

SENATE BILL 56

C3

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(PRE-FILED)

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

Requested: September 24, 2009

Introduced and read first time: January 13, 2010

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: January 26, 2010

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Medicare Supplement Policies – Repeal of Requirement**
3 **to Offer Plan I**

4 FOR the purpose of repealing a certain requirement that certain carriers make
5 available a Medicare supplement policy plan I to certain individuals if an
6 application for a Medicare supplement policy or certificate is submitted during
7 certain time periods; making conforming changes; and generally relating to
8 health insurance and Medicare supplement policies.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 15–909(b)
12 Annotated Code of Maryland
13 (2006 Replacement Volume and 2009 Supplement)

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

16 **Article – Insurance**

17 15–909.

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

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

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

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

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

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

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

25 (ii) For a Medicare supplement policy plan A[, C, or I] **OR C**
26 required to be made available under 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 A[, C, or I] **OR C** because of the
29 health status, claims experience, receipt of health care, or medical condition of the
30 applicant; or

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

35 (iii) For a Medicare supplement policy plan A required to be
36 made available under subparagraph (i) of this paragraph, a carrier may not charge
37 individuals who are under the age of 65 years, but are eligible for Medicare due to a

1 disability, a rate higher than the average of the premiums paid by all policyholders
2 age 65 and older in the State who are covered under that plan A policy form.

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

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 June 1, 2010.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.