

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 275

(Chair, Health Committee)(By Request - Departmental -
Maryland Insurance Administration)

Health

Finance

Medicare Supplement Policies - Issuance - Requirements

This departmental bill requires an insurance carrier that issues Medicare supplement policies in Maryland to issue such policies to individuals that meet specified criteria by establishing two 63-day special enrollment periods (SEPs). **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Any additional workload on the Maryland Insurance Administration (MIA) is anticipated to be minimal and absorbable with existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: MIA has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: A carrier must issue a Medicare supplement policy to a Medicare-eligible individual if the individual (1) was enrolled in Medicare Part B while enrolled in Medicaid; (2) was not disenrolled or terminated from Medicaid until at least six months following enrollment in Medicare Part B; (3) applies for the policy during the 63-day period following termination from Medicaid; and (4) submits evidence of the date of termination or disenrollment from Medicaid with the application for a Medicare supplement policy.

A carrier must also issue any Medicare supplement policy currently open to new enrollees to a Medicare-eligible individual if the individual (1) became eligible for Medicare before January 1, 2020; (2) qualifies under any federal SEP guaranteed issue right; (3) applies for the policy during the 63-day period following the qualifying event for the federal SEP guaranteed issue right; and (4) submits evidence of the date of the qualifying event for the federal SEP with the application for a Medicare supplement policy.

Current Law: For individuals aged 65 and older, federal law provides a one-time only open enrollment period during the first six months after enrollment in Medicare Part B. During this period, individuals can buy any Medicare supplement policy sold in the State. Maryland law requires carriers to extend a similar, limited open enrollment period to individuals younger than age 65 who are eligible for Medicare due to a disability.

During this open enrollment period, carriers may not deny or condition the issuance or effectiveness of a Medicare supplement; discriminate in the pricing of a policy; or deny, reduce, or condition coverage or apply an increase premium rating under such a policy because of the health status, claims experience, receipt of health care, or medical condition of the applicant. A Medicare supplement policy or certificate may not (1) exclude or limit benefits for losses incurred more than six months after the effective date of coverage because the losses involved a preexisting condition or (2) define a preexisting condition more restrictively than a condition for which a physician gave medical advice or recommended or gave treatment within six months before the effective date of coverage.

Generally, if an individual seeks to enroll in a Medicare supplement policy (or change policies) after this open enrollment period, guaranteed issue requirements do not apply. Thus, an individual may be subject to medical underwriting and/or charged higher premiums based on health status. However, Chapter 680 of 2022 requires a carrier that sells Medicare supplement policies to provide an enrolled individual the opportunity to switch to a different Medicare supplement policy with equal or lesser benefits within 30 days following the individual's birthday. A carrier may not deny or condition a new policy, discriminate in the pricing of the policy, or deny, reduce, or condition coverage because of the health status, claims experience, receipt of health care, or medical condition of the individual. A carrier must notify an insured of their right to switch policies at least 30 days, but no more than 60 days, before the insured's birthday.

Background: Following the end of the COVID-19 Public Health Emergency, a temporary provision allowed for an SEP following loss of Medicaid coverage. As that temporary provision has expired, the bill establishes a new 63-day SEP to ensure that individuals losing Medicaid – including under the Qualified Medicare Beneficiary (better known as QMB) or Specified Low-Income Medicare Beneficiary (better known as SLMB) programs – have a viable option outside of Medicare Advantage plans.

Changes to the federal Medicare Access and CHIP Reauthorization Act of 2014 closed new enrollment in Medicare Supplement plans C or F by prohibiting beneficiaries who became eligible for Medicare on or after January 1, 2020, from purchasing those specific supplement plans. Instead, those beneficiaries may choose new plans D or G, which mirror C and F but exclude coverage for the Medicare Part B deductible. The bill provides the same right to choose plans D or G to individuals who became eligible for Medicare *before* January 1, 2020.

While Maryland law allows all existing policyholders to switch to plans D or G without underwriting during their birthday month, those who became Medicare-eligible prior to January 1, 2020, do not have a straightforward option to access plans D or G, even when they are in a situation that qualifies them for an SEP with a guaranteed issue right. To access plan D or G, older Medicare beneficiaries who would like a Medicare supplement Plan D or G must choose a different supplement plan, stay on it until their birthday month, and then switch again to plan D or G.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 134 (Chair, Finance Committee)(By Request - Departmental - Maryland Insurance Administration) - Finance.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2026
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Medicare Supplement Policies - Issuance - Requirements

BILL NUMBER: HB 275

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PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The Maryland Insurance Administration (MIA) does not expect the proposed bill will have any meaningful economic impact on Maryland small businesses.