

2019 -- H 5384

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO INSURANCE - MEDICARE SUPPLEMENT INSURANCE POLICIES

Introduced By: Representatives Kennedy, Shekarchi, Ucci, Azzinaro, and Marshall

Date Introduced: February 14, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-18.2-3 of the General Laws in Chapter 27-18.2 entitled
2 "Medicare Supplement Insurance Policies" is hereby amended to read as follows:

3 **27-18.2-3. Standards for policy provisions.**

4 (a) No Medicare supplement insurance policy or certificate in force in the state shall
5 contain benefits which duplicate benefits provided by Medicare.

6 (b) Notwithstanding any other provision of law of this state, a Medicare supplement
7 policy or certificate shall not exclude or limit benefits for loss incurred more than six (6) months
8 from the effective date of coverage because it involved a preexisting condition. The policy or
9 certificate shall not define a preexisting condition more restrictively than a condition for which
10 medical advice was given or treatment was recommended by or received from a physician within
11 six (6) months before the effective date of coverage.

12 (c) The director shall adopt reasonable regulations to establish specific standards for
13 policy provisions of Medicare supplement policies and certificates. Those standards shall be in
14 addition to and in accordance with the applicable laws of this state, including but not limited to §§
15 27-18-3(a) and 42-62-12 and regulations promulgated pursuant to those sections. No requirement
16 of this title or chapter 62 of title 42 relating to minimum required policy benefits, other than the
17 minimum standards contained in this chapter, shall apply to Medicare supplement policies and
18 certificates. The standards may cover, but not be limited to:

19 (1) Terms of renewability;

- 1 (2) Initial and subsequent conditions of eligibility;
- 2 (3) Nonduplication of coverage;
- 3 (4) Probationary periods;
- 4 (5) Benefit limitations, exceptions, and reductions;
- 5 (6) Elimination periods;
- 6 (7) Requirements for replacement;
- 7 (8) Recurrent conditions; and
- 8 (9) Definitions of terms.

9 (d) The director may adopt reasonable regulations that specify prohibited policy
10 provisions not specifically authorized by statute, if, in the opinion of the director, those provisions
11 are unjust, unfair, or unfairly discriminatory to any person insured or proposed to be insured
12 under a Medicare supplement policy or certificate.

13 (e) The director shall adopt reasonable regulations to establish minimum standards for
14 benefits, claims payment, marketing practices, and compensation arrangements and reporting
15 practices for Medicare supplement policies and certificates.

16 (f) The director may adopt any reasonable regulations necessary to conform Medicare
17 supplement policies and certificates to the requirements of federal law and regulations
18 promulgated pursuant to federal law, including but not limited to:

19 (1) Requiring refunds or credits if the policies or certificates do not meet loss ratio
20 requirements;

21 (2) Establishing a uniform methodology for calculating and reporting loss ratios;

22 (3) Assuring public access to policies, premiums, and loss ratio information of issuers of
23 Medicare supplement insurance;

24 (4) Establishing a process for approving or disapproving policy forms and certificate
25 forms and proposed premium increases;

26 (5) Establishing a policy for holding public hearings prior to approval of premium
27 increases which may include the applicant's provision of notice of the proposed premium increase
28 to all subscribers subject to the proposed increase, at least ten (10) days prior to the hearing; and

29 (6) Establishing standards for Medicare select policies and certificates.

30 (g) Each Medicare supplement policy or applicable certificate that an issuer currently, or
31 at any time hereafter, makes available in this state shall be made available to any applicant under
32 the age of sixty-five (65) who is eligible for Medicare due to a disability, including, without
33 limitation, end-stage renal disease, provided that the applicant submits their application during the
34 first six (6) months immediately following the applicant's enrollment in Medicare Part B. The

1 issuance or coverage of any Medicare supplement policy pursuant to this section shall not be
2 conditioned on, nor shall the price of the policy be discriminatory based upon the medical or
3 health status or receipt of health care by the applicant; and no insurer shall perform individual
4 medical underwriting on any applicant in connection with the issuance of a policy pursuant to this
5 section.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO INSURANCE - MEDICARE SUPPLEMENT INSURANCE POLICIES

1 This act would provide that Medicare supplement policies be made available to Medicare
2 eligible disabled individuals under the age of sixty-five (65).

3 This act would take effect upon passage.

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