



**STATE OF NEW YORK  
INSURANCE DEPARTMENT  
AGENCY BUILDING ONE  
EMPIRE STATE PLAZA  
ALBANY, NY 12257**

**Circular Letter No. 23 (1998)  
September 28, 1998**

**To: ALL INSURERS AUTHORIZED TO WRITE ACCIDENT AND HEALTH INSURANCE IN NEW YORK STATE, INCLUDING ARTICLE 43 CORPORATIONS**

**Re: MEDICAL SAVINGS ACCOUNT HIGH DEDUCTIBLE HEALTH INSURANCE POLICIES**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) permits a small business or a self-employed individual to establish a medical savings account (MSA) and claim a tax deduction for contributions made to the account. The MSA must be established in conjunction with a high deductible health plan. Under HIPAA a qualifying high deductible health plan has an annual deductible of at least \$1,500 (but not more than \$2,250) for individual coverage and at least \$3,000 (but not more than \$4,500) for family coverage. Additionally, maximum annual out-of-pocket expenses with respect to covered benefits cannot exceed \$3,000 for individual coverage and \$5,500 for family coverage.

The Insurance Department currently provides consumers with a list of insurance companies which have indicated that they offer a "high deductible health plan". The information we provide consists of the name of the insurance company, the counties where the policy is available, whether or not the policy is available to self-employed individuals and the phone number at the insurance company that consumers can call for coverage information and applications.

In order to ensure the timeliness and accuracy of the information being provided by the Department, all insurers authorized to write accident and health insurance, including Article 43 Corporations, are required to provide answers to the following questions:

- 1) Does your company currently issue in New York, or intend to issue, high deductible health plans to small employers (employers with 50 or fewer employees)?
- 2) If the answer to 1) above is "yes", does your company currently offer, or does it intend to offer, the high deductible health plan to self-employed individuals?
- 3) If the answer to 1) or 2) above is "yes", please identify the policy form number(s) of such high deductible health plan(s).
- 4) If the answer to 1) or 2) above is "yes", in what counties are the high deductible health plans available?
- 5) Please provide the telephone number at your company for consumers to obtain coverage information regarding high deductible health plans and applications.
- 6) Please provide the name and telephone number of the person in the employ of your company who can be contacted

by New York Insurance Department representatives regarding this survey and related questions on Medical Savings Accounts.

Please respond in writing by mail or facsimile transmission no later than November 5, 1998 to:

Susan Swift, Senior Insurance Examiner  
New York State Insurance Department  
Consumer Services Bureau  
Agency Building One, Empire State Plaza  
Albany, New York, 12257  
(518) 473-0750  
FAX (518) 486-1503

Insurers are also required to give timely notification to the Consumer Services Bureau of any changes in the above information.

SALVATORE CASTIGLIONE  
Chief  
Consumer Services Bureau