unscheduled hospital):

B. Answer (calculated January 1, 1985): test result is 1004 points. This plan is a Minnesota qualified plan number two.

Subp. 2. **Worksheet.** Test for actuarial equivalence other than Medicare supplement plans.

A. Worksheet.**Major Medical**

Subpart
of part

2740.9964	Benefit	Basic	Superimposed	Comprehensive
	1. Hospital room and board	275		
	2. Hospital extras (80 percent)	384		
	3. Surgery	189		
	4. Physician care; home, office			
	5. Physician care; hospital	33		
	6. Maternity	25		
	7. Diagnostic X-ray and lab	98		
	8. Drugs and medicine			
	9. Radioactive therapy			

- 10. Nursing/convalescent facility
- 11. Home health care
- 12. Physical therapy
- 12. Oxygen
- 12. Prostheses
- 12. Durable medical equipment
- 12. Second opinion surgery
- 12. Private duty nursing
- 12. Ambulance
- 13. Hospital room and board in full
- 14. All hospital expenses in full
- 15. Major medical maximums

Subtotal reasonable and customary medical services

- 16. Deductible
- 16. Coinsurance

Subtotal net of deductible and coinsurance

- 17. Adjust (comb. medical/dental ded.)
- 18. COB/No-fault
- 19. Limit on "out-of-pocket" expenses
- 20. Well baby care
- 21. Emergency and supplemental accident
- 22. Student dependents
- 23.-25. Superimposed major medical

Grand Total 1004

Combined basic and superimposed XXX XXX

Equivalent to Minnesota qualified plan number 2
nonqualified

Date _____ By _____

B. Miscellaneous calculations.

(1) Policy does not pay extra for private room even if medically necessary. Deduct three points from the 359. Since the ASP value in 1985 is 220, the number of points will be 356 times the ratio of 170 to 220 or 275.09 points.

(2) The surgical table was evaluated as 3,680.02 points. The points not including administration of anesthesia is 206 times the ratio of 3680.02 to 4620.00 or 164.09 points. For administration of anesthesia, the points are 164 times .15 or 24.6 points.

(3) Since the maximum per diem cost of in-hospital physicians calls is less than the cost for routine follow-up (24.20 times 1.08 or 26.14), subtract 14 points from the number of points for prevailing fee with 365-day maximum. The result is 35 points. Multiply the 35 points by the ratio of \$25 to 26.14 or 33.47 points.

(4) Since the ASP factor is 1.15, the \$200 and \$500 maximum shown in part 2740.9964, subpart 7 is now 230 and 575 respectively. Thus the \$500 maximum is 78.26 percent of the way between the two maximums. Therefore the point value equals 89 plus .7826 times (101-89) or 98.39 points.

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