

February 13, 1985

SUBJECT: INSURANCE

Circular Letter No. 1 (1985)

February 13, 1985

Re: Premium Discount On Personal Injury Protection Rates Relating to Medicare Offset

Circular Letter No. 9, issued on May 17, 1983 dealt with interim claim and premium billing procedures during pendency of litigation initiated by the Department challenging a Federal Rule (48 Fed. Reg 14,802), promulgated by the Health Care Financing Administration, which denies Medicare payments for medical services covered under an automobile no-fault insurance policy.

The litigation has failed to overturn the Federal Rule, however, and the Attorney General of the State of New York has determined not to appeal the decision of the federal district court. Therefore, the Medicare premium discount previously granted to Medicare eligibles is no longer applicable since June 6, 1983, the date the Federal Rule became effective. Consequently, insurers can no longer apply the Medicare offset for medical services covered under an automobile no-fault insurance policy.

Very truly yours,

James P. Corcoran

Superintendent of Insurance