

SENATE BILL 116

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C3

1998 Regular Session
(8r0185)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senators Kelley, Stone, Colburn, Ruben, Trotter, and Conway**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Medicare Supplement Policies - Individuals With a Disability - Eligibility**

3 FOR the purpose of requiring certain persons that issue or deliver Medicare
4 supplement policies or certificates to individuals who are eligible for Medicare
5 by reason of age to offer under certain circumstances ~~the same policies or~~
6 ~~certificates~~ certain Medicare supplement policy plans under ~~the same~~ certain
7 terms and conditions to individuals who, regardless of age, are eligible for
8 Medicare due to a disability; and requiring the Maryland Insurance
9 Administration to submit certain reports.

10 BY repealing and reenacting, with amendments,
11 Article - Insurance
12 Section 15-909
13 Annotated Code of Maryland
14 (1997 Volume)

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

3 **Article - Insurance**

4 15-909.

5 (a) This section does not extend the number of days of hospitalization offered
6 under § 15-906(a)(3) of this subtitle to the extent those days of hospitalization have
7 been used under the original Medicare supplement policy.

8 (b) (1) If an application for a Medicare supplement policy or certificate is
9 submitted during the 6-month period beginning with the first month in which an
10 individual who is at least 65 years old ~~OR WHO IS UNDER THE AGE OF 65 YEARS, BUT~~
11 ~~IS ELIGIBLE FOR MEDICARE DUE TO A DISABILITY~~, first enrolls for benefits under
12 Medicare Part B, a carrier:

13 (i) may not deny or condition the issuance or effectiveness of the
14 Medicare supplement policy or certificate or discriminate in the pricing of the
15 Medicare supplement policy or certificate because of the health status, claims
16 experience, receipt of health care, or medical condition of the applicant; or

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

21 (2) Notwithstanding subsection (b)(1)(ii) of this section, a carrier may
22 include in a Medicare supplement policy a provision that complies with subsection (d)
23 of this section.

24 (3) (I) IF AN APPLICATION FOR A MEDICARE SUPPLEMENT POLICY OR
25 CERTIFICATE IS SUBMITTED BY AN INDIVIDUAL WHO IS UNDER THE AGE OF 65
26 YEARS, BUT IS ELIGIBLE FOR MEDICARE DUE TO A DISABILITY, A CARRIER SHALL
27 MAKE AVAILABLE TO THE APPLICANT BOTH A MEDICARE SUPPLEMENT POLICY PLAN
28 C AND A MEDICARE SUPPLEMENT POLICY PLAN I.

29 (II) FOR A MEDICARE SUPPLEMENT POLICY PLAN C OR A MEDICARE
30 SUPPLEMENT POLICY PLAN I REQUIRED TO BE MADE AVAILABLE UNDER
31 SUBPARAGRAPH (I) OF THIS PARAGRAPH, A CARRIER:

32 1. MAY NOT DENY OR CONDITION THE ISSUANCE OR
33 EFFECTIVENESS OF A MEDICARE SUPPLEMENT POLICY PLAN C OR A MEDICARE
34 SUPPLEMENT POLICY PLAN I BECAUSE OF THE HEALTH STATUS, CLAIMS
35 EXPERIENCE, RECEIPT OF HEALTH CARE, OR MEDICAL CONDITION OF THE
36 APPLICANT; OR

37 2. MAY NOT DENY, REDUCE, OR CONDITION COVERAGE TO
38 THE APPLICANT FOR A MEDICARE SUPPLEMENT POLICY PLAN C OR A MEDICARE
39 SUPPLEMENT POLICY PLAN I BECAUSE OF THE HEALTH STATUS, CLAIMS

1 EXPERIENCE, OR MEDICAL CONDITION OF THE APPLICANT OR THE USE OF MEDICAL
 2 CARE BY THE APPLICANT.

3 (4) A CARRIER MAY ELECT TO OFFER MEDICARE SUPPLEMENT POLICY
 4 PLANS TO INDIVIDUALS WHO ARE UNDER THE AGE OF 65 YEARS, BUT ELIGIBLE FOR
 5 MEDICARE DUE TO A DISABILITY, IN ADDITION TO THE MEDICARE SUPPLEMENT
 6 POLICY PLAN C AND THE MEDICARE SUPPLEMENT POLICY PLAN I THAT ARE
 7 REQUIRED TO BE OFFERED UNDER PARAGRAPH (3)(I) OF THIS SUBSECTION.

8 (5) NOTHING IN PARAGRAPH (3) OF THIS SUBSECTION MAY BE
 9 CONSTRUED TO REQUIRE A CARRIER TO OFFER A MEDICARE SUPPLEMENT POLICY
 10 PLAN TO INDIVIDUALS WHO ARE UNDER THE AGE OF 65 YEARS, BUT ARE ELIGIBLE
 11 FOR MEDICARE DUE TO A DISABILITY, IF THE PLAN IS NOT OFFERED TO
 12 INDIVIDUALS WHO ARE ELIGIBLE FOR MEDICARE DUE TO AGE.

13 (c) Regardless of the applicant's age, each Medicare supplement policy or
 14 applicable certificate that a carrier currently has available shall be made available to
 15 each applicant who qualifies under subsection (b) of this section.

16 (d) (1) Notwithstanding any other provision of law, a Medicare supplement
 17 policy or certificate may not exclude or limit benefits for losses incurred more than 6
 18 months after the effective date of coverage because the losses involved a preexisting
 19 condition.

20 (2) A Medicare supplement policy or certificate may not define a
 21 preexisting condition more restrictively than a condition for which a physician gave
 22 medical advice or recommended or gave treatment within 6 months before the
 23 effective date of coverage.

24 (e) If a Medicare supplement policy or certificate replaces another Medicare
 25 supplement policy or certificate, the succeeding carrier shall waive the time periods
 26 applicable to preexisting conditions, waiting periods, elimination periods, and
 27 probationary periods in the new Medicare supplement policy or certificate for similar
 28 benefits to the extent the time was spent under the original Medicare supplement
 29 policy or certificate.

30 (f) A carrier may not cancel or nonrenew a Medicare supplement policy or
 31 certificate for any reason other than for nonpayment of premium or material
 32 misrepresentation.

33 (g) (1) (i) If the group policyholder terminates a group Medicare
 34 supplement policy without replacing the group Medicare supplement policy under
 35 paragraph (3) of this subsection, the carrier shall offer each certificate holder an
 36 individual Medicare supplement policy.

37 (ii) The carrier shall offer the certificate holder at least the
 38 following:

39 1. an individual Medicare supplement policy that provides
 40 for continuation of the benefits contained in the group policy; or

