

2025 -- H 5494 SUBSTITUTE A

LC001358/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO INSURANCE -- MEDICARE SUPPLEMENT INSURANCE POLICIES

Introduced By: Representatives Fogarty, Donovan, Hull, Spears, Carson, Bennett,
Dawson, Noret, Handy, and Kazarian
Date Introduced: February 13, 2025

Referred To: House Health & Human Services

(OHIC)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 27-18.2-3 and 27-18.2-3.1 of the General Laws in Chapter 27-18.2
2 entitled "Medicare Supplement Insurance Policies" are 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 contain
5 benefits that duplicate benefits provided by Medicare.

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

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

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

16 (f) The commissioner may adopt any reasonable regulations necessary to conform
17 Medicare 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 forms
25 and proposed premium increases;

26 (5) Establishing a policy for holding public hearings prior to approval of premium increases
27 that may include the applicant's provision of notice of the proposed premium increase to all
28 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 Plan A policy or applicable certificate that an issuer
31 currently, or at any time hereafter, makes available in this state shall be made available to any
32 applicant under the age of sixty-five (65) who is eligible for Medicare due to a disability or end-
33 stage renal disease, provided that the applicant submits their application during the first six (6)
34 months immediately following the applicant's initial eligibility for Medicare Part B, or alternate

1 enrollment period as determined by the commissioner. The issuance or coverage of any Medicare
2 supplement policy pursuant to this section shall not be conditioned on the medical or health status
3 or receipt of health care by the applicant; and no insurer shall perform individual medical
4 underwriting on any applicant in connection with the issuance of a policy pursuant to this
5 subsection.

6 (1) Any individual under the age of sixty-five (65) enrolled in a Medicare supplement Plan
7 A by reason of disability or end-stage renal disease pursuant to subsection (g) of this section, shall
8 receive a six (6) month open enrollment period for any policy or applicable certificate that an issuer
9 currently makes available in this state beginning on the first day of the month in which the
10 individual both attains the age of sixty-five (65) and remains enrolled in Medicare Parts A & B.

11 ~~(h) Individuals enrolled in Medicare Parts A and B applying for a Medicare supplement~~
12 ~~plan, regardless of age, shall receive guaranteed issue rights for standardized Medicare Supplement~~
13 ~~Plan A during an annual enrollment period of at least one month each calendar year, as established~~
14 ~~by the issuer. The issuance or coverage of any Medicare supplement policy pursuant to this section~~
15 ~~shall not be conditioned on the medical or health status or receipt of health care by the applicant;~~
16 ~~and no insurer shall perform individual medical underwriting in connection with the issuance of a~~
17 ~~policy pursuant to this subsection; provided:~~

18 ~~(1) That the applicant, having been enrolled in Medicare Part A and Part B, enrolled in a~~
19 ~~Medicare Advantage plan under Medicare Part C, and remains enrolled in such a plan when the~~
20 ~~Medicare supplement application is submitted.~~

21 Each year, for the duration of the Medicare Annual Enrollment Period (AEP) for coverage
22 with an effective date of January 1 of the following year, an individual enrolled in a Medicare
23 supplement policy or Medicare Advantage plan who has been covered by any Medicare supplement
24 policy(s) or Medicare Advantage plan(s) with no gap in coverage greater than ninety (90) days
25 beginning from that individual's Medicare Initial Enrollment Period (IEP), shall be afforded
26 guaranteed issue rights for any available Medicare supplement policy or applicable certificate that
27 an issuer currently makes available in this state.

28 (1) The issuance or coverage of any Medicare supplement policy pursuant to subsection
29 (h) of this section shall not be conditioned on the medical or health status or receipt of health care
30 by the applicant and no issuer shall perform individual medical underwriting on any applicant in
31 connection with the issuance of a policy pursuant to this subsection.

32 (2) For those individuals under the age of sixty-five (65) enrolled in a Medicare Advantage
33 or Medicare supplement Plan A due to a disability, pursuant to subsection (g) of this section the
34 individual shall be afforded guaranteed issue rights for every Medicare supplement Plan A policy

1 or applicable certificate that an issuer, makes available in this state. Coverage shall be afforded
2 pursuant to subsection (h)(1) of this section.

3 **27-18.2-3.1. Premium rate review.**

4 (a) An issuer shall not deliver or issue for delivery a policy or certificate to a resident of
5 this state unless the policy form or certificate form has been filed with and approved by the
6 commissioner in accordance with filing requirements and procedures prescribed by the
7 commissioner.

8 (b) The commissioner shall review the rate, rating formula, or rate manual filing and
9 approve the filing, propose to the health insurance issuer how the filing can be amended and
10 approved, or take other actions separately or in combination as the commissioner deems appropriate
11 and as authorized by law.

12 (1) For any rate filing subject to a public comment period, as determined by the
13 commissioner, the issuer shall bear the reasonable expenses of the commissioner in connection
14 with the filing including, but not limited to, any costs related to the compensation of actuaries or
15 other experts appointed by the commissioner to assist in reviewing the issuers requested rates.

16 (2) In the event the commissioner determines that a public hearing on a rate filing is
17 necessary, in addition to subsection (b)(1) of this section, the issuer shall also bear the reasonable
18 expenses associated with that public hearing, including without limitation costs relating to
19 advertisements, legal counsel, expert fees, and stenographic reporting.

20 (c) The commissioner may approve, disapprove, or modify the rates, rating formula, or
21 rating manual filed by the issuer.

22 (d) A health insurance rate, rating formula, or rate manual shall not be approved unless the
23 commissioner determines that the health insurance issuer has demonstrated to the satisfaction of
24 the commissioner that it is consistent with the proper conduct of the business of the issuer, and
25 consistent with the interests of the public. In considering the interests of the public, the
26 commissioner shall seek to ensure affordability and to minimize unreasonable disparities in access
27 to coverage.

28 (e) The office of the health insurance commissioner shall evaluate the impact of adopting
29 a community rating structure for Medicare supplement plans and certificates. The commissioner
30 shall further review the notification process for enrollment periods, frequency, and outreach by the
31 insurer. On or before January 1, 2026, the office shall report to the general assembly on its findings
32 and recommendations.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would add several consumer protections to existing Medicare Supplement law.
- 2 This act would take effect upon passage.

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