

ENROLLED BILL
-- Finance/Health and Government Operations --

Introduced by **Senator Kelley**

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 Plan A Policies - Individuals With a Disability - Rates**

3 FOR the purpose of *requiring a carrier, under certain circumstances, to make*
4 *available a Medicare supplement policy plan A to an individual who is eligible*
5 *for Medicare due to a disability*; prohibiting a carrier from charging individuals
6 who, regardless of age, are eligible for Medicare due to a disability a higher rate
7 for a ~~particular type of~~ Medicare supplement *policy plan A policy* than the rate
8 charged by the carrier to certain individuals who are eligible for Medicare due to
9 age; requiring the Maryland Insurance Administration to conduct a certain
10 study and report its findings to certain committees of the General Assembly on
11 or before a certain date; *prohibiting a carrier from taking certain actions*
12 *relating to a Medicare supplement policy plan A for certain reasons if an*
13 *individual applies for the policy plan within a certain time period*; *providing for*
14 *the application of this Act*; *providing for a delayed effective date*; *providing for*
15 *the termination of this Act*; and generally relating to Medicare supplement plan
16 A policies under health insurance.

17 BY repealing and reenacting, with amendments,

1 Article - Insurance
 2 Section 15-909(b)
 3 Annotated Code of Maryland
 4 (2002 Replacement Volume and 2004 Supplement)

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

7 **Article - Insurance**

8 15-909.

9 (b) (1) If an application for a Medicare supplement policy or certificate is
 10 submitted during the 6-month period beginning with the first month in which an
 11 individual who is at least 65 years old first enrolls for benefits under Medicare Part
 12 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) A carrier shall make available ~~both a Medicare supplement~~
 25 ~~policy plan C and a Medicare supplement policy plan I~~ MEDICARE SUPPLEMENT
 26 POLICY PLANS A, C, AND I to an individual who is under the age of 65 years but is
 27 eligible for Medicare due to a disability, if an application for a Medicare supplement
 28 policy or certificate is submitted:

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

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

34 (ii) For a Medicare supplement policy plan ~~C or a Medicare~~
 35 ~~supplement policy plan A, C, OR~~ I required to be made available under subparagraph
 36 (i) of this paragraph, a carrier:

1 1. may not deny or condition the issuance or effectiveness of
 2 a Medicare supplement policy plan ~~C or a Medicare supplement policy plan A, C, OR I~~
 3 because of the health status, claims experience, receipt of health care, or medical
 4 condition of the applicant; or

5 2. may not deny, reduce, or condition coverage to the
 6 applicant for a Medicare supplement policy plan ~~C or a Medicare supplement policy~~
 7 ~~plan A, C, OR I~~ because of the health status, claims experience, or medical condition of
 8 the applicant or the use of medical care by the applicant.

9 (III) FOR A MEDICARE SUPPLEMENT POLICY PLAN A REQUIRED TO
 10 BE MADE AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, A CARRIER
 11 MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE AGE OF 65 YEARS, BUT ARE
 12 ELIGIBLE FOR MEDICARE DUE TO A DISABILITY, A RATE HIGHER THAN THE AVERAGE
 13 OF THE PREMIUMS PAID BY ALL POLICYHOLDERS AGE 65 AND OLDER IN THE STATE
 14 WHO ARE COVERED UNDER THAT PLAN A POLICY FORM.

15 (4) A carrier may elect to offer Medicare supplement policy plans to
 16 individuals who are under the age of 65 years, but eligible for Medicare due to a
 17 disability, in addition to the Medicare supplement policy plan ~~C and the Medicare~~
 18 ~~supplement policy plan~~ PLANS A, C, AND I that are required to be offered under
 19 paragraph (3)(i) of this subsection.

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

24 ~~(6) A CARRIER MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE~~
 25 ~~AGE OF 65 YEARS, BUT ARE ELIGIBLE FOR MEDICARE DUE TO A DISABILITY, A~~
 26 ~~HIGHER RATE FOR A PARTICULAR TYPE OF MEDICARE SUPPLEMENT POLICY THAN~~
 27 ~~THE RATE CHARGED BY THE CARRIER FOR THE SAME TYPE OF MEDICARE~~
 28 ~~SUPPLEMENT POLICY TO INDIVIDUALS IN THE SAME COUNTY OR SAME ZIP CODE~~
 29 ~~WHO ARE AT LEAST 65 YEARS OLD AND ARE ELIGIBLE FOR MEDICARE DUE TO AGE IF~~
 30 ~~A CARRIER OFFERS A MEDICARE SUPPLEMENT PLAN A POLICY IN THE STATE, THE~~
 31 ~~CARRIER MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE AGE OF 65 YEARS~~
 32 ~~AND ARE ELIGIBLE FOR MEDICARE DUE TO A DISABILITY A HIGHER RATE FOR A~~
 33 ~~MEDICARE SUPPLEMENT PLAN A POLICY THAN THE RATE CHARGED BY THE CARRIER~~
 34 ~~FOR A MEDICARE SUPPLEMENT PLAN A POLICY SOLD TO INDIVIDUALS IN THE SAME~~
 35 ~~COUNTY OR ZIP CODE WHO ARE AT LEAST 65 YEARS OLD AND ARE ELIGIBLE FOR~~
 36 ~~MEDICARE DUE TO AGE.~~

37 SECTION 2. AND BE IT FURTHER ENACTED, That ~~this Act shall take effect~~
 38 ~~October 1, 2005~~ the Maryland Insurance Administration shall study the impact of §
 39 ~~15-909(b)(6) § 15-909(b)(3)(iii)~~ of the Insurance Article, as enacted by Section 1 of this
 40 Act, on the availability and affordability of all Medicare supplement policies in the
 41 State and shall report its findings, in accordance with § 2-1246 of the State
 42 Government Article, to the Senate Finance Committee and the House Health and
 43 Government Operations Committee on or before January 1, 2008.

1 SECTION 3. AND BE IT FURTHER ENACTED, That a carrier may not deny or
2 condition the issuance or effectiveness of a Medicare supplement policy plan A because
3 of health status, claims experience, or medical condition of an individual who is under
4 the age of 65 years but is eligible for Medicare due to a disability and is currently
5 enrolled with that same carrier in a Medicare supplement policy plan C offered in the
6 State, provided that the individual applies for a Medicare supplement policy plan A
7 with that same carrier no later than 63 days after the policy plan C renewal date.

8 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall apply to all
9 Medicare supplement policies or certificates issued, delivered, or renewed in the State
10 on or after January 1, 2006.

11 SECTION ~~3~~. 5. AND BE IT FURTHER ENACTED, That this Act shall take
12 effect January 1, 2006. It shall remain effective for a period of 2 years and 6 months
13 and, at the end of June 30, 2008, with no further action required by the General
14 Assembly, this Act shall be abrogated and of no further force and effect.