
By: **Senator Kelley**

Introduced and read first time: January 21, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of prohibiting a carrier from charging individuals who, regardless of
4 age, are eligible for Medicare due to a disability a higher rate for a particular
5 type of Medicare supplement policy than the rate charged by the carrier to
6 certain individuals who are eligible for Medicare due to age; and generally
7 relating to Medicare supplement policies under health insurance.

8 BY repealing and reenacting, with amendments,
9 Article - Insurance
10 Section 15-909(b)
11 Annotated Code of Maryland
12 (2002 Replacement Volume and 2004 Supplement)

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

15 **Article - Insurance**

16 15-909.

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

21 (i) may not deny or condition the issuance or effectiveness of the
22 Medicare supplement policy or certificate or discriminate in the pricing of the
23 Medicare supplement policy or certificate because of the health status, claims
24 experience, receipt of health care, or medical condition of the applicant; or

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

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

4 (3) (i) A carrier shall make available both a Medicare supplement
5 policy plan C and a Medicare supplement policy plan I to an individual who is under
6 the age of 65 years but is eligible for Medicare due to a disability, if an application for
7 a Medicare supplement policy or certificate is submitted:

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

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

13 (ii) For a Medicare supplement policy plan C or a Medicare
14 supplement policy plan I required to be made available under subparagraph (i) of this
15 paragraph, a carrier:

16 1. may not deny or condition the issuance or effectiveness of
17 a Medicare supplement policy plan C or a Medicare supplement policy plan I because
18 of the health status, claims experience, receipt of health care, or medical condition of
19 the applicant; or

20 2. may not deny, reduce, or condition coverage to the
21 applicant for a Medicare supplement policy plan C or a Medicare supplement policy
22 plan I because of the health status, claims experience, or medical condition of the
23 applicant or the use of medical care by the applicant.

24 (4) A carrier may elect to offer Medicare supplement policy plans to
25 individuals who are under the age of 65 years, but eligible for Medicare due to a
26 disability, in addition to the Medicare supplement policy plan C and the Medicare
27 supplement policy plan I that are required to be offered under paragraph (3)(i) of this
28 subsection.

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

33 (6) A CARRIER MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE
34 AGE OF 65 YEARS, BUT ARE ELIGIBLE FOR MEDICARE DUE TO A DISABILITY, A
35 HIGHER RATE FOR A PARTICULAR TYPE OF MEDICARE SUPPLEMENT POLICY THAN
36 THE RATE CHARGED BY THE CARRIER FOR THE SAME TYPE OF MEDICARE
37 SUPPLEMENT POLICY TO INDIVIDUALS IN THE SAME COUNTY OR SAME ZIP CODE
38 WHO ARE AT LEAST 65 YEARS OLD AND ARE ELIGIBLE FOR MEDICARE DUE TO AGE.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
40 October 1, 2005.

