

# SENATE BILL 84

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EMERGENCY BILL  
(PRE-FILED)

9lr0040

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By: **Chair, Finance Committee (By Request - Departmental - Insurance Administration, Maryland)**

Requested: September 30, 2008

Introduced and read first time: January 14, 2009

Assigned to: Finance

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## A BILL ENTITLED

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 Medicare supplement policy plan A than the rate charged by the carrier to  
8 certain individuals who are eligible for Medicare due to age; prohibiting a  
9 carrier from taking certain actions relating to a Medicare supplement policy  
10 plan A for certain reasons if an individual applies for the policy plan within a  
11 certain time period; making this Act an emergency measure; and generally  
12 relating to Medicare supplement plan A policies under health insurance.

13 BY repealing and reenacting, with amendments,  
14 Article - Insurance  
15 Section 15-909(b)  
16 Annotated Code of Maryland  
17 (2006 Replacement Volume and 2008 Supplement)

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

20 **Article - Insurance**

21 15-909.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (i) may not deny or condition the issuance or effectiveness of  
4 the 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 of  
9 the health status, claims experience, or medical condition of the applicant or the use of  
10 medical care by the applicant.

11 (2) Notwithstanding paragraph (1)(ii) of this subsection, 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] **MEDICARE SUPPLEMENT**  
16 **POLICY PLANS A, C, AND I** to an individual who is under the age of 65 years but is  
17 eligible for Medicare due to a disability, if an application for a Medicare supplement  
18 policy or certificate is submitted:

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

21 2. for an individual terminated from the Maryland  
22 Health Insurance Plan as a result of enrollment in Part B of Medicare, during the  
23 6-month period after the individual's termination.

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

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

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

35 **(III) FOR A MEDICARE SUPPLEMENT POLICY PLAN A**  
36 **REQUIRED TO BE MADE AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS**  
37 **PARAGRAPH, A CARRIER MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE**

1 AGE OF 65 YEARS, BUT ARE ELIGIBLE FOR MEDICARE DUE TO A DISABILITY, A  
2 RATE HIGHER THAN THE AVERAGE OF THE PREMIUMS PAID BY ALL  
3 POLICYHOLDERS AGE 65 AND OLDER IN THE STATE WHO ARE COVERED UNDER  
4 THAT PLAN A POLICY FORM.

5 (4) A carrier may elect to offer Medicare supplement policy plans to  
6 individuals who are under the age of 65 years, but eligible for Medicare due to a  
7 disability, in addition to the Medicare supplement policy [plan C and the Medicare  
8 supplement policy plan I] **PLANS A, C, AND I** that are required to be offered under  
9 paragraph (3)(i) of this subsection.

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

14 SECTION 2. AND BE IT FURTHER ENACTED, That a carrier that did not  
15 make available a Medicare supplement policy plan A to an individual who is under the  
16 age of 65 years but was eligible for Medicare due to a disability, or charged an  
17 individual who is under the age of 65 years but was eligible for Medicare due to a  
18 disability, a rate higher than the average of the premiums paid by all policyholders  
19 age 65 and older in the State who are covered under that plan A policy form between  
20 July 1, 2008, and the effective date of this Act may not deny or condition the issuance  
21 or effectiveness of a Medicare supplement policy plan A because of health status,  
22 claims experience, or medical condition of an individual who is under the age of 65  
23 years but is eligible for Medicare due to a disability and is currently enrolled with that  
24 same carrier in a Medicare supplement policy plan C offered in the State, provided  
25 that the individual applies for a Medicare supplement policy plan A with that same  
26 carrier no later than 63 days after the policy plan C renewal date.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
28 measure, is necessary for the immediate preservation of the public health or safety,  
29 has been passed by a ye and nay vote supported by three-fifths of all the members  
30 elected to each of the two Houses of the General Assembly, and shall take effect from  
31 the date it is enacted.