

HOUSE BILL 125
EMERGENCY BILL

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2004 Regular Session
4r0302

By: ~~Delegates Goldwater and Hammen~~, Hammen, Benson, Boteler, Boutin, Bromwell, Costa, Donoghue, Elliott, Hubbard, Hurson, Kach, Mandel, McDonough, Morhaim, Murray, Nathan-Pulliam, Oaks, Pendergrass, Rosenberg, Rudolph, Smigiel, V. Turner, and Weldon

Introduced and read first time: January 19, 2004
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 24, 2004

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Medicare Supplement Policies - Individuals Transferred**
3 **to Enrolled in the Maryland Health Insurance Plan**

4 FOR the purpose of requiring certain health insurance carriers to issue a Medicare
5 supplement policy to certain individuals who transferred from a substantial,
6 available, and affordable coverage plan to the Maryland Health Insurance Plan
7 on a certain date, are terminated from the Maryland Health Insurance Plan as
8 a result of eligibility for Medicare, and apply for a policy ~~on or before a certain~~
9 ~~date~~ within a certain period of time; prohibiting a carrier that issues a Medicare
10 supplement policy from excluding or limiting benefits for certain losses because
11 the losses involved a preexisting condition; requiring the Maryland Insurance
12 Administration to issue notice of certain requirements to certain carriers;
13 requiring the Maryland Health Insurance Plan to issue notice of the availability
14 of Medicare supplement coverage to certain individuals; requiring certain
15 carriers to issue certain Medicare supplement policies during a certain period of
16 time to certain individuals eligible for Medicare as a result of disability; making
17 this Act an emergency measure; providing for the termination of certain
18 provisions of this Act; and generally relating to Medicare supplement policies for
19 individuals transferred from a substantial, available, and affordable coverage
20 plan to the Maryland Health Insurance Plan.

21 BY repealing and reenacting, without amendments,
22 Article - Insurance
23 Section 15-901(a), (c), and (k)
24 Annotated Code of Maryland

1 (2002 Replacement Volume and 2003 Supplement)

2 BY adding to

3 Article - Insurance

4 Section 15-929

5 Annotated Code of Maryland

6 (2002 Replacement Volume and 2003 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article - Insurance

9 Section 15-909(b)(3)(i)

10 Annotated Code of Maryland

11 (2002 Replacement Volume and 2003 Supplement)

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

14 **Article - Insurance**

15 15-901.

16 (a) In this subtitle the following words have the meanings indicated.

17 (c) "Carrier" means an insurer, nonprofit health service plan, or fraternal
18 benefit society that is authorized to issue health insurance policies under this article.

19 (k) (1) "Medicare supplement policy" or "Medigap policy" means an
20 individual or group policy of health insurance or subscriber contract that is
21 advertised, marketed, or designed primarily as a supplement to reimbursements
22 under Medicare for the hospital, medical, or surgical expenses of individuals eligible
23 for Medicare.

24 (2) "Medicare supplement policy" or "Medigap policy" does not include:

25 (i) a policy that is issued pursuant to a contract under § 1876 of the
26 federal Social Security Act, 42 U.S.C. § 1395(mm); or

27 (ii) a policy that is issued under a demonstration project authorized
28 pursuant to amendments to the federal Social Security Act.

29 15-929.

30 (A) THIS SECTION APPLIES TO ANY INDIVIDUAL MEDICARE SUPPLEMENT
31 POLICY AND TO ANY MEDICARE SUPPLEMENT POLICY ISSUED TO A GROUP IN WHICH
32 AN INDIVIDUAL HAS PRIVILEGES ASSOCIATED WITH GROUP MEMBERSHIP.

1 ~~(A)~~ (B) A CARRIER THAT ISSUES MEDICARE SUPPLEMENT POLICIES SHALL
 2 ISSUE ANY MEDICARE SUPPLEMENT POLICY THE CARRIER SELLS IN THE STATE TO
 3 AN INDIVIDUAL WHO IS ELIGIBLE FOR MEDICARE DUE TO AGE IF THE INDIVIDUAL:

4 (1) TRANSFERRED FROM A SUBSTANTIAL, AVAILABLE, AND
 5 AFFORDABLE COVERAGE PLAN TO THE MARYLAND HEALTH INSURANCE PLAN ON
 6 JULY 1, 2003;

7 (2) IS TERMINATED FROM THE MARYLAND HEALTH INSURANCE PLAN
 8 AS A RESULT OF ELIGIBILITY FOR MEDICARE; AND

9 ~~(2)~~ (3) APPLIES FOR THE MEDICARE SUPPLEMENT POLICY ~~ON OR~~
 10 ~~BEFORE JULY 1, 2004~~ DURING THE 6-MONTH PERIOD AFTER THE INDIVIDUAL IS
 11 TERMINATED FROM THE MARYLAND HEALTH INSURANCE PLAN.

12 ~~(B)~~ (C) A CARRIER THAT ISSUES A MEDICARE SUPPLEMENT POLICY UNDER
 13 SUBSECTION ~~(A)~~ (B) OF THIS SECTION MAY NOT EXCLUDE OR LIMIT BENEFITS FOR
 14 LOSSES INCURRED AFTER THE EFFECTIVE DATE OF COVERAGE BECAUSE THE
 15 LOSSES INVOLVED A PREEXISTING CONDITION.

16 ~~(C)~~ (D) THE ADMINISTRATION SHALL ISSUE NOTICE OF THE REQUIREMENTS
 17 OF THIS SECTION TO EACH AFFECTED CARRIER IN THE STATE.

18 ~~(D)~~ (E) THE MARYLAND HEALTH INSURANCE PLAN SHALL ISSUE NOTICE OF
 19 THE AVAILABILITY OF MEDICARE SUPPLEMENT COVERAGE UNDER THIS SECTION TO
 20 EACH INDIVIDUAL ENROLLED IN THE MARYLAND HEALTH INSURANCE PLAN WHO
 21 MEETS THE REQUIREMENTS OF SUBSECTION ~~(A)~~(4) (B)(1) OF THIS SECTION.

22 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 23 read as follows:

24 Article - Insurance

25 15-909.

26 (b) (3) (i) [If an application for a Medicare supplement policy or
 27 certificate is submitted by an individual who is under the age of 65 years, but is
 28 eligible for Medicare due to a disability, during the 6-month period following the
 29 applicant's enrollment in Part B of Medicare, a carrier shall make available to the
 30 applicant both a Medicare supplement policy plan C and a Medicare supplement
 31 policy plan I.] A CARRIER SHALL MAKE AVAILABLE BOTH A MEDICARE SUPPLEMENT
 32 POLICY PLAN C AND A MEDICARE SUPPLEMENT POLICY PLAN I TO AN INDIVIDUAL
 33 WHO IS UNDER THE AGE OF 65 YEARS BUT IS ELIGIBLE FOR MEDICARE DUE TO A
 34 DISABILITY, IF AN APPLICATION FOR A MEDICARE SUPPLEMENT POLICY OR
 35 CERTIFICATE IS SUBMITTED:

36 1. DURING THE 6-MONTH PERIOD FOLLOWING THE
 37 APPLICANT'S ENROLLMENT IN PART B OF MEDICARE; OR

