

SENATE BILL 84

C3

EMERGENCY BILL
(PRE-FILED)

9lr0040

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

Committee Report: Favorable

Senate action: Adopted

Read second time: January 23, 2009

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 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**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 15-909.

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

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

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

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

17 (3) (i) A carrier shall make available [both a Medicare supplement
18 policy plan C and a Medicare supplement policy plan I] **MEDICARE SUPPLEMENT**
19 **POLICY PLANS A, C, AND I** to an individual who is under the age of 65 years but is
20 eligible for Medicare due to a disability, if an application for a Medicare supplement
21 policy or certificate is submitted:

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

24 2. for an individual terminated from the Maryland
25 Health Insurance Plan as a result of enrollment in Part B of Medicare, during the
26 6-month period after the individual's termination.

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

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

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

1 **(III) FOR A MEDICARE SUPPLEMENT POLICY PLAN A**
2 **REQUIRED TO BE MADE AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS**
3 **PARAGRAPH, A CARRIER MAY NOT CHARGE INDIVIDUALS WHO ARE UNDER THE**
4 **AGE OF 65 YEARS, BUT ARE ELIGIBLE FOR MEDICARE DUE TO A DISABILITY, A**
5 **RATE HIGHER THAN THE AVERAGE OF THE PREMIUMS PAID BY ALL**
6 **POLICYHOLDERS AGE 65 AND OLDER IN THE STATE WHO ARE COVERED UNDER**
7 **THAT PLAN A POLICY FORM.**

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

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

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

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