

SENATE BILL 56

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(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Insurance Administration, Maryland)**

Requested: September 24, 2009

Introduced and read first time: January 13, 2010

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Medicare Supplement Policies – Repeal of Requirement**
3 **to Offer Plan I**

4 FOR the purpose of repealing a certain requirement that certain carriers make
5 available a Medicare supplement policy plan I to certain individuals if an
6 application for a Medicare supplement policy or certificate is submitted during
7 certain time periods; making conforming changes; and generally relating to
8 health insurance and Medicare supplement policies.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 15–909(b)
12 Annotated Code of Maryland
13 (2006 Replacement Volume and 2009 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Insurance**

17 15–909.

18 (b) (1) If an application for a Medicare supplement policy or certificate is
19 submitted during the 6–month period beginning with the first month in which an
20 individual who is at least 65 years old first enrolls for benefits under Medicare Part B,
21 a carrier:

22 (i) may not deny or condition the issuance or effectiveness of
23 the Medicare supplement policy or certificate or discriminate in the pricing of the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Medicare supplement policy or certificate because of the health status, claims
2 experience, receipt of health care, or medical condition of the applicant; or

3 (ii) may not deny, reduce, or condition coverage or apply an
4 increased premium rating to an applicant for a Medicare supplement policy because of
5 the health status, claims experience, or medical condition of the applicant or the use of
6 medical care by the applicant.

7 (2) Notwithstanding paragraph (1)(ii) of this subsection, a carrier may
8 include in a Medicare supplement policy a provision that complies with subsection (d)
9 of this section.

10 (3) (i) A carrier shall make available Medicare supplement policy
11 plans A[, C, and I] **AND C** to an individual who is under the age of 65 years but is
12 eligible for Medicare due to a disability, if an application for a Medicare supplement
13 policy or certificate is submitted:

14 1. during the 6-month period following the applicant's
15 enrollment in Part B of Medicare; or

16 2. for an individual terminated from the Maryland
17 Health Insurance Plan as a result of enrollment in Part B of Medicare, during the
18 6-month period after the individual's termination.

19 (ii) For a Medicare supplement policy plan A[, C, or I] **OR C**
20 required to be made available under subparagraph (i) of this paragraph, a carrier:

21 1. may not deny or condition the issuance or
22 effectiveness of a Medicare supplement policy plan A[, C, or I] **OR C** because of the
23 health status, claims experience, receipt of health care, or medical condition of the
24 applicant; or

25 2. may not deny, reduce, or condition coverage to the
26 applicant for a Medicare supplement policy plan A[, C, or I] **OR C** because of the
27 health status, claims experience, or medical condition of the applicant or the use of
28 medical care by the applicant.

29 (iii) For a Medicare supplement policy plan A required to be
30 made available under subparagraph (i) of this paragraph, a carrier may not charge
31 individuals who are under the age of 65 years, but are eligible for Medicare due to a
32 disability, a rate higher than the average of the premiums paid by all policyholders
33 age 65 and older in the State who are covered under that plan A policy form.

34 (4) A carrier may elect to offer Medicare supplement policy plans to
35 individuals who are under the age of 65 years, but eligible for Medicare due to a
36 disability, in addition to the Medicare supplement policy plans A[, C, and I] **AND C**
37 that are required to be offered under paragraph (3)(i) of this subsection.

1 (5) Nothing in paragraph (3) of this subsection may be construed to
2 require a carrier to offer a Medicare supplement policy plan to individuals who are
3 under the age of 65 years, but are eligible for Medicare due to a disability, if the plan
4 is not offered to individuals who are eligible for Medicare due to age.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 June 1, 2010.