

MAINE STATE LEGISLATURE

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L.D. 902

DATE: 4.15.03

(Filing No. S-56)

INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 298, L.D. 902, Bill, "An Act To Create Equality in Medicare Supplement Insurance Policies"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 24-A MRSA §5002-B, sub-§§1 and 2, as enacted by PL 1999, c. 36, §4, are amended to read:

1. **Persons provided continuity of coverage.** This section provides continuity of coverage for a person who has a Medicare supplement policy and seeks coverage under a new Medicare supplement policy with the same or lesser benefits if:

A. ~~That person was previously covered under a Medicare supplement policy, including a person entitled to Medicare benefits due to disability, has been covered under a policy that supplemented benefits under Medicare with no gap in coverage greater than 90 days beginning with the person's open enrollment period. A policy supplementing benefits payable under Medicare may include an individual health policy, a group health plan, a Medicare supplement policy or other coverage issued by the same or a different carrier. For purposes of this section, the Medicare supplement policy under which the person is seeking coverage is the "succeeding policy." The Medicare supplement policy that previously covered the person is the "prior policy";~~

COMMITTEE AMENDMENT

2 B. ~~Coverage under the prior Medicare supplement policy~~
3 ~~terminated within 90 days before the date the person applies~~
4 ~~for the succeeding policy; and~~

5 C. ~~The prior policy was issued during the insured's open~~
6 ~~enrollment period or was issued to replace another Medicare~~
7 ~~supplement policy and the insured had continuous coverage~~
8 ~~beginning in the insured's open enrollment period with no~~
9 ~~gap in coverage in excess of 90 days. For purposes of this~~
10 ~~section, any Medicare supplement policy that covered the~~
11 ~~person before the prior policy is an "earlier policy."~~

12
13 **2. Prohibition against discontinuity.** The insurer shall,
14 for any person described in subsection 1, waive any medical
15 underwriting or preexisting conditions exclusion to the extent
16 that benefits would have been payable under the prior Medicare
17 supplement policy and any earlier Medicare supplement policy if
18 those policies were still in effect. This subsection does not
19 require the succeeding insurer to pay any benefits that are not
20 within the terms of coverage of the succeeding policy solely
21 because they would have been paid by the prior policy.

22
23 **Sec. 2. 24-A MRSA §5010-A**, as amended by PL 1993, c. 547,
24 §5, is further amended to read:

25 **§5010-A. Coverage of the disabled**

26
27 An issuer offering coverage under a Medicare supplement
28 policy in this State shall offer coverage under its standardized
29 plans to all individuals, regardless of age, who are entitled to
30 Medicare benefits due to disability. An issuer shall offer such
31 coverage during an individual's open enrollment period under any
32 of the policies offered by the issuer to persons eligible for
33 Medicare benefits due to age. An issuer shall also offer
34 standardized Medicare Supplement Plan A to persons entitled to
35 Medicare benefits due to disability during the guaranteed issue
36 period as set forth in section 5012. An individual who is
37 entitled to Medicare benefits due to disability must be provided
38 continuity of coverage in accordance with section 5002-B.
39 Issuers shall give notice of Medicare supplement coverage to
40 individuals enrolled in Medicare in advertising of Medicare
41 supplement policies intended for use in this State. By January
42 1, 1994, the superintendent shall establish rules to ensure that
43 the notice of the availability of coverage for the disabled is
44 sufficiently advertised.
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SUMMARY

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This amendment replaces the bill. The amendment clarifies that guaranteed issuance of Medicare supplement policies extends to persons who have maintained coverage supplementing benefits under Medicare beginning with their open enrollment period. It also provides that the coverage supplementing benefits under Medicare includes coverage under a Medicare supplement policy as well as coverage under an individual policy or group health plan. The amendment retains the provision in the original bill providing guaranteed issuance for Medicare supplement insurance policies to persons entitled to Medicare benefits due to disability.