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By: **Senator Kelley**

Introduced and read first time: January 21, 2005

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Medicare Supplement Plan A 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 plan A policy than the rate charged by the carrier  
 6 to certain individuals who are eligible for Medicare due to age; requiring the  
 7 Maryland Insurance Administration to conduct a certain study and report its  
 8 findings to certain committees of the General Assembly on or before a certain  
 9 date; providing for a delayed effective date; providing for the termination of this  
 10 Act; and generally relating to Medicare supplement plan A policies under health  
 11 insurance.

12 BY repealing and reenacting, with amendments,  
 13 Article - Insurance  
 14 Section 15-909(b)  
 15 Annotated Code of Maryland  
 16 (2002 Replacement Volume and 2004 Supplement)

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

19 **Article - Insurance**

20 15-909.

21 (b) (1) If an application for a Medicare supplement policy or certificate is  
 22 submitted during the 6-month period beginning with the first month in which an

1 individual who is at least 65 years old first enrolls for benefits under Medicare Part  
2 B, a carrier:

3 (i) may not deny or condition the issuance or effectiveness of the  
4 Medicare supplement policy or certificate or discriminate in the pricing of the  
5 Medicare supplement policy or certificate because of the health status, claims  
6 experience, receipt of health care, or medical condition of the applicant; or

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

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

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

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

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

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

26 1. may not deny or condition the issuance or effectiveness of  
27 a Medicare supplement policy plan C or a Medicare supplement policy plan I because  
28 of the health status, claims experience, receipt of health care, or medical condition of  
29 the applicant; or

30 2. may not deny, reduce, or condition coverage to the  
31 applicant for a Medicare supplement policy plan C or a Medicare supplement policy  
32 plan I because of the health status, claims experience, or medical condition of the  
33 applicant or the use of medical care by the applicant.

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 plan C and the Medicare  
37 supplement policy plan I that are required to be offered under paragraph (3)(i) of this  
38 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 (6) ~~A CARRIER MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE~~  
6 ~~AGE OF 65 YEARS, BUT ARE ELIGIBLE FOR MEDICARE DUE TO A DISABILITY, A~~  
7 ~~HIGHER RATE FOR A PARTICULAR TYPE OF MEDICARE SUPPLEMENT POLICY THAN~~  
8 ~~THE RATE CHARGED BY THE CARRIER FOR THE SAME TYPE OF MEDICARE~~  
9 ~~SUPPLEMENT POLICY TO INDIVIDUALS IN THE SAME COUNTY OR SAME ZIP CODE~~  
10 ~~WHO ARE AT LEAST 65 YEARS OLD AND ARE ELIGIBLE FOR MEDICARE DUE TO AGE IF~~  
11 A CARRIER OFFERS A MEDICARE SUPPLEMENT PLAN A POLICY IN THE STATE, THE  
12 CARRIER MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE AGE OF 65 YEARS  
13 AND ARE ELIGIBLE FOR MEDICARE DUE TO A DISABILITY A HIGHER RATE FOR A  
14 MEDICARE SUPPLEMENT PLAN A POLICY THAN THE RATE CHARGED BY THE CARRIER  
15 FOR A MEDICARE SUPPLEMENT PLAN A POLICY SOLD TO INDIVIDUALS IN THE SAME  
16 COUNTY OR ZIP CODE WHO ARE AT LEAST 65 YEARS OLD AND ARE ELIGIBLE FOR  
17 MEDICARE DUE TO AGE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That ~~this Act shall take effect~~  
19 ~~October 1, 2005~~ the Maryland Insurance Administration shall study the impact of §  
20 15-909(b)(6) of the Insurance Article, as enacted by Section 1 of this Act, on the  
21 availability and affordability of all Medicare supplement policies in the State and  
22 shall report its findings, in accordance with § 2-1246 of the State Government Article,  
23 to the Senate Finance Committee and the House Health and Government Operations  
24 Committee on or before January 1, 2008.

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